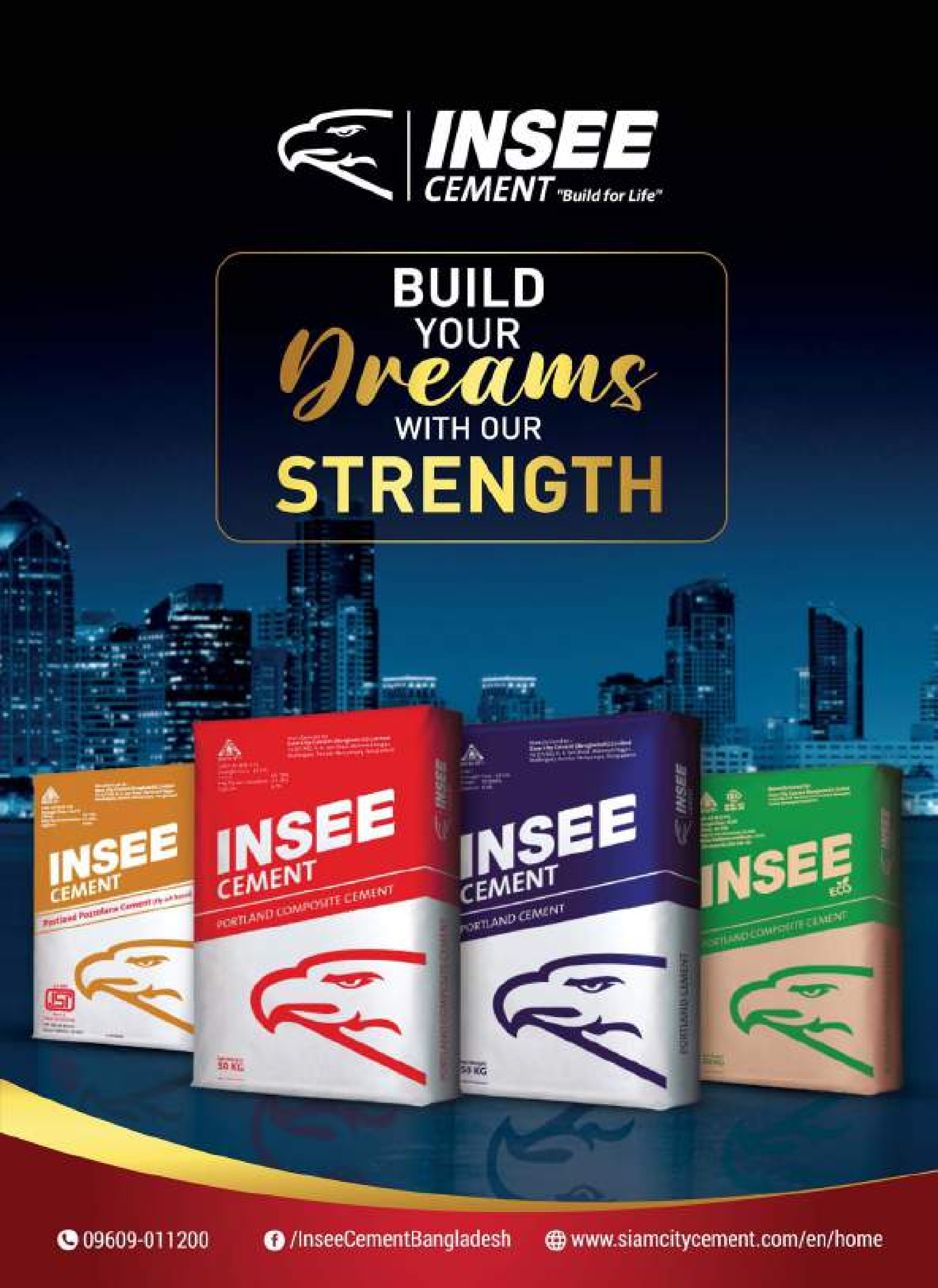
FICCI Special Bulletin

FOREIGN DIRECT INVESTMENT (FDI): THE POWERFUL CATALYST OF BANGLADESH'S FUTURE ECONOMIC GROWTH & DEVELOPMENT

August - September 2024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60 YEARS OF EXCELLENCE

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From the desk of Editor

We publish the FICCI Monthly Bulletin every month. This month, we are releasing a Special Edition of the FICCI Monthly Bulletin dedicated to Foreign Direct Investment (FDI). Attracting FDI requires more than just economic incentives; it is essential to foster an investment climate that positions Bangladesh as a preferred destination for investors. To build investor confidence, we recommend following a 3C framework: 1) Credibility of the sovereign to honor its commitments; 2) Consistency of policies and regulations; 3) Capability of institutions.

Tax and customs laws in Bangladesh can be quite complex. Establishing an integrated digital architecture for customs, tax, and VAT would create a seamless and efficient taxation system, which would attract and encourage more FDI.

There have been gradual improvements in infrastructure development; however, inefficiencies in logistics and infrastructure continue to pose significant challenges to competitiveness. Our inaugural National Logistics Policy has been crafted based on participatory stakeholder engagement, and now we must focus on implementing the execution plans.

In addition to our regular activities, we, as a business chamber, organize monthly events such as Luncheon Meetings and Leaders Talks, pursuing our continuous goal of exploring potential avenues for business and investment.

Creating an exclusive country brand for unique visibility is integral to investment promotion. We need to look beyond economic incentives and connect on an emotional level to build empathy for the Bangladesh brand. It is time to reinvent ourselves and encourage foreign investors to embrace the idea of Bangladesh.

In this special bulletin, we acknowledge the contributions of various Diplomats in Bangladesh who have shared their insights on the investment landscape of Bangladesh. This issue is also enriched by articles from different stakeholders and industry leaders. We are proud to feature an exclusive interview with the newly appointed Executive Chairman of BIDA and BEZA, Mr. Ashik Chowdhury. We sincerely believe that the FICCI Special Bulletin will serve as a valuable reference document regarding the investment climate in Bangladesh. On behalf of FICCI, we express our heartfelt gratitude to everyone for their significant contributions.

T. I. M. Nurul Kabir

MESSAGE FROM THE PRESIDENT

Dear Fellow Members, Colleagues, and Stakeholders,

As we navigate these challenging times, it is my privilege to address you in the FICCI Special Bulletin, August-September 2024 edition. Our theme, "Foreign Direct Investment (FDI): The Powerful Catalyst of Bangladesh's Future Economic Growth & Development," is both timely and crucial.

Bangladesh stands at a pivotal moment, showcasing remarkable resilience and potential. Despite global uncertainties, our commitment to fostering a favorable investment climate remains strong. FDI not only brings financial resources but also introduces innovative technologies, enhances skills, and strengthens local industries. To achieve sustainable growth, we must leverage these investments to drive job creation, boost exports, and enhance overall productivity.

The recent change in government leadership presents a unique opportunity to reshape our economic landscape. FDI has been, and will continue to be, a cornerstone of our economic strategy, fueling growth, innovation, and development across all 21 sectors represented by FICCI.

In this edition, we tried to explore how FDI can be harnessed to propel our economic ambitions. We delved into success stories, investment opportunities across various sectors, and supportive policies currently in place, along with the required reforms to attract foreign investors. Our goal is to inspire collaboration among local and foreign businesses, as well as government, fostering a synergistic environment for growth.

As we distribute this edition to the Interim Government, we hope these insights will serve as a valuable resource for shaping policies that attract and sustain FDI. Together, we can harness the power of FDI to drive Bangladesh's future economic growth and development.

I would like to extend my heartfelt gratitude to all the member companies, industry leaders, and stakeholders for their outstanding contributions, which have greatly enhanced our bulletin. I also deeply appreciate the patrons, sponsors, and the FICCI Secretariat for their significant efforts in making the publication of our bulletin possible.

Warm Thanks and Regards

Zaved Akhtar
President, FICCI

Mr. Ashik Chowdhury, CFA
Executive Chairman
BIDA and BEZA
Chief Adviser's Office

Mr. Ashik Chowdhury, CFA, has recently been appointed as the Executive Chairman of both the Bangladesh Investment Development Authority (BIDA) and the Bangladesh Economic Zones Authority (BEZA). With his extensive experience in finance and investment, Mr. Chowdhury is set to guide BIDA and BEZA towards new horizons. In this exclusive interview, FICCI delves into his vision for BIDA and BEZA, the strategic initiatives he aims to implement, and his insights on the evolving landscape of investment in Bangladesh. This interview explores the thoughts and aspirations of a leader dedicated to driving economic growth and development.

Q1. What are your thoughts about taking charge of BIDA and BEZA as their first Executive Chairman from the private sector? How do you plan to use your expertise for BIDA and BEZA, and what changes can we expect?

It is a great responsibility, but the opportunity to serve Bangladesh is my highest privilege. I am excited to combine reliable public services with the dynamism of the private sector. BIDA and BEZA both have untapped knowledge and resources, and I look forward to putting them to work. We envision to reform our practices by putting our investors at the core of our activities. There is a lot of desire within these organizations to learn and adapt to global best practices and I am very happy to support that. An example would be to adopt a relationship-based model to foster long-term ties between investors and investment promoters. This method helps build credibility, resolve challenges and makes investors more inclined to commit to long-term projects.

Q2. Bangladesh has faced image challenges regarding governance, ease of doing business etc. How do you intend to tackle that?

The support we provide to current investors will shape our global reputation. It has been said before, but now it must be internalized - our investors are our global ambassadors. Our high-growth economy already generates a lot of investment interest. But to materialize these, we need a supportive narrative and standardized facilitation services, which are our key focus. So, my most fundamental approach to improving our global image is to develop a pipeline of success stories - stories of real support, and making sure these are told in the right places by the right people.

Q3. Having had a successful career in finance and investment, what specific strategies will you implement to attract high-quality FDI into Bangladesh, especially in competitive global markets?

Our strategy is to consistently communicate our strengths, be it our vibrant domestic market driven by young consumers, growing skills or enabling the infrastructure. Promotional efforts can be shaped through collaboration with existing foreign investors and the cooperation will ensure that we are speaking the language of our global audiences. The goal will be to attract projects that are sustainable, mutually advantageous and resilient to risks. We can target overlooked but high-potential areas like ESG investments. As a climate-vulnerable country, Bangladesh can attract the massive ESG community, while aligning with the Hon'ble Chief Adviser's Three Zero Theory. This can drive real inclusive growth, create new jobs in knowledge-driven sectors like renewable energy, agriculture and healthcare - while contributing to a zero-carbon future.

Q4. What reforms or policy changes do you envision to streamline investment processes and reduce bureaucratic hurdles for both foreign and local investors? How do you think we can create ease of doing things by simplifying the regulatory environment?

One of the things that I was impressed to find is that my offices and the business community already have a reliable assessment of what needs to be done. The challenge lies in execution. Building institutional processes requires strong conviction. We should consider an impact-based reforms model to prioritize the most egregious pain points. The necessary consensus can be achieved by harnessing the country's current reformative mood. The 90, 180, and Beyond Framework will also give clarity to our action plan, ensuring systematic public engagement on progress.

Q5. What long-term outcomes do you hope to achieve during your tenure, and how will you measure success in terms of improving Bangladesh's investment climate and economic growth?

We aspire to emerge as model government offices by the end of my first year. We would then put ourselves on track to become world-class IPAs. It is reassuring to the find that the essential elements of success are already in place. Higher volume and diversity of investments across sectors will indicate strong performance. But most importantly, raising the level of satisfaction and comfort of our existing foreign investors will make them devoted ambassadors of Bangladesh: the most evident marker of our success.

Ashik Chowdhury is the Executive Chairman of the Bangladesh Investment Development Authority (BIDA) and the Bangladesh Economic Zones Authority (BEZA). He holds the rank of Senior Secretary and is the first private sector leader to head these key investment promotion agencies (IPAs) under the Chief Adviser's Office.

Previously, Mr. Chowdhury was an investment banker at HSBC Singapore, specializing in infrastructure and sustainable finance. His expertise spans across advisory, investment strategy, M&A and strategic planning. He began his banking career at the Standard Chartered and headed finance at American Airlines, covering Europe and Asia. He has also advised the Grameen Telecom Trust.

Mr. Chowdhury has an MSc in Finance from the London Business School, where he was awarded an Alumni Scholarship. He got his BBA in Finance and Economics from the Institute of Business Administration at Dhaka University. He has advised the Brunel Business School in London and taught business at Dhaka's Bangladesh University of Professionals as a visiting professor. He is also a Chartered Financial Analyst (CFA).

He is a certified skydiver and holds the Guinness World Record for the longest freefall with a flag. He is also a private pilot licensed in the UK.

Michael Miller
Ambassador and Head of Delegation
Delegation of the European Union
in Bangladesh

Delegation of the European Union to Bangladesh

"The European Union (EU's) partnership with Bangladesh is deep and multifaceted, encompassing political, trade, investment, green transition and connectivity matters, amongst others.

The EU's Global Gateway approach underpins our work and the EU, member states and the European Investment Bank (alone with investments approaching EUR 900 million in Bangladesh) work as Team Europe to deliver, together.

Trade remains at the heart of EU-Bangladesh relations, with RMG exports dominating and Bangladesh a powerhouse in this sector. Our common aim is now to balance out our relations to help diversify trade and to boost Foreign Direct Investment (FDI) from the EU. Indeed, although the EU is one of the largest investors in Bangladesh, with an FDI stock exceeding €2 billion, this figure is very low in comparison with regional competitors, bearing in mind the sustained dynamism of the Bangladesh economy.

In this light, we see two immediate priorities to take forward with the interim government. The first is to simplify procedures, lower costs and render fully transparent all steps required to do business. We are active in working to help the authorities improve economic governance across the board and investment will follow efforts that are consistent and successful.

The second is to ensure that the next generation here in Bangladesh, whose aspirations are so self-evident, possess the skills to succeed in the labour market - via better education, upskilling and reskilling.

These priorities will of necessity continue to be addressed through the lens of sustainability, with the green transition, our common decent work agenda, social protection and domestic revenue mobilisation all key factors that the EU will put at the forefront of its work - in this incredible country I now have the pleasure of getting to know!"

Australian High Commission in Bangladesh

Clinton Pobke
Deputy High Commissioner
Australian High Commission in
Bangladesh

"Momentum in Australia and Bangladesh's economic relationship continues to grow from strength to strength. Annual two-way trade now stands at more than 28 thousand crore Taka (AUD 4 billion), having grown by around 11 per cent per year over the last decade. There is a great complementarity between our markets, with Australia supplying agricultural products as well as raw materials that Bangladesh can add value to in its burgeoning manufacturing sector, including its fast growing ready made garment exports back to Australia! Bangladesh enjoys duty free and quota free access to the Australian market, and will continue to do so after graduation from Lesser Developed Country (LDC) status. Over the longer term, this strength in the trading relationship will drive opportunities in foreign direct investment, especially as our people-to-people links continue to grow through the ever-increasing Bangladeshi student population and diaspora in Australia. Australian expertise in the energy, mining and healthcare sectors are potential areas where FDI could help support economic development in Bangladesh. The Interim Government's commitment to economic reform will doubtlessly yield further opportunities for trade and investment. We are committed to growing our economic relationship through the tireless work of our export and investment promotion authority, Austrade (watch this space). Earlier this year Australia had the privilege of welcoming a delegation of around 100 Bangladesh business people and in 2025, we look forward to the largest ever Australia Bangladesh Business Expo to be held in Sydney, hosted by the Australia Bangladesh Business Forum."

Paulo Fernando Dias Feres
Ambassador
Embassy of Brazil in Bangladesh

Embassy of Brazil in Bangladesh

"Bangladesh presents a dynamic and evolving investment landscape, driven by a young workforce, strategic location, and growing domestic market making it increasingly attractive to foreign investors. In 2022, foreign direct investment (FDI) reached $ 3.5 billion, reflecting global confidence in the country's potential. Key sectors such as textiles, garments, and pharmaceuticals are major contributors, alongside the rapidly expanding information technology and renewable energy sectors. Bangladesh's competitive workforce, strategic location, and emerging middle class provide strong incentives for investors.

The government's commitment to enhancing the business environment is evident in the development of over 100 Special Economic Zones (SEZs) and regulatory reforms aimed at simplifying procedures and offering incentives like tax holidays and duty exemptions. These measures have helped improve Bangladesh's ease of doing business ranking. However, challenges remain, including regulatory bottlenecks and infrastructural limitations, particularly in transport and energy.

In my diplomatic capacity, I view Bangladesh as a country with significant long-term investment potential, provided that investors stay informed and adaptable to its evolving regulatory framework."

Canada

High Commission of Canada in Bangladesh

"As Canada's acting high commissioner to Bangladesh, I am proud to acknowledge the longstanding and robust trade and investment relationship between our two nations. Our collaboration has paved the way for important economic growth and prosperity for both countries.

To accelerate this progress, it is crucial that we work together on appropriate policy regulations that will strengthen the business and investment climate in Bangladesh. By creating a more conducive environment for investment, we can unlock new avenues for cooperation and innovation.

Canada is committed to supporting initiatives that enhance our economic ties, and we look forward to continuing our work together to ensure sustainable development and shared success in the years to come."

Debra Boyce
Acting High Commissioner
High Commission of Canada in Bangladesh

Embassy of Denmark
in Bangladesh

Christian Brix Møller
Ambassador
Embassy of Denmark in Bangladesh

"Sustainable Partnerships to Strengthen the Investment Landscape in Bangladesh 2.0?

Transitioning to "Bangladesh 2.0," its evolving economy presents substantial opportunities for foreign investors, particularly in sectors like energy, infrastructure, and manufacturing. Denmark, as a committed partner, has an investment pipeline of over USD 2.3 Billion across projects like utility-scale offshore wind energy, green port development, and water treatment, demonstrating a shared vision for sustainable growth. The Danish-Bangla bilateral trade in the last fiscal year exceeded $1.6 Billion, probably the highest trade per capita for Bangladesh with any country in the world, and holds promise for more growth through sustainable business partnerships.

Despite recent political unrest that has impacted business operations, Bangladesh remains poised in its progress to become more integrated into global supply chains. Moving forward, critical reforms to strengthen the rule of law, good governance, and simplify the regulatory landscape will be essential in ensuring continued investor confidence. Fostering a more predictable and transparent business environment, will allow businesses to better navigate challenges while unlocking new opportunities for growth.

Denmark stands firmly alongside Bangladesh in this journey to support a robust business environment. We believe that strategic reforms will allow Bangladesh to emerge as a destination for high quality foreign investment. Denmark remains engaged to partake in this shared future of sustainable prosperity."

AMBASSADE
DE FRANCE
AU BANGLADESH
Liberté
Égalité
Fraternité

Embassy of France
in Bangladesh

"According to the Bangladeshi think-tank Center for Policy Dialogue (CPD), corruption is the main factor behind the low performance of Bangladesh in ease-of-doing-business indexes according to companies. In this regard, the new roadmap of the interim government which aims at tackling endemic corruption is one of the keys to boost trade as well as investment in Bangladesh and France is keen to support upcoming reforms to strengthen the capacity of the Anti-Corruption Commission (ACC) and other related agencies. In a country that has consistently experienced low FDI levels, creating an enabling environment will support both the foreign exchange position of the country and the creation of quality employment - two of the important challenges Bangladesh is facing today."

Marie Masdupuy
Ambassador
Embassy of France in Bangladesh

Embassy of Italy in Bangladesh

Antonio ALESSANDRO
Ambassador
Embassy of Italy in Bangladesh

"With its large internal market and huge margins for further growth Bangladesh provides interesting opportunities to foreign investors, especially in textile, leather, agriculture, food processing, renewable energies and manufacturing industry.

Italian small and medium companies have proven to be excellent suppliers of industrial machinery to the emerging Bangladeshi industry, offering appropriate solutions for the Country's stage of development.

Now we see room for a new gear. Italian companies can provide more added value, such as design, sustainability and technology, while the local business environment is likely to become more efficient following the strong push for reform that the Country is experiencing.

Progress in two areas is particularly needed: human resources and international image. Skilled people should be able to find valuable work opportunities at home rather than migrating. Bangladesh can do better under the present developments in presenting itself as a reliable economic system, well integrated in the South Asia region, respectful of the rule of law and ready to welcome foreign partners."

Embassy of Japan

Embassy of Japan in Bangladesh

IWAMA Kiminori
Ambassador
Embassy of Japan in Bangladesh

"First, thank you for the opportunity for us to contribute our comment in your bulletin.

The interim government was established on August 8th, and Bangladesh has begun to build a new country. Despite the political instability since July, among the 300 Japanese companies that expand their business in Bangladesh, none of them have decided to withdraw and factories kept operating so far. Construction of Japan-funded projects also continued despite the difficult circumstances.

However, it is important to attract new investment from Japan. For this to happen, stabilizing public safety and improving the investment environment will be utmost significant.

The situation remains unstable in the EPZ and other areas. We are aware that various efforts are being made to improve the situation and we hope they will succeed in developing a stable business environment.

To improve the investment environment, Japan and Bangladesh have been discussing various investment challenges for years. We understand that the simplification of custom procedures and the improvement of transparency in administrative procedures are priorities of the interim government. We hope that visible reforms will progress for creating attractive business environment.

In view of the graduation from the LDC status, the Japanese government began negotiations with Bangladesh on an Economic Partnership Agreement (EPA) in May 2024. We hope that these negotiations will resume soon and contribute to the creation of a framework for improving the investment climate.

Japan will continue to stand by Bangladesh and work together to further strengthen the relations between the two countries."

Haznah Md. Hashim
High Commissioner
High Commission of Malaysia
in Bangladesh

High Commission of Malaysia in Bangladesh

"It is with great honor that I underscore the close bilateral relations between Malaysia and Bangladesh. Indeed, Malaysia was among the earliest countries and the first Muslim countries that recognised an independent and sovereign Bangladesh back in 1971.

Since then, the collaboration between the two brotherly nations is deeply rooted in mutual respect and a shared vision for economic growth.

In this regard, the commitment of the Bangladesh Government in fostering a business-friendly environment, coupled with a young and dynamic workforce, presents numerous opportunities for foreign investors. As such, Malaysian companies are particularly interested in exploring sectors such as technology, telecommunications, and renewable energy, which align with Bangladesh's growth ambitions.

Indeed, I have to highlight the contribution made by the subsidiaries of Malaysian Government-linked Companies (GLC) of Axiata Group in Bangladesh, namely Robi Axiata and EDOTCO Bangladesh, which had played a pivotal role in advancing Bangladesh's economy and society.

While recognising the existence of regulatory and policy challenges that may form an obstacle to business operations, I wish to also emphasise that there is optimism that these issues will be addressed by the relevant authorities, thus will enable the unlocking of further potential in our collaboration. Bangladesh is a land rich in opportunities and reform, and together, this potential can be harnessed to foster sustainable development for both nations. Such continued collaboration will then undoubtedly elevate business ties to new heights."

NL Netherlands

Irma van Dueren
Ambassador
Embassy of the Netherlands in
Bangladesh

"The Netherlands and Bangladesh are proving that friendship fuels progress. Close ties between our countries, and our business communities, exist for over five decades. Over 200 Dutch companies are already making positive impact by doing business in Bangladesh and the Netherlands is in the top 5 of FDI countries.

Dutch companies and expertise contribute to the economic development in Bangladesh. Our key to success is partnerships, we promote doing business in a responsible way in policy and in practice. "NL" stands for innovation, quality and sustainable solutions.

Also Dutch organizations and companies are playing in multiple ways a part in the growth of individuals, businesses and supply chains. From CBI working with SMEs for export promotion, empowering young Bangladeshi entrepreneurs in Orange Corners and taking advantage of seasoned Dutch experts through PUM - to supply chain improvement programs for example in onions, poultry and sustainable horticulture that contribute to food security.

The Netherlands and Bangladesh, both delta countries, work together to tackle water challenges. We are seeing increased interest from Dutch maritime companies to do business in Bangladesh, which can further unlock the trade potential of the ports, seas and rivers. Also the green transition, like circularity in RMG, has sparked interest in the Netherlands and will be at the core of our efforts.

I have seen during my tenure in Bangladesh the entrepreneurial mindset and economic development that is ongoing and I am convinced that the synergy of all public and private efforts creates an even more conducive business and investment environment for Dutch companies in a thriving private sector."

Håkon Arald Gulbrandsen
Ambassador
Royal Norwegian Embassy in Bangladesh

Norwegian Embassy

"Bangladesh is often described as the land of untapped opportunities. The country offers a domestic market, strategic location, and demographic dividend. It enjoys stunning economic growth, a highly adaptive and competitive workforce and several high potential industrial sectors.

Bangladesh is at a critical turning point: A new interim government with political and economic reforms on their agenda, and the graduation from the least developed country (LDC) category that is to take place in 2026.

The largest Norwegian investment in Bangladesh is in the telecom sector by Telenor with 55.8 percent stake in Grameenphone Ltd, the largest operator in Bangladesh. Other major companies that are present in Bangladesh are Bergen Engines, DNV, Jotun, and Varner Group.

The Government Pension Fund of Norway has been investing in Bangladeshi companies in the stock market since 2015.

Norfund - the Norwegian investment fund for developing countries, has been investing in the private sectors of Bangladesh since 1999 through the SME funds, financial inclusion funds, and frontier funds. In 2019, It became the largest single shareholder of Mutual Trust Bank Limited with 9.53 percent of total shares.

Bangladesh is one of the eight partners countries for the NOK 10 billion Climate Investment Fund managed by Norfund.

Bangladesh holds the potential to greatly contribute to the global economy, both as a major exporter and a consumer market. Challenges to the country's competitiveness and business environment remain, but the current situation presents new opportunities, and Bangladesh should take full advantage of that."

Embassy of South Korea in Bangladesh

Park Young-sik
Ambassador
Embassy of the Republic of Korea in Bangladesh

"Substantial relations between Korea and Bangladesh began with the inception of Bangladesh's RMG industry. It is a well-known story that the partnership between Bangladesh Desh Garment and Korean company Daewoo Corporation in 1979 planted the seed of Bangladesh's RMG industry. Since then, Korean garment enterprises have made great contributions to the rapid growth of Bangladesh's RMG industry, which accounts for over 85% of the country's exports.

Korea is currently the fourth largest FDI investor in Bangladesh. Korea's investment has been expanded to manufacturing industries thanks to a recent increase in investment in automobiles, mobile phones, and consumer electronics through joint ventures with local partners. Samsung Electronics manufactures consumer electronic goods, including mobile phones, in Narsingdi, while Hyundai cars are being assembled at the plant at the Kaliakoir Hi-Tech Park from 2023. These companies are creating good quality of jobs through domestic manufacturing."

Dharmapala Weerakkody
High Commissioner
High Commission of Sri Lanka
in Bangladesh

High Commission of Sri Lanka in Bangladesh

"Bangladesh offers promising opportunities for regional and international investors

Spanning more than fifty years, Sri Lanka and Bangladesh have been enjoying long-standing ties of close friendship and cooperation based on abiding trust, goodwill, shared interests and strong people-to-people interactions. Sri Lanka is committed to expand its multifaceted relationship with Bangladesh into a dynamic political, trade and business partnership by diversifying the areas of cooperation.

Despite navigating complex economic challenges, the Bangladesh economy maintains a consistent growth trajectory for several years, making the country an attractive destination for foreign investors. As the second-largest economy in South Asia, Bangladesh is heading to become the World's 25th largest economy in 2035.The economic growth of Bangladesh creates promising opportunities for Sri Lanka to further enhance its cooperation in the areas of trade and investment for mutual benefits.

Among the notable foreign investors, Sri Lanka's companies have significantly invested in the Banking and Finance, Textile and Apparel, Hospitality, Logistics, Power, Retail, and Food processing sectors in Bangladesh. There is considerable potential for Sri Lanka's companies to further expand their investment opportunities in Bangladesh in the new emerging other sectors including Tourism, Healthcare, Education, ICT and Business Services, Power Industry, Constructions, Real Estate, and Industrial Manufacturing and Agribusiness etc.

Bangladesh offers a lucrative package for the foreign investors including a business-friendly environment with attractive fiscal and non-fiscal incentives, privileges and facilities, streamlined regulations with an abundant skilled workforce.

To fully realize the potential of bilateral cooperation, Sri Lanka looks forward the cooperation from the Government of Bangladesh in facilitating the rapidly expanding trade and investment between Sri Lanka and Bangladesh,

Additionaly, promoting people-to-people exchanges and economic diplomacy initiatives can foster mutual understanding and trust between Sri Lanka and Bangladesh stakeholders, laying the foundation for long-term cooperation.

By harnessing the synergies with respective strengths, Sri Lanka and Bangladesh can forge a deeper and more sustainable economic relationship in the years to come."

Embassy of Sweden Dhaka

Nicolas Weeks
Ambassador
Embassy of Sweden in Bangladesh

"Sweden and Bangladesh have enjoyed a deep and enduring partnership for over five decades, built on long-term development cooperation and growing trade relations. The newly appointed Ambassador of Sweden to Bangladesh, H.E. Mr. Nicolas Weeks, presented his credentials to the President of Bangladesh, H.E. Mr. Mohammed Shahabuddin in the beginning of October 2024. Bangladesh's resilient economy, driven by the private sector including Swedish companies, contributes to the green and digital transition, creating jobs and promoting sustainable growth, which is crucial for preparing Bangladesh for the LDC graduation in 2026. Bangladesh is becoming a significant trade ally for Sweden in South Asia, aligning with Sweden's new Trade and Investment Strategy emphasising long-term collaborations with Asian countries. The Swedish Government is committed to strengthening Sweden's position for green and digital transformation and sees Bangladesh as an appealing and strategic market for Swedish products and services, with over 50 Swedish companies already present in the country. Swedish enterprises provide a wide range of resources and services in sectors such as sustainable sourcing in textile, ICT, renewable energy, energy efficiency, waste management, circular economy, water conservation, digitalization, urban planning and smart cities. This positions them to collaborate with Bangladesh for sustainable economic growth and development!"

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Embassy of Switzerland in Bangladesh

Reto Renggli
Ambassador
Embassy of Switzerland
in Bangladesh

"I would like to thank FICCI for inviting me to share the Swiss perspective on the investment landscape in Bangladesh. I take this opportunity to highlight that promoting bilateral cooperation on trade and investment is a top priority for the Embassy of Switzerland. Key Swiss multinational companies are already present in Bangladesh, offering best-in-class, quality and advanced products, innovative technologies and essential services to the Bangladeshi market. That said, for Swiss Small and Medium Enterprises—considered the backbone of the Swiss economy—Bangladesh is still a largely untapped and sometimes challenging destination, partly due to framework condition-related matters.

During my recent exchanges with the Honorable Advisers of the Interim Government and other senior officials, I was encouraged to note the interest of Bangladesh in attracting more Foreign Direct Investment (FDI) from Switzerland and other destinations.

To accelerate economic growth, Bangladesh needs to start transitioning from a price-driven competitiveness model to one anchored in quality and innovation. More FDI and the introduction of new technology can fast-track this transformation. To achieve this, ensuring a favorable investment landscape with regulatory predictability, a level playing field and good governance is essential. With its forte in education, innovation, research, technology and competitiveness, Switzerland is ready and willing to partner with Bangladesh on this journey. Thank you very much."

Royal Thai Embassy in Bangladesh

Makawadee Sumitmor
Ambassador
Royal Thai Embassy in Bangladesh

"Bangladesh, with a population of 170 million, offers significant investment potential, particularly for Thai companies, which have invested around $1.2 billion since the 1990s. Recent high-level visits, including a July 2024 delegation led by Dr. Nalinee Taveesin, have fostered new business collaborations and positive feedback among Thai investors. Bangladesh's abundant workforce and strategic location next to Myanmar position it as a regional hub for distribution to northeast India, Bhutan, and Nepal.

However, challenges remain, including limited awareness of South Asia among Thai companies and logistical hurdles that prolong transport times. Efforts to establish a direct coastal shipping route between Chittagong and Ranong could enhance trade efficiency. Additionally, simplifying regulatory complexities, such as the Advance Income Tax system, would improve the investment climate.

Investors are increasingly considering logistics, infrastructure, and access to foreign markets. By pursuing Free Trade Agreements with key markets like the EU, USA, and Japan, Bangladesh can strengthen its attractiveness. Promising sectors for Thai investment include construction materials, agro-industry, food processing, and tourism. Prioritizing initiatives like the coastal shipping service and Free Trade Agreement negotiations could yield significant economic benefits."

Yuji Ando
Country Representative
Japan External Trade Organisation
(JETRO) Bangladesh

JETRO

Japan External Trade Organization

"It is high time to make drastic reforms in Bangladesh. Japanese investors wait and see what the interim government will do. Actually we are preparing the reform proposals with details and comparison with other countries.

Especially, we do want two reforms as priority issues. One is Nation building with "Corruption-Free". The country has suffered from the corruption from the daily life to business operation. If the country cannot remove corruption completely, business confidence will never be back on the track. In order to make Bangladesh a corruption-free state, mindset and transparent system are necessary. We do expect the interim government to take drastic initiatives for transparency.

The other one is restructuring the government structure. Bangladesh government has 45 ministries, which bring us complicated situation and red tape in the policy making and execution of the rules and regulations. Japan experienced the restructuring of the government agencies from 23 to 13 ministries in 2001. From the perspective of Trade and Investment promotion agency, we do not need 5 investment promotion authorities in Bangladesh.

Moreover, trade, investment and industry should be under one umbrella. We want Ministry of Commerce, Ministry of Industry and 5 Investment Promotion Authorities work under the same ministry for smooth business operation as we Japanese government works as Ministry of Economy, Trade and Industry (METI).

Through those reforms, we believe that Bangladesh can be next destination for FDI for Japanese investors."

British
High Commission
Dhaka

Dan Pasha
Director, Trade & Investment, Bangladesh
British High Commission Dhaka

"Bangladesh offers significant opportunities for international partnerships, particularly in key sectors such as ICT, pharmaceuticals, light engineering, leather, agro-processing, and electronics. These sectors provide substantial opportunities for growth, driven by a young, skilled workforce and a strategic geographic location. However, the investment climate is not without challenges. Economic instability, governance uncertainties, supply chain disruptions, energy shortages, regulatory hurdles, and vulnerabilities in the banking sector can be risks to potential investors.

We welcome the recent regulatory updates, targeted monetary policies and the formation of national commissions to address challenges including the investment environment. To enhance market access, reforms are needed in trade policy, VAT simplification, and customs processes. Improving ease of doing business through robust contract enforcement, international arbitration, and intellectual property rights compliance will further boost investor confidence.

For British investors, navigating the evolving landscape requires a strategic approach. Prioritising partnerships in high-growth sectors, leveraging targeted financial support measures, and engaging with regulatory bodies can unlock opportunities. A collaborative approach to policy reform will be instrumental in building investor confidence. By aligning investment strategies with ongoing reforms, investors can position themselves better. The British High Commission looks forward to playing its part in helping Bangladesh navigate these challenges and seizing the opportunities to bring more British investors into Bangladesh."


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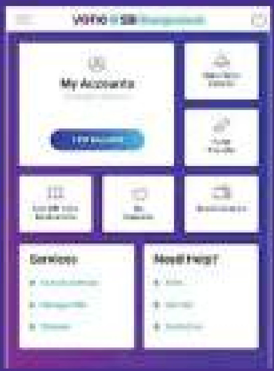

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STEPS TO PUT BANGLADESH ON THE GLOBAL INVESTMENT MAP

Edimon Ginting
Senior Advisor, Office of the Director General, South Asia Department
Asian Development Bank

Bangladesh's sustained economic growth since the turn of the century has been largely associated with the ready-made garment (RMG) sector. After the emergence of RMG, remittances have also provided a significant and stable support to the economy given the increase in the number of Bangladeshi workers employed overseas.

With the prolonged global economic headwinds following the COVID-19 pandemic, these two long-standing growth drivers have proven to be insufficient. Despite a quick economic recovery, the vulnerabilities of Bangladesh's economy have been exposed by the rise in global commodity prices, supply chain disruptions, and global monetary tightening. In the last two years, inflation rose to double digits and the external balance (financial account) experienced an unprecedented deterioration, putting the country's foreign exchange reserves and the taka under significant pressure.

Economic turbulence over the last two years has provided a vivid reminder of the need to diversify the country's drivers of growth beyond RMG and remittances. With the desire for LDC graduation, the urgency to diversify the economy is much greater given that Bangladesh is set to lose most preferential market access and other privileges critical for continued competitiveness of the RMG sector. With the Interim Government set to deliver on reforms needed to turn the economy around, it is the right time to accelerate efforts to diversify Bangladesh's exports.

Foreign Direct Investment: A Key Missing Driver

There is of course no single solution to Bangladesh's lack of progress in diversifying its exports, but one key missing ingredient is foreign direct investment (FDI).

In addition to bringing needed capital, FDI can play a key role in modernizing Bangladesh's productive capacity and serving as a conduit for the local diffusion of technology and expertise, as well as providing important links to global value chains (GVCs) across different sectors. However, despite several positive attributes that make Bangladesh appealing to investors, the country has historically underperformed in attracting FDI. Most FDI inflows over the past decade consisted of reinvestments by already established foreign companies. In 2022, the country's stock of FDI was under 5% of GDP, among the lowest in the world, and concentrated in capital-intensive and fossil fuel-based industries. Incoming FDI in 2023 was less than 0.5% of GDP, among the lowest in Asia-Pacific.

Given the current state of the economy, FDI will also bring long-term foreign exchange needed to improve the country's reserves and external balances. With limited domestic capital to support growth due to large and increasing non- performing loans in the banking sector, attracting more FDI to power economic growth is even more important.

What are the most important steps Bangladesh can take to put itself on the global investment map? As is the case for attracting domestic investment, attracting FDI will first require a quick and sustained re-establishment of law and order. Then, the country needs to restore and maintain macroeconomic sustainability with credible policies.

Beyond these efforts, the following are key structural reforms and policy orientations that can bring Bangladesh closer to comparator economies in South Asia and Southeast Asia.

Reforms to shift policy orientation

One of the fundamental factors behind the low competitiveness of the non-garment sectors is the dualism of the country's trade policy. While the RMG sector receives generous support so it can thrive in export markets, non-garment sectors have been heavily protected from import competition. The average nominal protection (tariff and para tariff) for non-garment sectors is around 28%. The high level of protection has helped import-competing local industries and provided them with low incentives to export.

This policy orientation needs to shift by reducing protection and providing concerted policy support to leverage existing productive capabilities in other established domestic-oriented industries such as pharmaceuticals, electronics, and light machinery. Having an open trade and investment regime is essential to attract FDI and increase integration into GVCs.

Another policy shift is on the climate orientation of FDI. The carbon footprint of the existing FDI flowing into Bangladesh is generally high, as it remains heavily skewed toward fossil fuels. In line with the county's effort in promoting greener growth, a considerable shift in FDI away from fossil fuels and into renewables and energy efficient technologies must be strongly facilitated.

Investors still find Bangladesh's regulatory environment to be complex. To start a business still requires an investor to navigate 23 government agencies for up to 150 regulatory services and approvals. Obtaining business licenses is cumbersome and time-consuming. The One Stop Service system has partly addressed this challenge, but it has yet to fully integrate all relevant administrative procedures efficiently.

The Foreign Private Investment Promotion and Protection Act (FPIPPA) for promoting FDI in Bangladesh has remained largely unchanged since 1980. Modernizing the legal regime by addressing its important shortcomings, while consolidating and clarifying the legal framework for investors should be one of the important reforms going forward. The protections accorded in the FPIPPA, such as unqualified fair and equitable treatment, are also out of line with recent developments in investment laws worldwide. Improvement in the legal framework will need to be accompanied by enhancement of transparency, integrity, and efficiency of the judicial system.

In attracting FDI, Bangladesh will need to step up efforts to create the legal and institutional framework for responsible business conduct (RBC), such as in relation to international labor standards, human rights and environmental conventions ratified by Bangladesh. Just like in the garment sector, participation in global supply chains requires meeting mandatory global due diligence. Attracting more FDI is also an opportunity to enhance Bangladesh's international investment competitiveness by supporting home-grown RBC initiatives and adapting international standards to the local context.

Finally, because of an unfavorable business environment, Bangladesh has offered very generous corporate income tax (CIT) exemptions to investors. Looking ahead, after implementing the most critical reforms, the government may want to reassess whether certain exemptions are still fit-for-purpose. Globally, CIT exemptions and reduced rates are typically less effective in generating additional investment compared to expenditure-based incentives like tax allowances or tax credits.

Conclusion

Bangladesh's development progress and prospects increasingly depend on its capacity to attract needed investment to deepen economic diversification. This will require policy shifts that leverage trade and investment opportunities associated with FDI and GVC participation. To fully benefit from these, the country will need to prioritize greener investment and enhance its ability to respond to global expectations on RBC. The much-needed investments will also need to enhance Bangladesh's ability to withstand immediate and long-term consequences of climate change.

Edimon Ginting is Senior Advisor at the Asian Development Bank's South Asia Department, and a former Country Director of the Bangladesh Resident Mission. The article is based on a forthcoming ADB-OECD publication, Road Map for Investment Policy Reforms and Sustainable Development.

FOSTERING DECENT WORK AND SOCIAL JUSTICE THROUGH FOREIGN DIRECT INVESTMENT (FDI) IN BANGLADESH

International Labour Organization

Advancing social justice, promoting decent work

Tuomo Poutiainen
Country Director, the International Labour Organization (ILO), Bangladesh

Bangladesh has made remarkable strides in economic growth, becoming one of the region's fastest expanding economies. Despite this growth, Foreign Direct Investment (FDI) remains low compared to regional peers, amounting to only 0.75% of GDP (UNCTAD, 2023). FDI can be a strong asset, stimulating economic expansion, generating employment opportunities, and promoting technological progress.

The path to attracting additional FDI need to extend beyond economic incentives. It requires fostering an investment environment that promotes decent working conditions for all.

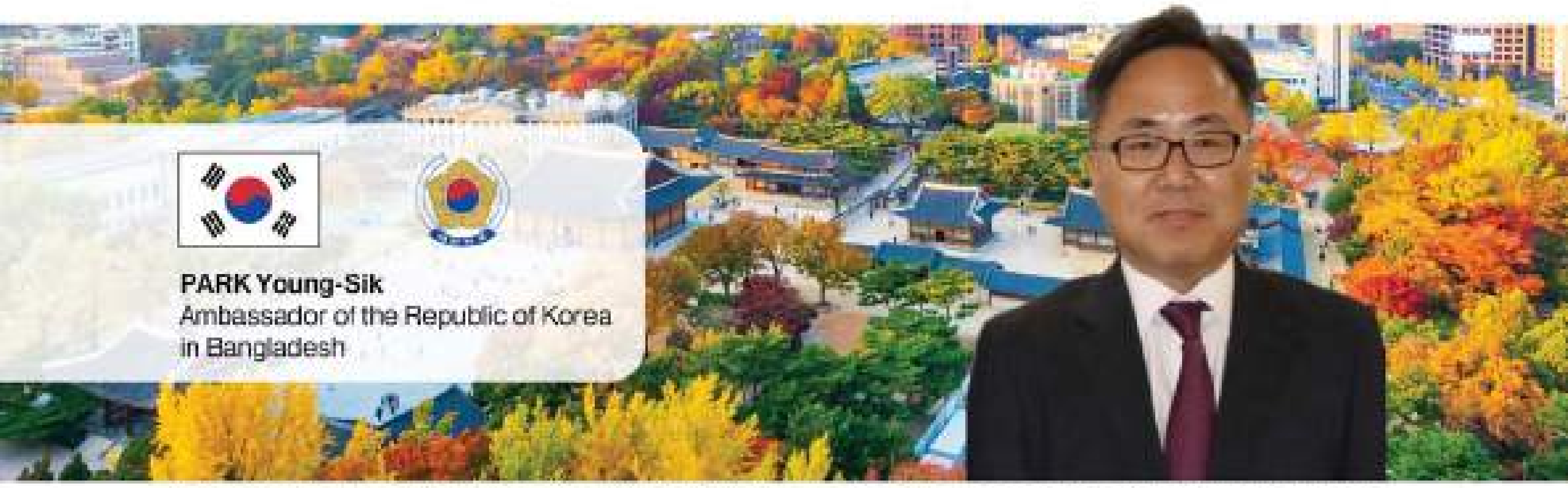
First, good governance and robust labour laws are crucial. Alignment with international labour standards (ILS), safeguarding fundamental principles and rights at work, and promoting improved dispute resolution and effective labour inspections and inclusive social dialogue is required. Improved social protection coverage, will reduce risks, and provide stability for investors.

Second, improving the quality and availability of human capital is essential. A skilled labour force empowered through predictable wage setting system boosts productivity and forms a sizeable consumer base, further supporting economic growth.

Third, investors with ESG mandates seek commitments to environmental protection and social responsibility, with labour rights at the core. By fostering an enabling environment for responsible business conduct—through national policies on Human Rights Due Diligence (HRDD) and establishing a focal point system for the ILO's Multinational Enterprises (MNE) Declaration—Bangladesh can meet international investor expectations and enhance its reputation as a trustworthy investment destination.

As a bridge between foreign investors and Bangladesh, FICCI is uniquely positioned to advocate for responsible investment practices that prioritize decent work and social justice. I look forward to exploring collaboration between the ILO and FICCI to advance these objectives.

KOREA-BANGLADESH PARTNERSHIP THRIVES: KEPZ MARKS 50 YEARS OF DIPLOMATIC TIES WITH $1.25 BILLION IN EXPORTS AND 70,000 JOBS



PARK Young-Sik
Ambassador of the Republic of Korea in Bangladesh

The Korea Economic Processing Zone (KEPZ) in Chattogram, the first country-specific private Export Processing Zone, is serving as a symbol of the business collaborations which Korea and Bangladesh have cultivated over the last fifty years since December 18, 1973 when the bilateral diplomatic ties were established. The KEPZ is currently exporting approximately USD 1.25 billion and employing more than 70,000 workers.

Substantial relations between Korea and Bangladesh began with the inception of Bangladesh's RMG industry. It is a well-known story that the partnership between Bangladesh Desh Garment and Korean company Daewoo Corporation in 1979 planted the seed of Bangladesh's RMG industry. Since then, Korean garment enterprises have made great contributions to the rapid growth of Bangladesh's RMG industry, which accounts for over 85% of the country's exports.

Korea is currently the fourth largest FDI investor in Bangladesh. Korea's investment has been expanded to manufacturing industries thanks to a recent increase in investment in automobiles, mobile phones, and consumer electronics through joint ventures with local partners. Samsung Electronics manufactures consumer electronic goods, including mobile phones, in Narsingdi, while Hyundai cars are being assembled at the plant at the Kaliakoir Hi-Tech Park from 2023. These companies are creating good quality of jobs through domestic manufacturing.

On the auspicious occasion of visiting the KEPZ, Korean Embassy would like to reiterate Korea's willingness to investment. Firstly, Korea is a country making constant and persistent investments. Compared to other countries making intensive investment in a specific period, Korean companies are continuously making investment without any interruption. Secondly, Korean companies are investing in various sectors from garments to electronic goods and cars. Some Korean companies are trying to introduce new technology which is desperately needed for Bangladesh's sustainable economic growth after the graduation from the Least Development Country Status in 2026.

Bangladesh has a big potential for development as its economy has been growing fast with its growth rate recording over 5% in the last 20 years. And its graduation from the LDC in 2026 will attract essential foreign capital required for the sustainable economic development. Korea aspires to become a vital partner in Bangladesh's economic development, just as we have done in the RMG sector.

Firstly, Korea wants to establish long-term and strategic relations. Korea neither seeks short-term gains nor makes any empty promise that cannot be easily kept. The Economic Partnership Agreement, under the discussions between two countries, will be a foundation for such a strategic and long-term relationship. This EPA is not just an extension of the GSP benefits that Korea is currently offering to Bangladesh. It will substantially upgrade bilateral trade and investment in mutually beneficial ways.

Secondly, Korea is trying to participate in Bangladesh's infrastructure development. Currently, numerous projects are under discussions through the Economic Development Cooperation Fund, soft loans from the Korean government, or the Public-Private Partnership mechanism. The Embassy anticipates that the ongoing projects will make smooth progress and greatly contribute to the development of infrastructure in Bangladesh. Korean companies do not delay any project intentionally or inflate the cost of the project deliberately, and they focus on timely completion.

Thirdly, both countries can promote bilateral collaboration in new areas. Footwear, light industries, ICT, pharmaceuticals, shipbuilding, blue economy and deep-sea fishing, agriculture and agricultural machinery, green house & carbon trading scheme are potential areas. Korean companies have new technology, while Bangladeshi companies can start new businesses.

Lastly, the improvement of a business-friendly, predictable and stable environment should be one of the top priorities among the interim government's tasks in order to attract more foreign investment. Korea is fully committed to continuing our long-standing cooperation with Bangladesh. The Korean Embassy is looking forward to engaging in further discussions with the interim government on this matter.

BANGLADESH OFFERS PROMISING OPPORTUNITIES FOR REGIONAL AND INTERNATIONAL INVESTORS

Dharmapala Weerakkody
High Commissioner
High Commission of Sri Lanka
to Bangladesh

Spanning more than fifty years, Sri Lanka and Bangladesh have been enjoying long-standing ties of close friendship and cooperation based on abiding trust, goodwill, shared interests and strong people-to-people interactions. Sri Lanka is committed to expand its multifaceted relationship with Bangladesh into a dynamic political, trade and business partnership by diversifying the areas of cooperation.

Despite navigating complex economic challenges, the Bangladesh economy maintains a consistent growth trajectory for several years, making the country an attractive destination for foreign investors. As the second-largest economy in South Asia, Bangladesh is heading to become the World's 25th largest economy in 2035.The economic growth of Bangladesh creates promising opportunities for Sri Lanka to further enhance its cooperation in the areas of trade and investment for mutual benefits.

Among the notable foreign investors, Sri Lanka's companies have significantly invested in the Banking and Finance, Textile and Apparel, Hospitality, Logistics, Power, Retail, and Food processing sectors in Bangladesh. There is considerable potential for Sri Lanka's companies to further expand their investment opportunities in Bangladesh in the new emerging other sectors including Tourism, Healthcare, Education, ICT and Business Services, Power Industry, Constructions, Real Estate, and Industrial Manufacturing and Agribusiness etc.

Bangladesh offers a lucrative package for the foreign investors including a business-friendly environment with attractive fiscal and non-fiscal incentives, privileges and facilities, streamlined regulations with an abundant skilled workforce.

To fully realize the potential of bilateral cooperation, Sri Lanka looks forward the cooperation from the Government of Bangladesh in facilitating the rapidly expanding trade and investment between Sri Lanka and Bangladesh,

Additionally, promoting people-to-people exchanges and economic diplomacy initiatives can foster mutual understanding and trust between Sri Lanka and Bangladesh stakeholders, laying the foundation for long-term cooperation.

By harnessing the synergies with respective strengths, Sri Lanka and Bangladesh can forge a deeper and more sustainable economic relationship in the years to come.

PERSPECTIVE ON INVESTMENT IN BANGLADESH

Makawadee Sumitmor
Ambassador
Royal Thai Embassy in Bangladesh

With a population of 170 million, Bangladesh is a growing market with great potentials. Thai companies started investing in Bangladesh since the1990s and several more ventures eventually followed, accumulating to around 1.2 billion USD in value. To boost the dynamic of our economic interactions, there has been productive exchanges of visit between the private sectors in the last couple of years which brought new business collaboration and projects.

Most recently in July 2024, Dr. Nalinee Taveesin, Advisor to the Prime Minister and Thailand Trade Representative led a delegation of Thai businesspersons to visit Bangladesh Special Economic Zone in Araihazar and Sabrang Tourism Park in Teknaf. The feedback from the Thai business delegates was quite positive and many of them are having follow-up discussions with their counterparts in Bangladesh.

One of the advantages of Bangladesh is its abundance of workforce and geographical location just next to Myanmar. Likewise, Thailand and other Southeast Asian countries could use Bangladesh as a regional hub for distributing products to northeast India, Bhutan and Nepal.

However, there are still challenges on the way. In the case of Thailand, most Thai companies have limited knowledge of South Asia including Bangladesh. They would prefer to invest in other destinations they are more familiar with. Therefore, it takes more effort to draw their attention to this region and to finally decide to invest. That is why the Embassy sees the importance of exchanging visits between the private sectors so that both sides could have more awareness of the existing potential and have the interest to expand their connection.

Another challenge is the logistics connectivity. Despite being not so far from one another, the transport of goods from Thailand to Chittagong Port could take 2 weeks since transshipment is needed in a third country like Singapore or Sri Lanka. But if we have direct link, the time and cost will be significantly reduced. Both sides are trying to establish a coastal shipping route between Chittagong and Ranong in the western coast of Thailand. If it is viable, trade and investment between Thailand and Bangladesh will be much more convenient and have less logistics cost.

To enhance attractiveness, Bangladesh should explore the possibility to provide more facilitation to foreign investors. There has been some feedbacks about the complexity of regulations particularly those concerning tax and remittance of income. For instance, Advance Income Tax (AIT) is one of the measures foreign investors perceive as not so investor-friendly. Its complicated process in refunding the overpaid AIT means a lost opportunity for the companies to plan efficiently and use the amount for re-investment. Moreover, foreign companies and expats face some hurdles in remitting their income back home. There has been a positive relaxation of regulations in the last few years but there is still room to provide more facilitation which will help enhance the ease of doing business in Bangladesh.

While Bangladesh is a huge market and has low cost for workers, investors nowadays look beyond these factors. Their considerations will also focus on how convenient it is to re-export their goods abroad. These may include transportation infrastructure, logistics cost and access to foreign markets. If Bangladesh could make FTAs with as many countries as possible especially large markets like EU, USA and Japan, its potentials will be strengthened and become more diverse.

Promising segments for Thai investors could be construction materials, agro-industry, food processing and tourism. We should maintain the momentum of economic collaboration and might give priority to two initiatives that could bring tangible outcome. One is the realization of the Chittagong- Ranong coastal shipping service. The other one is to start the negotiation process of a free trade agreement between Thailand and Bangladesh after the Letter of Intent was signed by the Ministers of Commerce of both sides in April 2024 in Bangkok.

ROLE OF BIDA AND FUTURE ROADMAP FOR ATTRACTING FDI

Mohsina Yasmin
Former Executive Member BIDA
Head of International Investment Promotion Wing, (Additional Secretary, Grade 1)

I had the distinct privilege of working at the forefront of Bangladesh's efforts to attract foreign direct investment (FDI). Over the years, I have witnessed the transformative impact of foreign investment, and although it has not reached the desired levels, its positive and exciting effects on our economy are evident. Bangladesh has made significant strides, but as the global landscape shifts, our strategies must evolve to remain competitive and attractive to international investors.

When I first joined BIDA, Bangladesh was emerging as an appealing destination for labour-intensive industries such as textiles and garments. However, our investment ecosystem was still developing. Regulatory processes needed refinement, and we were only just beginning to engage in intense competition on the global stage with countries like Vietnam, India, and Thailand. The establishment of BIDA in 2016 marked a significant advancement. It was a bold move to consolidate the Board of Investment and the Privatisation Commission into a single, cohesive entity focused on a comprehensive investment promotion strategy, but this was merely the beginning.

My perspective on BIDA's roadmap for attracting FDI is holistic, shaped by insights gained from engaging with numerous businesses. BIDA's roadmap is not just about policies and figures; it is about creating a vision for how Bangladesh can thrive in an increasingly interconnected world. Looking ahead, BIDA's strategy for attracting FDI must be dynamic and adaptable, prioritising long-term, sustainable growth. The global investment environment is changing rapidly, and we must stay ahead of these trends. Based on my experience, here are the key pillars of our strategy.

Ensuring Ease of Service and Policy Predictability

One of our primary objectives is to simplify the investment process, which led to the development of the BIDA online One Stop Service (OSS) portal—the country's first and largest interoperable platform. This initiative has allowed BIDA to cut through its bureaucratic red tape; however, persuading other service providers to do the same remains a challenge. BIDA's processes are digitally integrated with the OSS, which can be completed in two steps, with the time required ranging from one to fifteen days. This needs to be replicated across all other offices providing investment services that have integrated with BIDA OSS or are awaiting integration.

For this to happen, I believe a fundamental shift in mindset is necessary. Effective public service is a right, and providers must not exercise privilege by denying or delaying that right, as this only leads to unproductive outcomes. I urge Bangladeshi regulators to recognise the long-term value of providing ease to service seekers, particularly foreign investors, who are especially attuned to quality and standards. Their understanding is key to operationalising BIDA OSS.

Investors seek certainty—be it regarding tax policies, land acquisition, or other investment related laws. Regulatory reforms must be a continuous endeavour, and BIDA should maintain an open dialogue with both local and foreign businesses to ensure policies remain relevant. We must prioritise transparency, predictability, and stability in our legal and regulatory frameworks. This includes enhancing the dispute resolution process for foreign investors, streamlining customs procedures, and reducing unnecessary delays. It is equally essential that any financial or non-financial incentives, along with regulatory changes, are developed through active consultation with both the private and public sectors. In my experience, meaningful dialogue is crucial; investors need to feel that their voices are heard and their concerns are taken seriously. Frequent and unpredictable changes to financial and non-financial incentives, policies or regulations can foster an atmosphere of uncertainty that deters investment. I have seen firsthand how such inconsistencies can lead to frustration among investors seeking a stable environment for long-term commitments. By fostering a collaborative approach and ensuring that changes are communicated clearly and consistently, we can build the trust and confidence vital for sustained FDI in Bangladesh.

Coordination is Key

A major challenge in many developing economies, including Bangladesh, is the lack of seamless coordination among different governmental agencies. To effectively promote FDI, relevant institutions must work together, offering investors clear guidance and a unified experience. Ministries responsible for trade, revenue, finance, industry, and infrastructure must coordinate with BIDA to ensure that investment policies are aligned across sectors to attract global investors. For example, if BIDA is promoting investments in the renewable energy sector, the Ministry of Energy must ensure that policies and regulations are conducive to FDI in that field.

Furthermore, regular consultation between the government and industry associations is crucial to align investment policies with market realities. BIDA should continue to organise forums where private companies, chambers of commerce, and international business councils can provide input on proposed regulatory changes, investment incentives, and sectoral development plans.

Sectoral Focus on High-Value Industries

Bangladesh's success in garments and textiles has been a cornerstone of our economic growth, but the future lies in diversifying our industrial base. Over the past decade, we have seen increased interest in sectors like ICT, health, pharmaceuticals, renewable energy, and electronics manufacturing.




During my time at BIDA, I frequently found that investors sought clarity and targeted incentives in these emerging sectors. This is why I strongly advocate for a sectoral approach to FDI promotion. By focusing on high-growth industries like electric vehicles (EVs), renewable energy, and technology-driven sectors, Bangladesh can position itself as a forward-thinking economy ready to capitalise on the industries of tomorrow.

At BIDA, we began laying the groundwork for this during my tenure by identifying key sectors that align with global trends—areas where we could genuinely be competitive. This focus must persist, supported by dedicated investment policies, attractive incentives, and a business environment conducive to innovation.

Investing in Human Capital

Every year, over two million young graduates enter the workforce. However, over 10% of university graduates were found to be unemployed according to the 2022 census by the Bangladesh Bureau of Statistics (BBS), which may be a conservative estimate. In promoting Bangladesh abroad, I often found that while investors were impressed by our young and sizeable labour force, they were concerned about the lack of skilled workers in certain sectors.

As Bangladesh transitions towards more technologically advanced industries, we must ensure that our workforce possesses the skills needed to meet this demand. Therefore, human capital development must be at the heart of our FDI strategy. This means creating strong linkages between industry and educational institutions, fostering vocational training programmes, and investing in technical education. Companies investing in Bangladesh should be incentivised to offer on-the-job training and skill development programmes. This approach not only attracts FDI but also ensures that the benefits of investment are widely shared across the population.

Embracing Sustainability and Green Investments

Sustainability is not merely a buzzword but a strategic opportunity for Bangladesh. The global push towards circular economy and ESG investments is substantial, and we must position ourselves as a leader in this area. Bangladesh is already one of the most vulnerable countries to climate change, and this presents a compelling narrative for attracting green FDI.

Renewable energy, sustainable manufacturing, agriculture, health services, and eco-friendly infrastructure are sectors where Bangladesh can distinguish itself from other emerging markets. BIDA's policies should reflect this by ensuring incentives for green investments and collaborating with international organisations to finance sustainable projects.

In conclusion, Bangladesh's journey towards becoming a global investment destination is well underway, but the road ahead requires collective effort. BIDA must continue to lead from the front, building on the progress made in recent years and addressing the challenges that remain.

As I reflect on my time at BIDA, I feel a sense of optimism. The world is watching Bangladesh with great interest, and we have the potential to attract the type of FDI that will transform our economy for generations to come. With the right strategies, Bangladesh can become not only a preferred destination for investment but also a model for sustainable, inclusive, and resilient economic growth.

LDC GRADUATION AND BEYOND: NAVIGATING THE INVESTMENT LANDSCAPE IN BANGLADESH

We need a big push for a prolonged period to create an investment ecosystem so the private sector can come forward with their investment proposals

Business Initiative Leading Development
Ferdaus Ara Begum
Chief Executive Officer (CEO)
Business Initiative Leading Development

Private investment has remained sluggish for a long time. Bangladesh plans for an ambitious investment target of at least 46.88% (private 36.36% and public 10.52%) by 2041, which is a huge amount. In the meantime, the Foreign Direct Investment (FDI) target is about 3% of GDP by this time.

In FY2022, we received an investment of only 25.90% from the private sector and 8.59% from the public sector for a total of about 34.49% or about $164.37 billion, including FDI of 1.70% of GDP.

By 2031, our GDP will be $1.07 trillion, and our investment target is 41.15% (private sector 31.43% + public sector 9.72% + FDI 3%), or $472 billion. We need a big push for a prolonged period to create an investment ecosystem so the private sector can come forward with their investment proposals.

Trade and patterns of private investment in the context of LDC graduation will face a lot of challenges because of the growing competition and erosion of several preferences. Public investment has been increasing for some infrastructural-supportive projects to facilitate private investment; however, the private sector's need for both hard and soft infrastructure has not yet been fulfilled properly.

A recent study by the Economic Relations Division (ERD) has elaborated on some challenges faced by Small and Medium Enterprises (SMEs), investment and the FDI trend - which is mostly concentrated in a few sectors, such as power generation and apparel, and the eventual decrease of FDI because of the recent political tension.

The study also analysed the investment policies, challenges of private sector investment, the impact of international support measures (ISM) on the trade of Bangladesh, the decline of exports at 14%, threats for some sectoral issues, especially for RMG and Pharma, which have strong footholds in the local and foreign markets.

It also tried to analyse some economic data to understand the relationship between ISMs, private investment and export sectors using scatter plots – which have shown that goods exports are a significant predictor of both private investment and FDI.

Access to finance is another issue, while the repatriation of profit is a long-standing demand of the private sector. Recent income tax laws included a provision for the reopening of cases.

Loss of LDC exemption under the WTO agreement on subsidies and countervailing measures will be critical for the country. Direct export subsidies, such as cash incentives in about 46 product categories, need to be substituted for any other forms of non-actionable subsidies.

After LDC graduation, direct subsidies on export performance and local subsidies will be in question. This means that any measures that harm any other WTO members cannot be given. WTO-compatible export subsidies such as research subsidies like industrial research, assistance to the disadvantageous region, and adaptation of facilities for new environmental requirements will be considered non-actionable subsidies.

In 2019, cash incentives amounted to about 22.5% of government revenue, or about 3.7% of GDP. RMG, our biggest export sector, enjoys 2% cash incentives for exports to traditional markets (US, EU, Canada) and 4% for others, while it enjoys duty-free import of raw materials, Bonded Ware warehouse facilities, corporate tax benefits, etc. Patterns of supporting industries need to be changed to prepare for LDC graduation.

Loss of S&DT treatment under TRIPS will be another cause of concern after graduation. The pharmaceutical sector enjoys patent wavers, meaning Bangladeshi companies manufacture patented drugs without paying royalties.

What should be done for these sectors to sustain themselves after graduation? The Intellectual Property Act has been revisited. However, it did not include trade secrets, which could be helpful for small innovations.

Access to Development Assistance Financing, such as UN-LDC reserved services, will cease; the LDC Fund for Climate Change, the Technology Bank, and the Investment Support Programme will be reduced. Bangladesh needs to be prepared to face a changed situation.

RMG is going to face threats in the EU markets because of the safeguard measures. Developing Countries Trading Schemes (DCTS) of the UK is liberal; under comprehensive preference (CP), the Rules of Origin (RoO) is 25% while it will be 50% under Enhanced Preference (EP). This means that after graduation, origin requirements will be doubled. Also, a double transformation will be required in the UK market for the apparel sector. Industry sectors are concerned about these issues and should prepare accordingly.

Investment-related policies would need to be updated to meet the present requirements. Foreign Private Investment Protection and Promotion Act (FPIPPA) of 1980, Industrial Policy, BSCIC Act, and many other policies need updates.

Ownership of land by foreign investors is also a point. Land tenure rules and the consolidation of legal rule regimes for legal transparency and predictability are also important.

Industrial Policy 2022 mentioned that import substitution would be encouraged (Chapt 12), but several studies raised the issue of anti-export bias and referred to the high tariff for protecting local industries. The average import tariff rate is 28.8% in Bangladesh, which is 9.6% in Thailand and Vietnam.

Bangladesh mostly exports finished products, while about 70% of trade in the world is in intermediate products. More and more FDI can be attracted if Bangladesh exports such products. It can help integrate the global value chain (GVC).

Ways forward

Some specific recommendations in respect of import substitution and export-led growth could help the Ministry of Industry (MoI) frame a new policy. In the Industrial Policy 2022, there is a mention of 22 controlled industries for which approvals have to be obtained, which is difficult. Also, a number of the sectors on the list included the trade and investment-supportive services sector.

The governing body of Bangladesh Investment Development Authority (BIDA) could include representation from vital stakeholders such as the Ministry of Law, Justice, and Parliamentary Affairs, the Ministry of Road Transport and Bridges, the Ministry of Land, the National Board of Revenue (NBR), etc. The authority should include an LDC graduation plan with a clear incentive package for private-sector investors.

There are 31 bilateral treaties signed by Bangladesh that are old and need updates. Accommodating changes in the country's status should be one of the top priorities. Otherwise, it could create problems.

The definition of microindustry and small industry in the manufacturing sector is different in the BSCIC Act 2023 and Industrial Policy 2022. Workers in the Industrial Policy refer to 1-25 workers as micro industries, while in the BSCIC Act, it is referred to as 16-30 workers. On the other hand, Industrial Policy 2022 defines small industries with employment of 26-120, while in the BSCIC Act, it is 31-120.

A time-bound action plan for the implementation of BSCIC Bill 2023 could be helpful. Workers' welfare is mentioned in the BSCIC Act (Chapter 5). However, the Labour Act has not been referred to in the act, so it means that the BSCIC Act itself should ensure the workers' welfare.

The lower number of required income tax return documents, from 29 to 12, is a good initiative. However, repatriation was a long-standing issue. The permissible limit of royalty, technical services fee, technical know-how fee, technical assistance fee, or any other expenditure of a similar nature is 10% of the net profit of the business or profession, excluding income or profit from the subsidiary, associate, or joint venture as shown in the financial statement.

Royalties, technical service fees, technical knowledge fees, TA fees or expenses of a similar nature shall be treated as fully admissible expenditures, taking into account the actual business expenses. The allowable limit shall be 6% of the turnover shown in the financial statements, in line with the foreign exchange guidelines and policies of BIDA.

Feasibility studies for FTA or PTAs with 23 countries have been completed; ongoing FTA discussions with 11 Southeast Asian countries, a Comprehensive Economic Partnership Agreement (CEPA) with India, and the signing of a MOA with China are in the process.

Revenue-related issues came up while signing the FTA. The tax policy of the government now is to move away from dependency on indirect tax and put emphasis on direct tax. In that respect, we need to be serious about signing FTAs and EPAs to face the challenging situation of LDC graduation.

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BREAKING THE INVESTMENT IMPASSE IN BANGLADESH: RELEVANCE, LESSONS, AND OPTIONS FOR GARNERING PRIVATE INVESTMENT AND FDI

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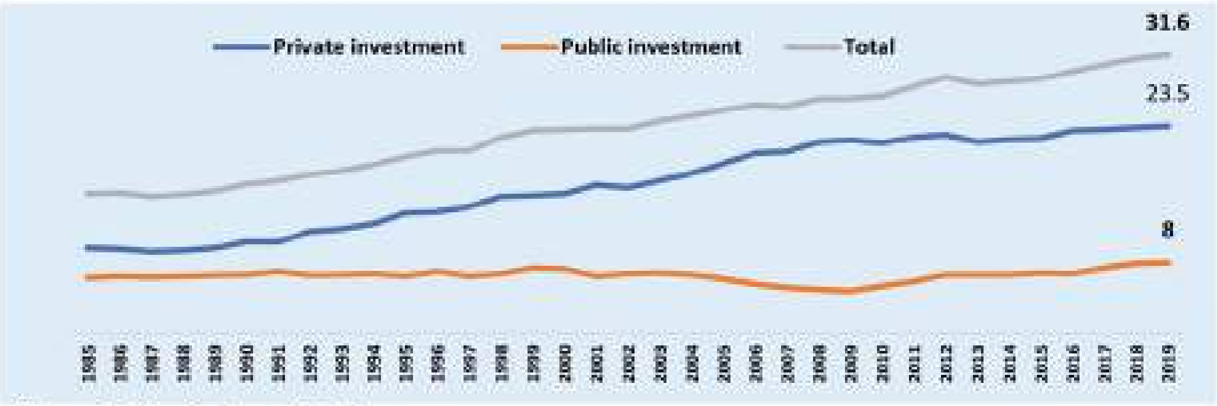
1.0 Private Investment an Important Catalyst for Bangladesh's Development Performance

Private investment has been instrumental in driving Bangladesh's transformation from an agrarian economy to a modern and diversified one. Over the past five decades, private capital has constituted 76% of total investment, playing a pivotal role in the country's growth trajectory.

Bangladesh's private sector has evolved through distinct phases. The "Private Sector 1.0" era in the 1980s and 1990s saw agriculture productivity and remittances drive economic growth, while the ready-made garment (RMG) industry emerged as a key player in manufacturing, employment, and service sectors. This phase laid the foundation for rural renewal, food security, and an expanding economy.

Figure 1: Bangladesh's Private and Public Investment, 1985-2019 (% of GDP)



Source: Policy Exchange Database

The acceleration of private sector growth has been significantly aided by trade liberalization. Bangladesh made the shift from protectionist policies to a more open and liberalized trade regime during the 1970s and 1990s. This change involved the abolition of trade-related barriers, the lowering of tariffs, and the deconstruction of import licensing processes.

Bangladesh's future economic prosperity depends on private investment; Sustained investment will boost global competitiveness, innovation, and diversification while promoting the creation of jobs and the fight against poverty, assisting in the goal of achieving full employment and the abolition of extreme poverty by 2031[3].

Figure 2: How Private Investment in Bangladesh Helped Stimulate Economic Growth

3 Country Private Sector Diagnostic, Creating Markets in Bangladesh, World Bank

2.0 FDI Enabled Several Important Growth Success Factors

FDI has helped to establish Bangladesh as a global player in the RMG sector, accounting for approximately 84.58% of total exports in 2023[4]. The entry of multinational corporations and global investments in the garment industry, particularly from countries like South Korea, China, and Japan, has been instrumental in transforming Bangladesh into one of the world's largest textile and apparel exporters. Besides RMG, sectors like telecommunications have benefitted from FDI, with improving digital connectivity and helping to modernize Bangladesh's economy. However, Bangladesh has yet to achieve its full FDI potential.

Private investment, including FDI, plays a crucial role in driving the growth necessary for Bangladesh to reach its goal of achieving upper-middle-income status. By channeling private capital into vital sectors such as manufacturing, services, technology, and in novation, the country experiences a positive cycle of economic expansion. Foreign Direct Investment (FDI) is vital for future growth as it enhances value creation in Global Value Chains (GVCs) and fosters innovation across industries.

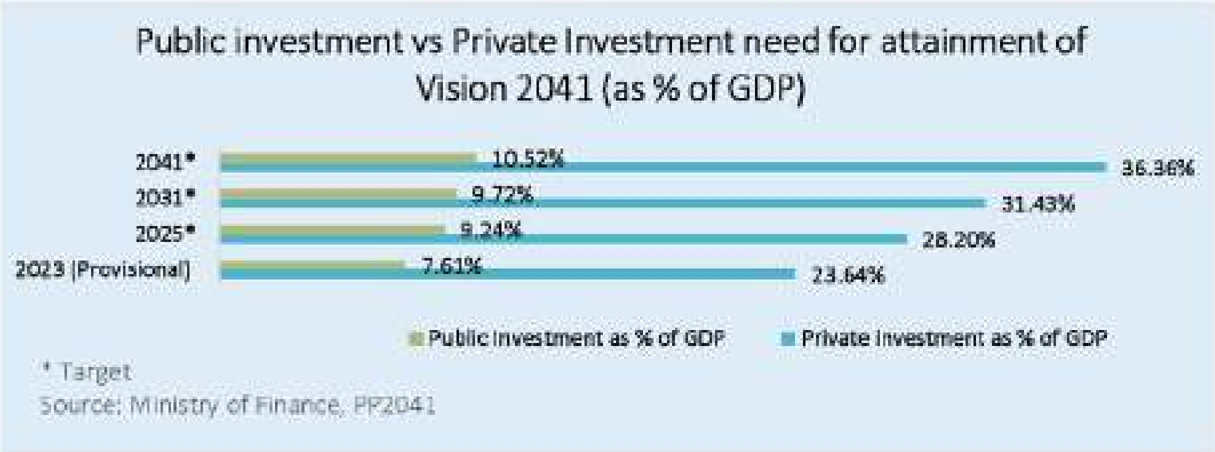
Figure 3: How Bangladesh Benefitted from FDI

Boosting the RMG Sector	Improving Infrastructure
Enhancing Competitiveness of Local Supply Chain	Increase Regional Integration
High Quality Employment	Technology Transfer and Innovation

Figure 4: Why FDI Critical for Bangladesh's Future Aspirations

Enhancing Global Value Chain (GVCs) Participation	Greater Market Access
Facilitating Economic/ Exports Diversification	Enhancing Global Trade and Cooperation
Accelerating Environmental, social, and governance (ESG) & Responsible Business Conduct (RBC)	

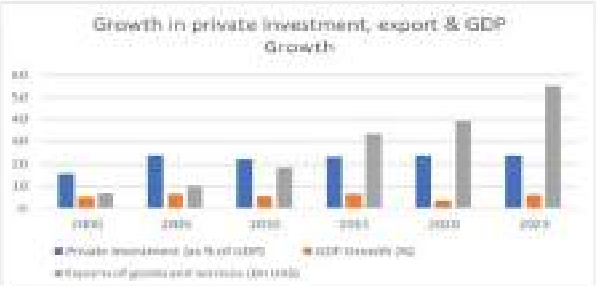
Figure 5: The Perspective Plan Emphasizes on the Criticality of Private Sector for Attainment of Vision 2041



3.0 Current Investment Performance Falls Far Short of Country's Potential and Peer Countries

Figure 6: Bangladesh FDI Flows (In Million USD)

Figure 7: Private Investment, GDP Growth and Exports in the Last decade



4 Export Promotion Bureau

Figure 8: Net FDI Inflows by Major Countries 2023
(In million US$)

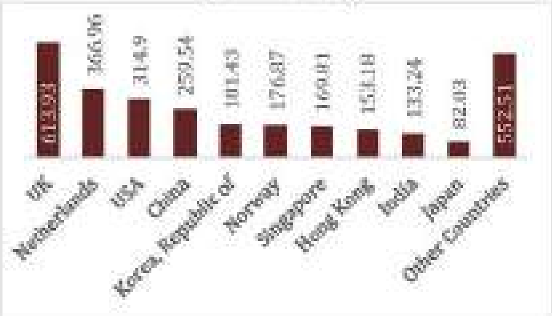
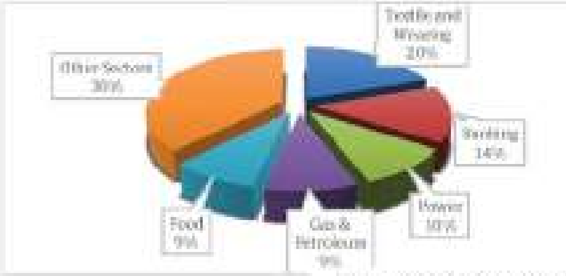
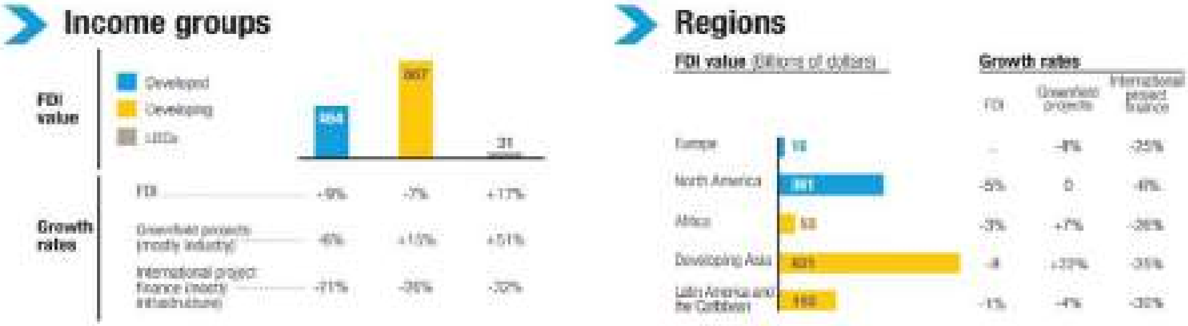


Figure 9: Net FDI Inflows by Major Sectors 2023
(In million US$)



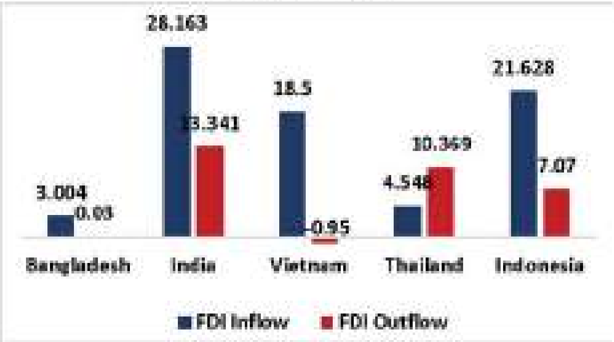
Source: BBS, Bangladesh Bank

Figure 10: Investment Project Activity in Developing Countries Continue to Grow, as they Account for 64% of Global FDI



Source: World Investment Report, 2024

Figure 11: FDI Flows with Comparator 2023
(In Billion Dollars)



Source: World Investment Report 2024

Bangladesh has made notable strides in attracting private investments and FDI, but it remains modest compared to regional peers like India and Vietnam, which secured $28.16 billion and $18.5 billion, respectively. In contrast, Bangladesh attracted $3.25 billion in FDI in FY 2022-23, a 5.52% decrease from the previous fiscal year. This puts Bangladesh behind countries such as Thailand ($4.55 billion) and Indonesia ($21.63 billion), underscoring the need for more effective policies and infrastructure improvements to attract foreign capital[5]. While Bangladesh is a net recipient of FDI with minimal outflows of $0.03 billion, the country lags its regional competitors in securing substantial foreign investments.

Bangladesh's position among the top FDI recipients in Least Developed Countries (LDCs) in 2023 underscores its strategic importance in global investment flows. The country, alongside others like Cambodia and Ethiopia, accounted for about 50% of total FDI to LDCs, emphasizing its role as a key destination for investment aimed at productive capacity and infrastructure development[6]. This influx of FDI, particularly in sectors like ready-made garments (RMG), telecommunications, and energy, has been transformative, driving industrial growth and enhancing Bangladesh's participation in global value chains (GVCs). As FDI continues to flow into these crucial sectors, Bangladesh is poised to further its economic development and integration into the global economy.

4.0 Why Previous Attempts Failed to Generate Satisfactory Investments Levels

Despite efforts to attract foreign direct investment (FDI) into Bangladesh, previous initiatives have largely fallen short of their goals. A combination of institutional, regulatory, and strategic shortcomings has impeded the country's ability to create a conducive environment for investment. The lack of a unified strategy, bureaucratic obstacles, and limited public-private dialogue have all contributed to these failures. Below are the key reasons why previous attempts have not succeeded in drawing significant FDI into Bangladesh.

5 World Investment Report 2024
6 Asian Development Outlook 2024

Figure 12: Key Factors Behind Bangladesh's Failure to Attract FDI

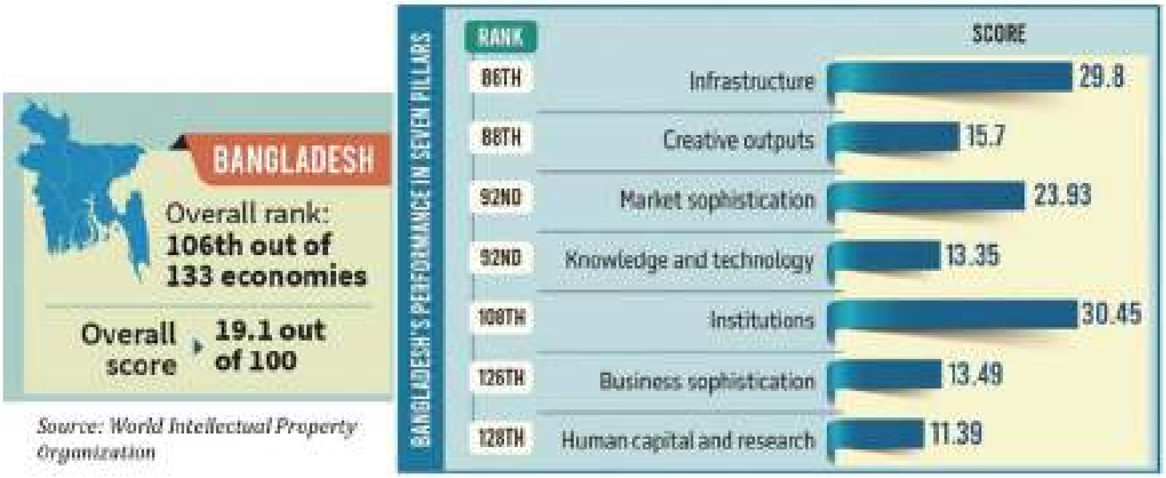
Absence of Systematic Investment Promotion	Complex Regulatory Framework and Red Tape
No Comprehensive National FDI/Private Investment Strategy	Limited Cooperation from PMO and Line Ministries
No follow through Action or Programs for Political Rhetoric on Investment	Weak Public-Private Dialogue
Limited Competitive Sectors for Investment	Inadequate Investment Aftercare

5.0 Investment Climate in Bangladesh and Where the Shoe Pinches

5.1 The Business Environment Underpinned by Low Competitiveness

Bangladesh's business environment currently reflects a complex mixture of growth potential and structural challenges. The Global Innovation Index (GII) 2024 reflects a challenging business environment in Bangladesh, which has slipped to 106th position among 133 economies. Despite strengths in infrastructure (ranking 86th),

Figure 13: Global Innovation Index 2024



Source: World Intellectual Property Organization

creative outputs (88th), and market sophistication (92nd), the country struggles in human capital and research (128th), business sophistication (126th), and institutions (108th). These weaknesses indicate a lack of skilled workforce, insufficient business support, and institutional barriers. Although Bangladesh produces more innovation outputs relative to its investments, it still lags the lower-middle-income group average in key areas.

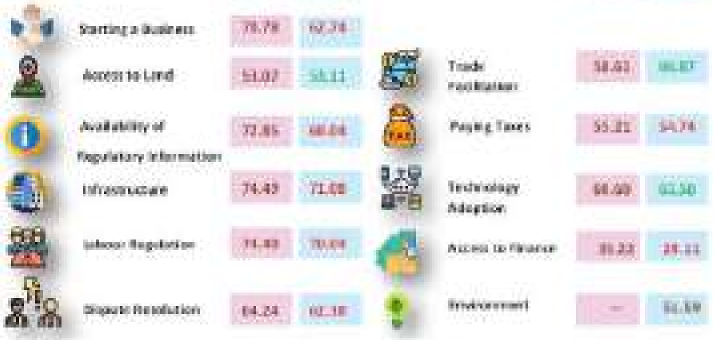
Figure 14: Global Competitiveness Index 2019

Source: World Economic Forum

The Global Competitiveness Index (GCI) report indicates a slight decline in Bangladesh's business environment, with the country now ranked 105th among 141 countries, down from 103rd the previous year. Although the overall score remained at 52.1, declines in 10 of the 12 pillars of competitiveness, such as macroeconomic stability, labor market, ICT adoption, and infrastructure, have negatively impacted the business climate.

According to the Bangladesh Business Climate Index (BBX) for 2023-24, the country recorded a score of 58.75, indicating a difficult operating landscape for businesses 7. Key issues include pressure from tax authorities, inefficient revenue collection, inflation, and global economic uncertainties like the Russia-Ukraine conflict.

Figure 15: Bangladesh Business Climate Index - Performance by Pillar



Source: MCCI & Policy Exchange Bangladesh

5.2 Critical Hurdles that Limit Private Investments

Bangladesh faces several significant challenges that limit its attractiveness for both domestic and foreign investment. These challenges include trade facilitation bottlenecks, an inefficient regulatory environment, infrastructure deficits, protectionist trade policies, a lack of access to finance, and issues surrounding political and economic stability. Together, these factors create an investment climate that is complex and challenging, particularly for non-RMG (ready-made garment) sectors, small and medium enterprises (SMEs), and foreign direct investors (FDIs).

Figure 16: Investment Constraints in Bangladesh

Inefficient Trade Facilitation	Regulatory Predictability
Regulatory Complexities	Infrastructure Inadequacy
Burdensome Taxation Policies	Productivity Gap
Limited Access to Diversified and Long-term Financial Products	

1. Inefficient Trade Facilitation
Trade facilitation in Bangladesh is significantly hindered by inefficiencies at its major ports and customs processes 8.

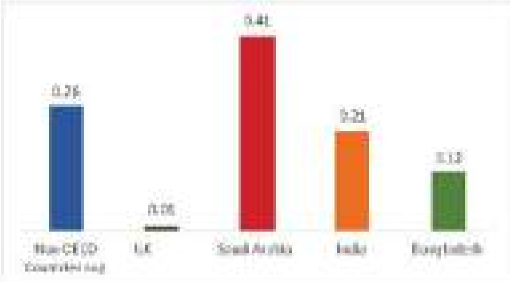
Figure 17: Container Port Performance Index 2023

Figure 18: Logistics Performance Index 2023

2. Regulatory Complexities
Bangladesh's protectionist trade policies outdated regulatory framework, and high red tapes in regulatory service delivery present a major hurdle for potential investors 9.

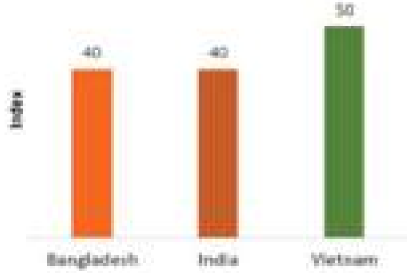
Worldwide Governance Indicators 2022 (-2.5 to +2.5)			
	Bangladesh	India	Vietnam
Regulatory Quality	-0.9	-0.1	-0.4

Figure 19: OECD FDI Regulatory Restrictiveness Index 2021 (open=0; closed=1)



8 Logistics Performance Index 2023, World Bank
9 World Bank Database

Figure 20: Financial Freedom Index



3. Limited Access to Diversified and Long-term Financial Products

Access to SME finance as well as long-term finance remains the most critical challenge for businesses in Bangladesh 10.

4. Regulatory Predictability

Regulatory system and economic stability play crucial roles in shaping investment decisions, and Bangladesh has faced significant challenges in this area 11.

Figure 21: CPI & Economic Freedom Index 2023

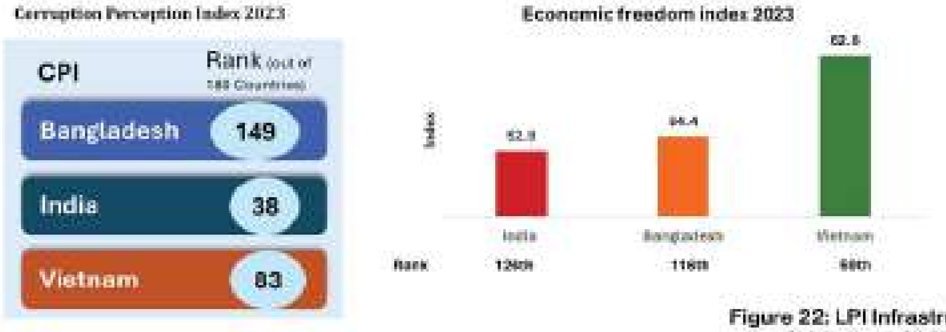


Figure 22: LPI Infrastructure Subindices 2023

5. Infrastructure Inadequacy

In the LPI Infrastructure subindex, Bangladesh ranked 108th out of 139 countries, far behind India and Vietnam, both at 47th12. Furthermore, the Global Competitiveness Index 2019 ranked Bangladesh 114th in infrastructure, the lowest among South Asian countries 13.

Figure 23: Global Skill Ranking 2024

6. Productivity Gap

The productivity gap in Bangladesh is significantly influenced by a shortage of skilled labor. According to the Global Skills Report 2024, Bangladesh ranks 94th out of 109 countries in global skill ratings, trailing behind both Vietnam (54th) and India (87th). This technological gap discourages potential investors who seek modern, efficient, and competitive industries, further limiting the country's attractiveness as an investment destination.

7. Burdensome Taxation Policies

Taxation policies pose a major challenge to attracting foreign investment in Bangladesh. With a top corporate tax rate of 32.5%, the country stands at a disadvantage compared to regional competitors. Additionally, the complexity of the tax system, along with inefficient administration, adds further obstacles, making the investment environment less appealing. The tax burden amounts to 8.8% of GDP, while public debt is 37.9% of GDP. Government spending and budget balance over the past three years averaged 13.1% and -4.2% of GDP, respectively.

Figure 24: Corporate Income tax & FDI Relation

Country	2021 Tax Rate	2022 Tax Rate	Change from 2021 to 2022	Net FDI inflow (million USD)		
				2021	2022	% Change
France	28%	25.80%	-2.6 ppt	88427.62	96241.67	9%
Turkey	20%	23%	+3 ppt	13325	13094	-2%
Greece	24%	22%	- 2 ppt	6132.476	6846.333	12%
Bangladesh	32.5	30	- 2.5 ppt	1723.86	1555.41	-10%

10 Economic Freedom Index, The Heritage Foundation
11 BTI Transformation Index 2024
12 Logistic Performance Index 2023, World Bank
13 World Economic Forum

6.0 Walking the Talk: Strategic and Policy Priorities Going Forward

To address Bangladesh's investment challenges and foster sustainable economic growth, the government must focus on targeted strategic reforms across several sectors. These reforms will help mitigate current barriers like infrastructure gaps, regulatory inefficiencies, and limited access to finance, aligning with the broader need for improving investor confidence and competitiveness.

6.1 Strategic Options

Figure 25: Overarching Recommendations

Enhance Investment Establishment Processes	Refine Investment Incentives
Promote Coherence Between Trade and Investment Policies	Strengthen Domestic and FDI Linkages
Support SMEs and Exporting Industries	Enhance Country Branding

6.2 Policy & Regulatory Priorities

Figure 26: Policy & Regulatory Recommendations

Enhancing Trade Facilitation	Streamlining Regulatory Frameworks
Improving Access to Finance	Investing in Infrastructure
Reforming Taxation Policies	Export Diversification

1. Enhancing Trade Facilitation
• Prioritize investments in port and customs infrastructure, focusing on developing Bay Container Terminal with efficient hinterland connectivity, multi-modal freight transportation, and improving facilities at Chattogram Port to accommodate growing trade volumes.
• Implement digital and risk-based customs systems to streamline border clearance processes, reducing export and import times significantly.
• Effective implementation of National Logistics Policy 2024

2. Streamlining Regulatory Framework
• Modernize Companies Act, Arbitration Act, Bankruptcy Act, Foreign Exchange Regulation regime, and streamline predictability/efficiency of sectoral and complex licensing/approvals.
• Develop policy on regulatory governance that emphasizes stakeholder consultation and transparency in regulatory changes.

3. Improving Access to Finance
• Revise interest rate caps and reduce collateral requirements to facilitate easier access to credit for small businesses.
• Develop a resolution strategy for managing nonperforming loans.
• Liberalize external commercial borrowing to attract foreign investment.
• Establish a credit information system for micro, small, and medium enterprises (MSMEs).
• Introduce credit-guarantee schemes for SMEs to reduce lending risks.

4. Investing in Industrial and Trade Infrastructure
• Fast-track the implementation of key infrastructure projects, such as the Bay Terminal and Mirsarai logistics ports, to enhance logistics capabilities.
• Utilize public-private partnerships (PPPs) to fund and manage infrastructure projects, ensuring efficient execution and maintenance.

5. Reforming Business Taxation
• Reduce corporate tax rates and simplify the tax system to enhance competitiveness and attract foreign investments.
• Digitalize tax return filing, processing, and payment systems to improve efficiency and compliance for businesses.
• Separate tax policy formulation from tax administration to minimize discretionary powers of tax officials and enhance transparency.

6. Diversification
• Implement sectoral export roadmaps swiftly, outlining strategies to diversify exports and reduce dependency on a limited range of products.
• Improve quality standards for exports by developing frameworks that meet international environmental and social benchmarks.
• Establish an export market intelligence system to provide businesses with timely information about market opportunities and trends.

FREE ACCESS TO INFORMATION: THE CORNERSTONE OF KNOWLEDGE-DRIVEN SOCIETY

banglalink

Erik Aas
Chief Executive Officer
Banglalink Digital Communications Ltd.

In today's information-driven world, the demand for timely and relevant content is insatiable. Whether it is breaking news, government policies, consumer products, entertainment, or technological innovations, people want access to information when they need it. Digital technologies, particularly mobile phones and OTT (over-the-top) platforms, have revolutionized how we consume information. Flexibility and convenience now define how we engage with content, pushing the boundaries of traditional media consumption.

Mobile phones have overtaken traditional TV sets as the go-to medium for news, entertainment, education and all sorts of information. For younger generations like Gen Z, mobile internet access is no longer a luxury, it is a necessity. ***Limiting or blocking access to internet-based TV services not only disrupts their primary source of information but also hinders their ability to participate meaningfully in society and make informed decisions. For the youth, unrestricted access to information is not just convenient; it's essential for personal growth, learning, and contributing to future innovations.***

There was a time when linear TV, also known as traditional or scheduled programming, dominated the media landscape. Programs were broadcast according to a fixed schedule, requiring viewers to tune in at specific times. Content was transmitted via cable, satellite, or terrestrial networks, offering little flexibility to the viewer. With the rise of digital technologies, viewing habits have evolved. Watching television through internet-based OTT platforms has transformed how audiences consume media. Unlike traditional TV, internet TV allows viewers to watch content anytime and anywhere, even on the go, as long as they have an internet connection.

At the heart of this transformation is streaming technology. Whether it's a smartphone, tablet, or smart TV, viewers can stream content over the internet, bypassing traditional cable and satellite channels. This is especially relevant in Bangladesh, where the OTT market is set to reach USD 238.90 million in 2024, with an annual growth rate of 10.80% expected through 2029. The growth underscores the increasing reliance on OTT platforms for news, entertainment, and educational content.[1]

1 https://www.statista.com/outlook/amo/media/tv-video/ott-video/ bangladesh#:~:text=In%20Bangladesh%2C%20the%20revenue%20in,US%24398.90m%20by%202029

Mobile phones offer unprecedented access to real-time news, educational resources, and entertainment, making them the preferred choice for a growing majority. Unrestricted access to internet TV on mobile devices plays a key role in creating a technology-driven, knowledge-based society. To fully capitalize on this shift, we need supportive policies and regulations that enable the potential of internet TV to drive a more informed and empowered society. A significant trend has emerged as many viewers, particularly younger demographics, are "cutting the cord", and moving away from traditional TV towards mobile viewing options.

As the industry adapts to these changes, the future of entertainment needs to be diligent, inclusive, and tailored to individual tastes. International OTT platforms like Netflix, Prime Video, and Hulu entered Bangladesh long before. Today, local platforms like Toffee, are changing how people consume entertainment, allowing them to watch their favorite content on-the-go or at home.

However, at a time when the world has embraced TV on mobile phones, Bangladesh decided to delink TV from OTT platforms, proving to be counterproductive for the viewers. The lack of legal framework and regulations in the country has led to the suspension of this service, depriving viewers of their right to access information and entertainment through their preferred medium.[2] ***The unethical action by vested groups to stop linear TV channels on OTT platforms forces consumers back to outdated and more expensive methods of accessing television. Viewers now all over again have to suffer from the monopolistic and politicized nature of the cable providers and DTH service providers.***

Fundamental rights, economic implications, and global market dynamics -- all are compelling reasons to reconsider the decision of discontinuing linear TV on OTT. People must have the freedom to choose how they consume media and access information. To ensure unbiased viewing, it is crucial for the interim government to reform the legal landscape and regulate linear TV on OTT platforms. This will not only provide people with more options but also foster innovation and competition in the media industry, ultimately benefiting the end users. As streaming services and online platforms have taken center stage, it seems as though TV is not a necessity anymore. By embracing this shift, we can build trust, foster collaboration, and empower citizens to make informed decisions that shape their communities and the world around them.

2020	2020	2021	2021	2022	2022	2023
Q1-Q2	Q3-Q4	Q1-Q2	Q3-Q4	Q1-Q2	Q3-Q4	Q1-Q2

2 https://en.prothomalo.com/business/pmi7hw3zlwt

TRANSFORMING BANGLADESH'S INVESTMENT LANDSCAPE

BAT BANGLADESH

Monisha Abraham
Managing Director
BAT Bangladesh

In just 55 years, Bangladesh has transformed from one of the poorest countries in South Asia to an 'Asian Tiger'.[1] The nation slowly became an emerging hub for regional connectivity and foreign investors, outshining neighbouring countries in multiple indicators such as GDP growth and gender equality. Despite the development, Bangladesh continues to grapple with multiple challenges, varying from political instability to infrastructural deficiencies, and corruption. These challenges have worked as barriers for the nation in reaching its full potential. To truly transform Bangladesh's investment landscape, the following reforms are essential in the relevant sectors.

Assure stability and security

Ensuring stability and security is essential for transforming the investment landscape. Recently, widespread worker protests over back wages, salary adjustments, and benefits have led to the closure of over 200 factories, putting exports at risk. Disruption in international orders can threaten contract renewals with foreign buyers, which could have serious economic repercussions.

Given the $10 billion plus losses incurred from previous shutdowns, the last thing the country needs is further disruption. The interim government must work closely with business leaders to address these issues and restore stability and security before further damage is done to the economy and foreign buyer relations.

Promote ease of doing business

Foreign investors typically face complex regulations and bureaucracy. Hence, simplifying the processes can improve transparency and reduce unwanted delays. The honourable Chief Adviser Professor Muhammad Yunus advocates for business-friendly policies and financial transparency, which can lead to a revival in investment across multiple sectors, such as banking and infrastructure. Moreover, the government should also try to focus on higher productivity and export diversification. Introducing targeted tax breaks for high-growth industries could encourage investment in sectors like electronics and automotive parts, which can help the nation secure a stronger foothold in the global value chain of high-value-added products.

Reform the financial sector

The government must initiate reforms in the banking and financial sector. The sector has been plagued by issues of high levels of non-performing loans (NPLs), political interference, and poor governance. As of May 2024, the overall nonperforming loan accumulation stood at BDT 5.50 trillion[2] It deters the banks from lending money effectively, hinders

1 https://www.orfonline.org/expert-speak/bangladesh-at-crossroads-export-sustainability-amid-political-unrest
2 https://pressxpress.org/2024/05/27/bangladeshs-banking-sector-faces-tk-5-50-trillion-non-performing-loans-surge/

business development, and undermines investors' confidence. The interim government should enforce stricter lending standards, increase transparency, decrease corruption, and strengthen oversight to enhance the overall financial and banking sector to attract more foreign and domestic investment. Strengthening the financial sector is crucial in making Bangladesh an attractive destination for investment.

Improve tax compliance

The interim government must focus on improving tax compliance, broadening the tax base, and enhancing the efficiency of tax collection. A transparent, predictable, and fair tax system is vital to attracting foreign investors, as unpredictable policies and inconsistent enforcement often deter investment and create an unstable business climate. Collaboration with the business community during policy formulation or reform will help maintain investor confidence and trust in the market. Moreover, with the fiscal deficit growing, efficient tax collection can help reduce the gap and increase government revenue without resorting to additional borrowing.

Invest in human capital

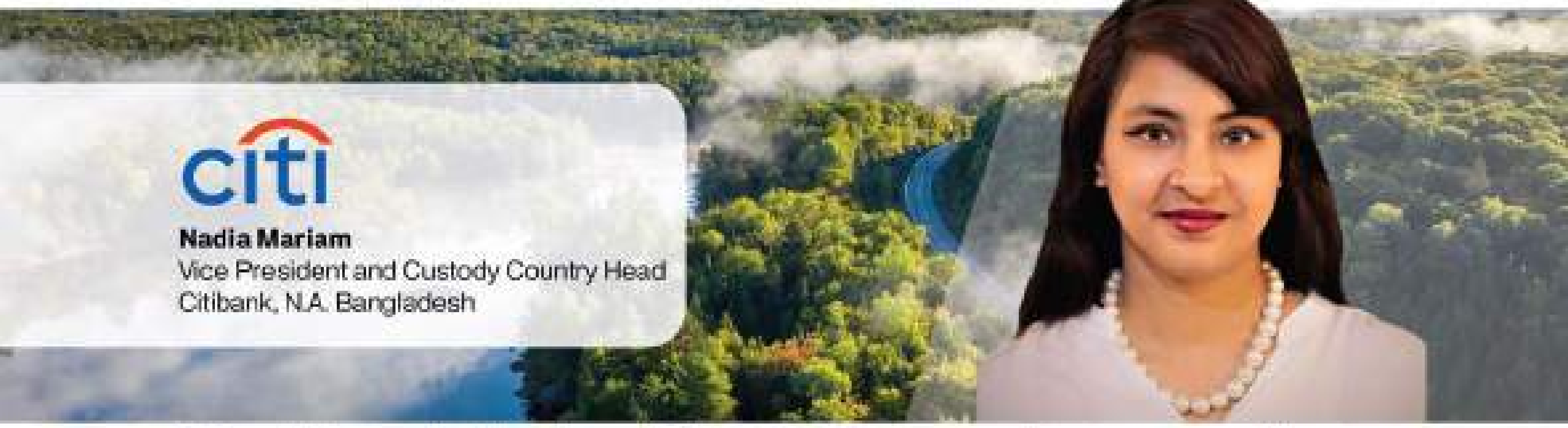
There is no option but to continuously invest in developing human capital if Bangladesh is to become a developing country by 2026. Accelerated investments in human capital will result in higher economic growth and should attract more foreign investment. To complement the demographic dividend Bangladesh enjoys, having a special focus on technical or vocational training will translate into a more skilled and enriched workforce. This may lead to a competitive advantage, which foreign investors would be eager to harness to expand their operations.

Adopt a technology-driven approach

Digital transformation and e-governance go hand in hand in delivering business growth. Adopting a technology-driven approach and streamlining complex and bureaucratic processes will enhance accessibility to public services and optimise government operations, while ensuring transparency and accountability. A streamlined process across all government functions will make government operations efficient and more responsive to the needs of citizens and business organisations alike.

The interim government has already brought many changes that have paved the way for a stable and transparent investment environment across Bangladesh. It has set the stage for further economic reforms and growth. However, a lot of work is still left, which better policies and implementation can aid for the long-term stability of the economy and to transform the investment landscape for a better tomorrow.

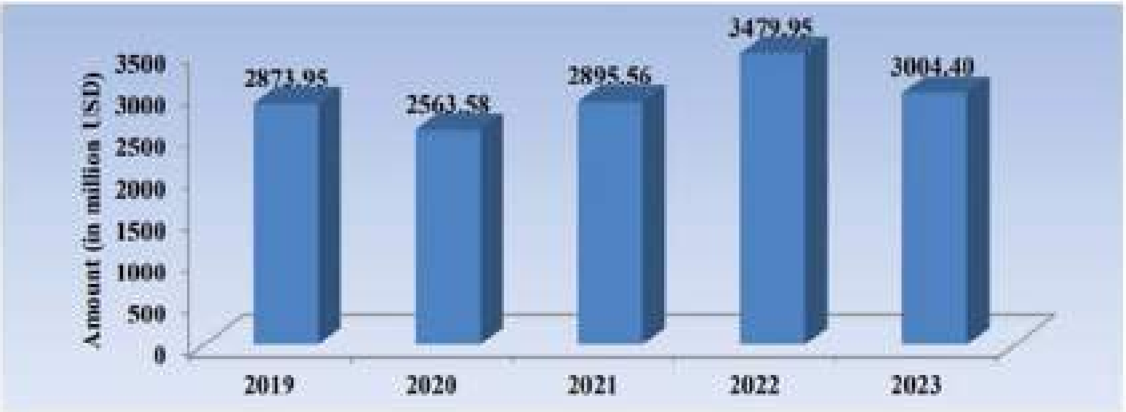
THE FUTURE OF FDI IN BANGLADESH- RIGHT TIME FOR REFORMS



Nadia Mariam
Vice President and Custody Country Head
Citibank, N.A. Bangladesh

For Bangladesh, attracting higher volumes of FDI is not just a short-term necessity but a cornerstone for long-term economic sustainability. With the right policies in place, analysts believe Bangladesh could attract the foreign capital necessary to spur growth in underutilized sectors, diversify its economy, and create jobs. With the country on track to graduate from Least Developed Country (LDC) status by 2026, the clock is ticking for Bangladesh to boost its investment appeal. FDI inflows fell 14% in Calendar Year 2023, down to $3 billion.

Net FDI Inflow by Year



Source: Foreign Direct Investment and External Debt, Bangladesh Bank

Global Competition, Local Challenges

While significant strides have been made in developing economic zones and high-tech parks, holding road shows, promoting public-private partnerships, country's investment climate, on the global stage, Bangladesh lags behind its South Asian peers.

Regional Comparison of FDI Inflows

Country	Most recent year	FDI (in million $)	FDI-GDP ratio (%)
Maldives	2022	722	11.70
India	2022	49,355	1.44
Sri Lanka	2022	898	1.20
Bangladesh	2022	3,480	0.75
Pakistan	2022	1,339	0.35
Nepal	2022	65	0.15
Bhutan	2021	11	0.03

Source: World Bank

Headwinds

Sector wise Composition of FDI

Source: Bangladesh Bank

Energy sector has drawn significant capital in recent years, but the plants often did not operate at full capacity as they faced hurdle in generating BDT revenue and sourcing Foreign currency for importing raw materials.

In Infrastructure, Land acquisition has always remained one phase that pushed the project timeline. Companies face challenge in implementing cash free toll collection via electronic and QR code based mechanisms..

Manufacturing contributes 42% of total FDI. One small incident is enough to put the head office at alert and pause all future inflows in the market no matter how big a revenue contributor the local franchise is. They also deal with the 'cancel culture' and 'mass boycott' in this era of influencers.

Enough has been written about the Banking sector in recent weeks, reform committees already formed and we can only hope it brings retail investor confidence on bank's ability to protect depositors' money.

Emerging Opportunities

Sectors such as agriculture, fisheries, solar power, IT, food export remain underdeveloped yet full of potential. Investors are looking toward these industries as the next frontier for growth in Bangladesh, provided the necessary reforms materialize.

Looking Ahead- Reforms We Recommend in short term

1. The legal and regulatory framework: Pro-investment legal framework with necessary amendments in key regulations taking into considerations practical use cases e.g. BIDA Act, FERA, FX Guideline etc., make English version available for BB circulars and circular letters that are relevant for FDI clients, simplified flow chart for project companies to avoid dealing with multiple government agencies

2. Guaranteed protection to investors' money: Ensure timely payments against services and goods delivered by foreign investors, allow seamless repatriation of dividends and home office expenses. Powerful committee can be formed to handle complicated cases to avoid unreasonable delays.

3. Safety & security: Beef up security in major industrial belts to avoid damages to assets and ensure employee safety

4. Labor unrest: Take short term and long-term measures on labor unrest to contain that within acceptable level and avoid future risk of mass unrest in companies outside industrial belt

5. Economic discipline: Bring in appropriate knowledge and experience in place while taking decisions on economic drivers following required elements of free market economy protecting the benefits of mass citizens. e.g. Exchange rate, interest rate, remittance incentive

In Medium term, We can explore creating separate and central investment promotion cell under supervision of BIDA to run effective local and international campaigns highlighting the positive stories to targeted investor class. Run this through professional home-grown agencies and talents who have established track record of working in nation building initiatives. An improvement in the Corruption Perception Index (CPI) will validate the positive narrative.

UNLOCKING A BILLION-DOLLAR OPPORTUNITY: FDI GROWTH IN BANGLADESH'S TOWER INDUSTRY

A Strategic Avenue for Growth, Cost Optimization, and Economic Expansion

EDOTCO
Sunil Isaac
Country Managing Director
EDOTCO Bangladesh

Bangladesh's telecommunications sector is experiencing rapid development, positioning the country as a potential hub for foreign direct investment (FDI) in infrastructure, particularly in the tower industry. The need for robust telecommunications infrastructure has become paramount as demand for digital connectivity grows, driven by a rising number of mobile users and increasing data consumption. This evolving landscape presents significant opportunities for investment, modernisation, and broader economic benefits.

FDI Opportunities in the Tower Industry

*source Index Partners Report

Bangladesh's telecommunications market, marked by around 45,000 towers, half owned by TowerCos and the remainder by mobile network operators (MNOs), is evolving swiftly. As telecom operators look to optimise assets, the tower industry offers substantial potential for FDI. A case in point is Banglalink's sale of 2,000 towers in 2023 for $100 million, at an average of $50,000 per tower. This transaction underscores the potential for further investment in the country's infrastructure.

Projections indicate that Bangladesh will need approximately 10,000 additional towers within the next three years to meet the demands of growing mobile subscriptions and the roll-out of 4G services. This requirement highlights a clear opportunity for foreign investors to contribute to the expansion and modernisation of the sector, with the potential for attractive returns. As the market prepares for 5G deployment, expected within two years, infrastructure investment needs will continue to rise, creating an opportune moment for investors to engage in one of South Asia's fastest-growing markets.

Enhancing Tower Market Attractiveness for FDI

Several operational strategies could be implemented to enhance the attractiveness of the tower sector for FDI. One approach involves diversifying revenue streams for tower companies by incorporating value-added services. For instance, towers can be adapted to host solutions like small cells, neutral hosting, and IoT devices, supporting the development of smart cities and advancing sectors such as agriculture. These services not only add new revenue opportunities but also enhance technological integration across the economy.

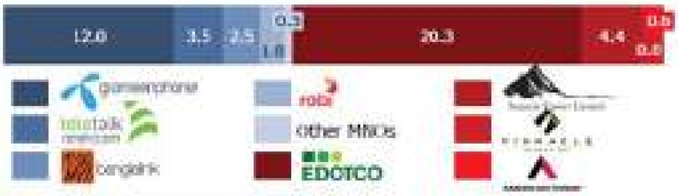
Indoor connectivity remains a notable challenge in Bangladesh, where mobile data speeds often lag behind user expectations in heavily populated areas. Tower companies, in collaboration with mobile operators, could address this issue by investing in solutions that improve indoor network coverage. Shared infrastructure, such as neutral hosting, can help reduce costs and improve the quality of service, particularly in areas where high capital expenditure may be a barrier.

Additionally, the growing adoption of electric vehicles (EVs) presents an opportunity for telecom infrastructure to serve dual purposes. Leveraging tower sites as EV charging stations could generate new revenue while aligning with the country's sustainability initiatives.

The concept of active radio network sharing, where multiple operators use a single network infrastructure, also holds potential. This model, successfully implemented in other countries like Malaysia for their 5G networks, could be applied to Bangladesh's 4G coverage, particularly in rural regions. Such an approach would lower capital and operational expenses, drive industry efficiency, and reduce the financial burden on individual operators.

FDI Opportunities in the Tower Industry

No. of towers by owners, in thousands, Q1'2024



***source Index Partners Report**

Realising the full potential of FDI in Bangladesh's tower industry will require policy enhancements and structural reforms. One of the most pressing needs is streamlining the approval process for tower construction. Obtaining necessary approvals can take six to twelve months, slowing the pace of infrastructure development. A more efficient, single-window system could help expedite this process, making the market more appealing to foreign investors.

Additionally, simplifying the tax structure for digital infrastructure investments is crucial. Taxes and fees consume nearly half of tower companies' revenue, limiting profitability and deterring investment. Aligning Bangladesh's tax regime with other developing Asian economies and offering specific incentives for investments in clean energy solutions could significantly improve the investment climate.

Energy costs represent approximately 40% of total expenses for tower companies, driven largely by diesel generator usage in remote areas. Policies incentivising the adoption of renewable energy, such as solar power and advanced battery storage systems, could mitigate these operational costs while supporting national and global sustainability goals.

Future Outlook

The telecommunications sector plays a crucial role in Bangladesh's broader economic landscape, contributing to GDP growth, job creation, and improving public services. By attracting foreign investment in its telecommunications infrastructure, Bangladesh has the opportunity to expand digital access, drive innovation, and accelerate its economic development.

In summary, Bangladesh's tower industry presents a compelling opportunity for foreign direct investment. Addressing key challenges—such as the approval process, tax structures, and energy costs—along with exploring new revenue streams—could significantly enhance the sector's appeal. Such reforms would enable the development of a more resilient telecommunications infrastructure, driving long-term benefits for the economy and its citizens.

GAINING INVESTOR CONFIDENCE IS ESSENTIAL FOR FDI

FICCI
FOREIGN INVESTORS CHAMBER OF COMMERCE & INDUSTRY

T I M Nurul Kabir
Executive Director
FICCI

Bangladesh is a country with high potential for Foreign Direct Investment (FDI). Strategic location of Bangladesh between the emergent South and Southeast Asian markets and its large workforce have been rewarding for attracting FDI inflows since the inception of economic reform in 1995. With robust growth, strong macroeconomic stability and booming private business, Bangladesh has achieved the outstanding accomplishment of becoming the second largest garments producer in the world.

Bangladesh offers a range of investment incentives under its export-oriented growth strategy and industrial policy aimed at seeking foreign investment. Large investment inflow in electricity, transport, and telecommunications sector is creating a strong foundation for business. Other major sectors of foreign investments include readymade garments and textiles, energy and power, infrastructure, healthcare, ICT, agribusiness, leather and leather goods, electronics, light manufacturing, medical equipment, Pharmaceuticals, and plastic. Alongside these, the agro-processing industry, light engineering, digital financial services, etc. are emerging sectors with high potentials to bring in more FDI in the upcoming future.

Although the net FDI inflow in Bangladesh has significantly increased in recent years, the FDI to GDP ratio is still not up to the mark. Low inflow of FDI indicates the need for reforms in policies and regulations for enhancing the business environment to gain investor confidence.

Low FDI Inflow

Foreign direct investment (FDI) is crucial for Bangladesh at this important stage of national life for economic recovery and sustainable development. Despite abundance of cheap labour and attractive incentives offered by the government of Bangladesh, FDI inflow staggers much behind the essential mark.

According to the UNCTAD World Investment Report 2023, despite being the second-largest economy in South Asia, Bangladesh ranked fourth in the region in terms of FDI inflow as a percentage of gross domestic product (GDP). FDI inflow accounted for only 0.75 percent of the GDP. Although Maldives received $722 million in FDI in 2022, that accounted for around 11.70 percent of its GDP. Sri Lanka, which suffered severe economic crisis in 2022, fetched $898 million from foreign investors, which accounted for 1.20 percent of that country's GDP.

FDI flows, by region and economy, 2017–2022

Region/economy	FDI inflows					
	2017	2018	2019	2020	2021	2022
South Asia	51 644	52 262	59 090	71 050	52 683	57 370
Afghanistan	52[a]	119[b]	23	13[b]	21[c]	..
Bangladesh	2 152	3 613	2 874	2 564	2 896	3 480
Bhutan	-7	6	3	1	1	11[c]
India	39 904	42 156	50 558	64 072	44 763	49 355
Maldives	458[a]	576[b]	961[b]	441[b]	643[b]	722[b]
Nepal	198	67	185	126	196	65
Pakistan	2 496	1 737	2 234	2 057	2 147	1 339
Sri Lanka	1 373[a]	1 614[b]	743[b]	434[b]	592[b]	898[b]

Source: UNCTAD World Investment Report 2023

In terms of US dollars FDI net inflows of Bangladesh was USD 3.0 billion during the Calendar Year 2023, which was higher than both Maldives and Sri Lanka. But considering FDI as a percentage of GDP, both the countries supersede Bangladesh.

Barriers to FDI

According to Bangladesh Bank (BB) statistics, net FDI Inflows in the calendar year 2023 were USD 3004.40 million, recording a 13.7% decrease from USD 475.55 million in the calendar year 2022. The COVID-19 pandemic and the war in Ukraine made unfavorable impact on Bangladesh economy, as the demand for Readymade Garments (RMG) export declined and energy and food prices rose sharply. Rising commodity prices and high imports in 2023 resulted in a wide balance of payments deficit. Sharp depreciation of Taka against the U.S. dollar over the past two years created volatility which raised concern among foreign investors about currency risk and overall economic environment.

There are more barriers to FDI inflow in the long run, than the temporary economic downturn caused by external factors. Those barriers need to be addressed and minimized through effective reforms in a pragmatic and sustainable manner. Bureaucratic delays, sluggish governance in various sectors, lax enforcement of labor laws and persistence of corruption create an unwelcoming environment for foreign investors, which are critical barriers to attracting FDI.

There has been plausible and gradual progress in reducing some constraints on investment, such as taking steps to ensure reliable electricity. However energy supply still remains unreliable, which affects production schedules. Bangladesh has achieved commendable infrastructural development, but infrastructure inadequacy still remains a barrier for attracting FDI. Inadequate infrastructure, particularly in transport and energy obstruct operational efficiency. Bangladesh lags behind its competitors in South Asia in developing facilities at the port for handling cargoes and containers, alongside transport and logistic facility. Congestion at the port cause delays leading to increased business cost.

Foreign investors assess facilities before making any investment decision. When investors come to establish some business they come on basis of feasibility study and research, with 10 years business plan. Inconsistency and frequent changes in government investment policies create uncertainty for the investors. Lack of predictability in taxation and regulatory environment make it challenging for investors to go along long term business plan.

Limited sector diversification is also a factor for low inflow of FDI. Heavy reliance on the RMG sector, which accounts for over 86 percent of Bangladesh's export earnings, makes the economy vulnerable to global market fluctuations. Investors increasingly seek opportunities in diversified sectors. Sector diversification has so far been explored in Bangladesh only to a limited extent.

Top 10 Investing Countries

Insufficient (and declining) FDI inflow is a matter of concern for Bangladesh particularly keeping in view the fact that in the region there is substantial inflow of FDI. India attracted over $40 billion and Vietnam $15 billion FDI in 2023.

United States of America (USA) and China are the largest investors in Bangladesh. While inflow of FDI from USA to Bangladesh dropped by 11 percent year on year to approximately $315 million in 2023. China reportedly became Bangladesh's largest FDI source country in 2023 on account of gross flow of $940 million.

Top 10 Countries by FDI Net Equity Capital Inflows

In million USD

Sl.	Name of Countries	Net Equity Capital		
		2021	2022	2023
1	United States of America (USA)	554.80	296.80	286.87
2	United Kingdom (UK)	16.40	90.36	99.96
3	People's Republic of China	210.62	105.59	86.24
4	Netherlands	18.39	126.91	71.97
5	Singapore	118.95	142.17	70.88
6	Hong Kong: SAR of China	29.54	60.39	23.70
7	Japan	22.62	8.31	18.30
8	United Arab Emirates (UAE)	31.13	34.52	18.26
9	Turkey	0.11	12.34	12.78
10	Seychelles	0.00	0.00	10.26
11	Other Countries	136.14	145.24	6.62
	Total	**1138.70**	**1022.63**	**705.84**

Source: FIED Management Cell, Statistics Department, Bangladesh Bank.

According to BB data, top ten investing countries accounted for almost 99.06% of the total equity capital inflows to Bangladesh in 2023. Net equity capital inflows in Bangladesh stood at USD 705.84 million, of which highest share of investing countries were United States of America (USA): USD 286.87 million, United Kingdom (UK): USD 99.96 million, People's Republic of China: USD 86.24 million, Netherlands: USD 71.97 million, Singapore: USD 70.88 million and Hong Kong: SAR of China: USD 23.70 million.

Transformative Power of FDI

In the past decades several sectors in Bangladesh, such as Fast Moving Consumer Goods (FMCG) and Information & Communication Technology (ICT) have benefitted from large influx of investments. Transformative power of FDI inflow significantly leveled up technology, skills, and overall management standard of the industries. RMG, Telecommunications and Energy are the sectors assimilating the highest transformative benefits of FDI.

FDI has played an indispensable role in propelling the RMG sector to its current position of second top garments producer in the world. According to the FY2023-24 export figures of the National Board of Revenue (NBR), Youngone Corporation owned by South Korea's Kihak Sung topped the list of readymade garment exporters from Bangladesh. Youngone Group first reached near to a billion dollars in exports in FY2022-23 by exporting readymade garments worth USD 985.3 million. Youngone exported 34.5 million pieces of readymade garments to 52 countries in the last fiscal year.

Youngone Group exports high-end garments from Bangladesh. Youngone initiated operations in Bangladesh in 1980. The first private sector export processing zone, Korean Export Processing Zone (KEPZ) was launched in Bangladesh in May 1996 in industrial area in Chattogram. KEPZ houses a mix of eco-friendly factories, protected green areas and wetlands. Presently Youngone has 42 state-of-the-art green factories in operation. Youngone operation worldwide has industrial set-up in Korea, China, Vietnam, India, Switzerland, Uzbekistan, Ethiopia and El Salvador.

Investment Promotion Authorities

Four investment promotion agencies were given the responsibility for attracting foreign investments by the government of Bangladesh through the One Stop Service Act 2018. The agencies are: Bangladesh Investment Development Authority (BIDA), Bangladesh Export Processing Zone Authority (BEPZA), Bangladesh Economic Zones Authority (BEZA), and Bangladesh Hi-Tech Park Authority (BHTPA).

BIDA is responsible for screening, reviewing, and approving investments, but BEPZA, BEZA, or BHTPA may also become involved if the foreign investment takes place in an export processing zone, economic zone, or high-tech park. Moreover, all companies must obtain approval from relevant ministries and agencies with regulatory oversight.

A country like Bangladesh cannot afford to have so many different investment promotion authorities, which rather complicate investment procedures unnecessarily instead of facilitating investment. Through effective reform, we need to empower a single apex authority to facilitate all licensing and other applicable authorization required by investors to initiate their business projects. Responsibilities of all other relevant domain authorities should be structured so that all the formal procedures can be completed through a single window, a one-stop service of the apex investment promotion authority which can play a key role as BIDA.

As per BB data, major inflows of FDI are located in Non-EPZ areas. Equity capital, Reinvested earnings and Intra-company loans located at EPZ areas accounted for 13.0% (USD 390.81 million) of net FDI inflows of USD 3004.4 million. And inflows located in EZ areas accounted for 0.3% (USD 8.92 million). As against that, FDI located in the Non-EPZ areas accounted for 86.7% (USD 2604.67 million) of total net FDI inflows. However, FDI Inflows in the Non-EPZ areas witnessed a decrease of 15.27% in the year 2023 compared to 2022.

Creating a Country Brand

To attract foreign investors as well as visitors it is important to identify how Bangladesh is perceived by the outside world and international public. Aim of such survey and research-based identification is to find ways out to project the right image that would reflect actual potentials and prospects of Bangladesh, particularly for prospective foreign investors.

Creating a rewarding brand for the nation requires an overall comprehensive and integrated strategy. Country Branding is not a function that could be performed separately by the state, state bodies or any other association. Effective country branding requires integrated and concentrated effort of all stakeholders.

Some initiatives have already been taken in recent years to brand Bangladesh. But those initiatives have created little effective results, as those initiatives have mostly been private and sporadic. Even among the government bodies there is a lack of coordination and integration in projecting the image of Bangladesh. For example, the tagline presently being used by the Export Promotion Bureau (EPB) is: 'We Promote Export, We build Smart Bangladesh '. Whereas, the tagline used by the Bangladesh Investment Development Authority (BIDA) is: 'Welcome to Bangladesh, the Rising Star of Asia '.

A review at a glance of the "Incredible! India" campaign would make it clear, how a country branding initiative must to conceive its scope and aim of project the right image. The Indian Government's National Tourism Policy (NTP) 2002 can be seen as having sowed the very seed that sprouted the idea of Incredible! India. This is obvious as the NTP 2002 states that, "In the international market, India requires a positioning statement that captures the essence of its tourism product to convey an "image" of the product to a potential customer and which will become the India 'Brand' . Motivation for India Brand came from already famous branding exercises undertaken by some of the world famous tourist destinations such as 'Amazing Thailand', 'Malaysia, Truly Asia', The Philippine's ' Festival Islands' and Egypt's 'The Land of the Pharos'.

In today's globalized economy, creating a successful country brand is integral part of investment promotion for gaining unique global visibility focused on actual potentials to stimulate investor's curiosity, trust and confidence. It is also noteworthy that the Maldives and Sri Lanka have prepared their policy focusing on specific areas and formulating effective laws for safeguarding FDI and repatriation of profit. Maldives has focused on the tourism sector while Sri Lanka focuses on tourism, agriculture, and information technology.

Projecting the right country image represents the result of an integrated effort in the long term, which requires consistent and stable marketing strategies. Our crisis is we lack in coherent internal assessment practice. The Government should have an autonomous research unit where facts and experience of all the stakeholders can be shared, pooled and analyzed with regular exercise of periodic assessment and updates.

Essential Reform for Gaining Investor Confidence

Investment Climate and Business Environment are integral component of creating and maintaining the right image for attracting FDI. A number of strategic initiatives need to be implemented to improving overall investment climate and business environment.

The first and foremost step should be the streamlining of the regulatory framework by simplifying bureaucratic processes and making BIDA's one-stop service for foreign investors fully functional through automation and integrated streamlining. Registration process, regulatory services and all the related services of BIDA, BEPZA, BEZA, and BHTPA should be integrated through automation and monitoring under a single One Stop facility. This will significantly reduce time and effort required to set up business operations.

Technology-adoption is a prerequisite for enhancing efficiency, integration and transparency. In Bangladesh business registration process can take about two weeks, and typically would takes even longer. In Dubai, company registration takes 4-5 working days, whereas in Singapore it takes 3 working days for non-residents and 1 day for citizens.

For improving investment climate Customs Duty, VAT Policies and Corporate Tax rate need to be revised. Intricacies of customs procedures, tariff classifications and valuation methods are cumbersome and daunting for international business. In India, Vietnam, and Thailand, there are no VAT requirements for setting up industries in the economic zone; but in Bangladesh 15% VAT is applicable for such industries.

Effective reform is essential to curb corruption and strengthen governance and monitoring to build up investor confidence. Implementation of e-governance to the full extent would enhance accountability and transparency. Implementation of clear anti-corruption measures is imperative for gaining investors' trust.

Bangladesh is a member of the World Intellectual Property Organization (WIPO) and joined the Paris Convention on Intellectual Property. But intellectual property rights (IPR) protection in Bangladesh lacks prioritisation and investment. The government made some progress to bring IPR legislation into compliance with the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). However, implementation is slack and law enforcement agencies most often lack the training and resources to pay deserved attention to IPR complaints.

Investment in infrastructure projects, particularly in energy and transportation is crucial for enhancing investment climate. Public Private Partnership (PPP) for infrastructure development can open up fund sources for those projects. When necessary infrastructure facilities are in place these will enhance business growth and support foreign investments. Implementation of maiden the Logistics Policy of Bangladesh asks for intensive stakeholder engagements and partnerships.

Beyond all, creating a stable economic environment is vital for boosting up investor confidence. This includes managing inflation, ensuring a stable exchange rate, and maintaining healthy foreign currency reserves, all of which will encourage foreign investors to commit to long-term investments in Bangladesh.

THE INVESTMENT LANDSCAPE OF BANGLADESH: FOCUSING ON CHALLENGES AND OPPORTUNITIES

Paul Holloway
Managing Director
JT International Bangladesh Ltd.

As a company deeply invested in Bangladesh, and as a major employer and taxpayer, we firmly believe that open dialogue between the government and businesses is essential for addressing challenges and seizing opportunities to contribute to the country's sustainable development.

We welcome the government's call for a transparent public discussion on long-standing issues within the business environment—challenges that we, along with many others, have faced firsthand. We appreciate Foreign Investors' Chamber of Commerce and Industries (FICCI) for providing a platform for this dialogue. Together, we hope to find solutions that will ensure a better future for the country and its people.

JT Group acquired the tobacco business of Akij Group in Bangladesh in late 2018 for around BDT 124.3 billion (USD 1,476 million) leading to the establishment of JT International Bangladesh Ltd. - making it the single largest private FDI in the history of Bangladesh.

I am deeply familiar with the business environment in Bangladesh since July 2022, when I arrived in Dhaka to lead our business. While the challenges that businesses, including our company, have been facing in the country are not unique, there are certain areas that need immediate attention.

Unbalanced tobacco regulation that includes a system of excessive rules and requirements together with several layers of decision-making process slow down business operations, stifle innovation, and deter investment. From our experience, obtaining permits and approvals repeatedly means dealing with a tangled web of conditions that complicates the operating environment.

A crucial part of addressing this challenge is to include businesses in discussions about improvements of the operating environment. I believe that our expertise, knowledge, and experience are essential for making regulation evidence-based and more efficient. When internationally accepted better regulation principles are properly implemented, they benefit all stakeholders - the state, businesses, consumers, and society at large.

Our experiences with the legal system have highlighted several areas that need attention. We share common goals with regulators: protecting the rule of law, defending the interests of consumers, ensuring a level playing field, and protecting the rights of law-abiding businesses. Currently, the slow pace of the judiciary often creates uncertainty and risks for businesses making it difficult to enforce contracts and resolve disputes. In our view, expediting court proceedings could be an important step to provide the stability and predictability businesses need to operate effectively.

I firmly believe that closer cooperation with the business community with honest dialogue can greatly benefit the country and its economy. Focusing on real challenges and improving the operating environment are crucial to attract more FDI, which brings with it technology, expertise, enhanced employee skills, and best practices in regulatory compliance. In the agricultural sector, foreign investments mean better use of land, higher yields, fewer hazardous chemicals, and decreased pollution. Foreign investment in Bangladesh is a vital component in the efforts to grow and diversify exports.

Bangladesh has a well-educated and intelligent workforce who deserve the opportunity to peruse fulfilling careers.

This can be aided by an increase in external investment that fosters growing businesses and creates new jobs and career opportunities.

Addressing bureaucratic challenges, balancing the tax system, and strengthening the legal framework with thoughtful and decisive actions will pave the way for a more resilient and dynamic business environment. We are optimistic that with the right steps, Bangladesh can further unlock its economic potential and create a thriving landscape for businesses.

BANGLADESH CEMENT INDUSTRY: CHALLENGES, OPPORTUNITIES AND IMPERATIVES FOR THE INTERIM GOVERNMENT

LafargeHolcim
Mohammad Iqbal Chowdhury
Chief Executive Officer
LafargeHolcim Bangladesh Ltd.

The Bangladesh cement industry has experienced remarkable growth during the past decade, emerging as an important industrial sector of the economy. Aggregate cement demand has grown from 20 MTPA in 2014 to 38 MTPA in 2024, an annual growth rate of 6.74%. Growth has been driven by rising incomes, urbanization, industrialization and huge investments in infrastructure projects. With Bangladesh having an estimated GDP size of USD 420 billion, a population of 170 million and an urbanization rate of only 32%, there is huge potential for the cement industry to grow further in the future.

The impressive expansion of the cement industry has, however, also brought about a number of acute challenges, which now require urgent attention. If the Bangladesh cement industry is to continue on a sustainable growth trajectory, these challenges must be effectively addressed by industry stakeholders and the interim government.

The most significant challenge currently facing the industry is unhealthy competition resulting from massive oversupply. According to the Bangladesh Cement Manufacturers' Association (BCMA), there were 41 cement plants in operation at the end of 2023, having a combined capacity of 78 MTPA, compared to annual demand of 38 MTPA, resulting in capacity utilization of only 49%. The mismatch between demand and capacity is leading to unhealthy price competition, which puts undue pressure on margins and encourages unethical practices in the industry.

This situation has arisen due to market players undertaking unsustainable expansion projects without adequate market research or a comprehensive strategy to ensure profitability. Such unsustainable investment decisions not only cause market disruption, but also negatively impact the financial sector, as the loans taken out for these expansion projects could have been better utilized in other sectors.

Unhealthy competition also encourages unethical practices in the industry, such as tax evasion. Under pressure to cut costs, market players sometimes resort to false declarations regarding prices and volumes to understate profit, depriving the government of much-needed revenue. To survive in the market, some market players have even resorted to compromising the quality of their product to cut costs. This is a serious issue, since sub-standard concrete may cause a building to collapse, leading to loss of life.

After the interim government assumed power, it was revealed that several infrastructure projects initiated by the previous government may not have been financially viable. Concerns have also been raised regarding inflated costs and the integrity of the bidding process. Undertaking projects in such a manner not only placed a heavy burden on taxpayers, but also encouraged unethical practices, which placed honest contractors and cement manufacturers at a disadvantage.

The interim government now has a unique opportunity to address these challenges and usher in a new era of sustainability in the cement industry.

The most important reform that should be undertaken is effective governance and regulation of the cement market. The government should ensure that all market players strictly adhere to quality standards through enhanced market vigilance to eliminate substandard products from the market. Awareness campaigns should be run to educate customers regarding the importance of quality construction materials.

The government should enforce full tax compliance by all market players, which may be supported through digitization and enhanced data sharing. A pertinent step for the authorities can be to compare the market share of each cement manufacturer with its share of government revenue collected from the cement sector, ensuring that the government collects its due share from the industry. Meanwhile, public procurement and project management policies must be reformed to ensure integrity and transparency of future government projects.

Looking at the future, the government should also foster innovation by promoting modern and environmentally-friendly construction materials, such as lightweight concrete blocks in place of traditional clay bricks. Modern low-CO_2 cement should also be promoted as part of the government's commitment to reducing emissions. The government may also consider incentivizing the use of advanced production technologies to save energy and maintain higher quality.

The Bangladesh cement industry has come a long way, but is currently facing a number of challenges, mainly due to unsustainable capacity expansion. By addressing these challenges in a coordinated manner, the government and industry players will be able to secure the sustainable growth of this essential sector.

DRIVING BANGLADESH'S DIGITAL FUTURE: THE CRITICAL ROLE OF STRATEGIC INVESTMENTS

Syed Mohammad Kamal
Country Manager
Mastercard

Bangladesh has seen notable progress in the adoption of its digital economy. Consistent and cooperative innovation has propelled the country's multi-sectoral growth in the last few decades. Starting with agricultural mechanization and megastructures, all the way to finance, investment, and digitalization, the nation is now at the crossroads of a thriving digital future.

The vibrant demographic landscape and its potential can open new horizons for socioeconomic change. Nearly half of the population is relatively younger than 25. Additionally, the rising middle class—more than a fifth, or about 34 million of the country's total population—could potentially be early adopters of new technologies like digital services. It is already evident that digital services are becoming integral to consumers in specific spending categories.

Post-pandemic consumer spending patterns indicate a notable shift, with groceries and electronics maintaining the strongest engagement in digital channels. In Bangladesh, consumers have increased their share of wallet on essential goods compared to pre-pandemic levels, influenced by rising costs of necessities, which have reduced discretionary spending.

However, it is not all rainbows and sunshine. Mastercard Economic Intelligence (MEI) has projected that the country's GDP growth is set to decline to 5.7%, with inflation expected to rise to 9.8% in FY24 before easing to 8% in FY25.

Moreover, the country faces several key challenges in attracting and sustaining digital investments. These include the absence of a unified, one-stop solution for investors, which complicates navigation through processes. The pervasive influence of bureaucracy, or "red tape," at various levels—such as customs, ports, and ministries—also delays and complicates investment initiatives. Inadequate internet infrastructure further hampers efficiency, and the country suffers from insufficient physical infrastructure overall. Additionally, the lack of clear, facilitative policies and attractive incentives to encourage investment dampens enthusiasm for long-term commitments from both local and international investors.

The inflation uptick has been diminishing consumers' purchasing power, compounding the economic challenges posed by subdued domestic and external demand. Furthermore, elevated US dollar rates could increase vulnerabilities in the external sector. MEI has recommended a transition toward more market-based rates to help address these concerns. Considering these challenges, the solution lies in a more cohesive vision for inclusive growth and innovation.

Building Trust and Incentives for a Thriving Digital Ecosystem

Evolving spending patterns suggest that consumer transactions are increasingly influenced by the availability of modern and innovative payment gateways. With supportive policies, sectors such as e-commerce, cashless payments, mobile financial services (MFS), and credit/debit/prepaid cards have the potential to experience further growth.

To continue this momentum and build a robust economy, the need of the hour is to bring micro, small, and medium enterprises (MSMEs) into the digital ecosystem. Integrating a new batch of merchants into the cashless revolution will drive greater penetration of the cashless economy. If MSMEs gain convenience and a competitive advantage, they can overcome their reluctance to adopt digital tools.

Building trust in digital gateways is crucial in this case. This trust can be gradually achieved through timely innovations. For example, Mastercard initiated the launch of BanglaQR with Bangladesh Bank for small and medium merchants to address such challenges.

The recent nationwide digital blackout reiterates the importance of gaining public trust in digital gateways. The blackout led to a substantial 40% decline in digital transactions between July and August. This alone shows how the economy thrives on digital tools and how their absence can jeopardize growth.

It is essential to introduce market-friendly incentive schemes that support the growth of digital adoption. Incentives would not only boost transaction volumes but also enhance a secure and transparent environment. Speculation regarding the removal of the 2.5% remittance incentive has become a concern for the industry. At a time when remittance reserves are rising after a dull period, such incentives could be a breath of fresh air for the industry. Encouraging the flow of USD, these incentives will be a defining factor.

Card usage is on the rise, thanks to the growing consumer class in Bangladesh and merchants ready to adopt cashless gateways. However, the lack of flexible tax paperwork is one of the key hindrances to the growth of digital transactions. While the country has an estimated 8.5 million TIN holders, only over four million are currently paying taxes. This clearly shows that the mandatory tax return to avail a credit card is preventing the growth of this medium. A more flexible approach to making credit card ownership more accessible could generate long-term benefits by expanding opportunities for cashless transactions.

Policymakers should also undertake initiatives to create a conducive investment environment for the digital economy. Regulators need to develop facilitative policies to support the ecosystem.

For Bangladesh to maintain its trajectory toward becoming a digital-first economy, continued and increased investment in digital adoption is imperative. It's not just about technology; it's about creating an environment where workers, employers, and stakeholders can collaborate to achieve a shared vision. If industry leaders and the government work hand in hand as a team, distant dreams will soon become reality.

Bangladesh is on the cusp of a digital revolution, and the investments we make today will define our success tomorrow. The digital economy is more than just an avenue for financial gain; it is a path toward a more inclusive, efficient, and prosperous nation. As Mastercard continues to invest in and support the digital infrastructure of Bangladesh, we are optimistic about the future and committed to playing a pivotal role in the country's digital transformation journey.

Finally, positive branding of the country and its ability to develop state-of-the-art solutions will help bring more investment into the digital economy, further boosting the nation's GDP.

INSURANCE: A HIDDEN GEM IN BUILDING A ROBUST INVESTMENT LANDSCAPE

MetLife

Ala Uddin Ahmad
CEO, MetLife Bangladesh

MetLife has been a trusted partner in Bangladesh's growth since 1952, evolving into one of the country's largest institutional investors. Over the years, we have strategically managed investments that drive sustainable development and contribute to economic resilience.

From our experience, we see that despite the significant role in fueling economic growth, the insurance industry's impact often goes unrecognized. It's time to shift the perception and showcase how the insurance sector can be a powerhouse in building a stronger investment landscape for the country.

Let's start with what a "strong investment landscape" is.

A strong investment landscape is an economic environment characterized by stability, transparency, and a broad range of investment opportunities that encourage capital flows from both domestic and international investors. It is defined by a combination of economic stability, regulatory clarity, diverse investment avenues, and a well-developed financial infrastructure that supports efficient capital allocation. Such a landscape fosters investor confidence, reduces risk, and promotes sustainable economic growth by providing businesses and individuals with the right tools to invest confidently. Ultimately, it acts as a catalyst for innovation, job creation, and national development, making the country a more attractive destination for long-term investments—all of which, right at this moment, is vital for Bangladesh's economic sustainability as one of the fastest-growing markets in the world.

The role of the insurance sector in driving investments

Insurance companies play a unique role in fueling the investment landscape by transforming collected premiums into active investments across various sectors. When a customer pays an insurance premium—be it for health, life, or property—the money doesn't simply sit idle. Instead, insurance companies allocate these funds into a variety of asset classes. This process helps in diversifying the economic input, leading to growth in multiple sectors simultaneously.

For instance, a significant portion of the insurance premium may be invested in government securities, helping to fund public projects such as roads, bridges, and schools. Alternatively, part of the premium might go into corporate bonds, providing crucial capital for companies to expand their operations or invest in research and development. As a result, the impact of insurance premiums extends beyond providing policyholders with coverage; it strengthens the financial backbone of the country, promoting development and stability.

Moreover, because insurance companies deal with large pools of capital, they are often able to take on long-term investments that other financial institutions might shy away from. This characteristic is especially crucial for developing countries like Bangladesh, where long-term infrastructure projects are key to sustained growth.

Insurance sector needs diverse investment opportunities

For insurance companies, having access to a diverse set of investment opportunities is essential. This diversity ensures that the risk of any one investment underperforming does not jeopardize the entire portfolio. When insurers can spread their investments across different asset classes, they build a more resilient portfolio that can withstand economic shocks, such as downturns in specific sectors.

In Bangladesh, expanding the range of investment options available to insurance firms could involve encouraging more private-public partnerships, opening up new sectors for investment, and improving access to international markets. For example, insurance companies could invest in energy projects, technology ventures, or sustainable development initiatives that align with global trends and emerging needs. Such diversity not only stabilizes the insurance sector but also fuels broader economic growth by supporting a wide range of industries.

Moreover, diversity in investment helps insurance companies achieve better returns, which they can then pass on to policyholders in the form of bonuses or lower premiums. This creates a win-win scenario for both the industry and its customers, enhancing the overall appeal of insurance products and contributing to a healthier financial ecosystem.

Attracting foreign investors

A well-developed internal investment landscape sends a powerful signal to international investors: it suggests that the country is stable, transparent, and capable of generating competitive returns. For Bangladesh, the growth of the insurance sector as a key investor in the national economy can serve as a magnet for foreign direct investment (FDI). When foreign investors see that local entities, such as insurance firms, are heavily investing in long-term projects, they are more likely to view the country as a safe and attractive destination for their own capital.

In turn, this influx of international funds can accelerate the development of high-priority sectors, such as infrastructure, technology, and renewable energy. It also promotes knowledge transfer, innovation, and the integration of Bangladesh into global value chains. For instance, if international investors see insurance companies supporting renewable energy projects, they may be more inclined to invest in related sectors, amplifying the impact of local investments and contributing to a more dynamic economy.

MetLife's experience in investments

MetLife is one of the largest investors in Bangladesh, with over 18,700 crore Taka in total investments. While the majority of the investment is in government bonds, MetLife has also pioneered investment in corporate bonds to showcase the immense potential of developing diverse and new investment sectors. Let's share two recent case studies:

MetLife Bangladesh invested BDT 257.5 Crore in the country's first-ever internationally certified sustainability bond issued by Runner Automobiles Limited.

Runner Automobiles issued the sustainability bond to facilitate access to credit for customers who wish to buy lower-emitting three-wheelers, including electric-powered three-wheelers, and to support the construction of a 4MW rooftop solar plant for its manufacturing facility. This initiative granted an opportunity for around 7,000 drivers to become owners of three-wheelers, leading to income-generating prospects for drivers and downstream vehicle maintenance companies.

MetLife Bangladesh also invested BDT 472 crore in a bond issued by PRAN Agro Limited (PAL), a sister concern of PRAN-RFL Group. The investment helped PRAN Agro finance its infrastructure expansion plans.

To continue providing sustainable financing to local corporates, we also invested BDT 116 Crore in the Zero Coupon Bond issued by Delta Brac Housing Finance Corporation Ltd. (DBH).

These examples highlight the need for more structured investment channels and the benefits of insurance companies participating as key stakeholders in the country's economic development. By supporting established corporates, the insurance sector is directly contributing to job creation, export diversification, and overall economic resilience.

The right time to take the right actions:

To further enhance its contribution to Bangladesh's investment landscape, the insurance sector needs to pursue several strategic initiatives:

1. Expand Investment Options: Introduce more investment avenues, such as infrastructure bonds, tech-sector funds, and green investments.

2. Promote Public-Private Partnerships (PPPs): Encourage collaborations between insurance firms and government agencies to finance large-scale projects in transportation, renewable energy, and urban development. These partnerships can unlock new growth opportunities and ensure that critical infrastructure projects receive adequate funding.

3. Strengthen governance and transparency: Implement stronger governance frameworks and transparent reporting mechanisms to build investor confidence. When international and local stakeholders see that insurance companies are operating with integrity and efficiency, they are more likely to contribute additional capital.

4. Invest in Capacity Building: Develop training programs and expertise in specialized investment areas to enhance the capabilities of insurance firms. This can be achieved through partnerships with global financial institutions and academic bodies.

5. Focus on Sustainable Investments: Given the growing importance of sustainability in global finance, the insurance sector should prioritize investments in environmentally friendly and socially responsible projects. This aligns with international investment trends and can attract ESG (Environmental, Social, and Governance)-focused investors to the country.

By taking these steps, Bangladesh's insurance sector can play a pivotal role in shaping a more dynamic and resilient investment landscape, paving the way for sustainable national development and stronger global integration.

MITSUBISHI CORPORATION (MC) IS SEEKING NEW INVESTMENT OPPORTUNITY IN BANGLADESH

Mitsubishi Corporation

Hiroshi UEGAKI
Country Representative, Bangladesh and General Manager, Mitsubishi Corporation, Dhaka Branch

Mitsubishi Corporation (MC) as one of the largest global integrated business enterprise in Japan is doing business here in Bangladesh since 1958. MC completed many infrastructure projects in Bangladesh such as Dhaka-Chattogram-Matarbari Main Power Grid Transmission Line as well as doing export and import products from Bangladesh to overseas & from overseas to Bangladesh. MC's recent contribution to Bangladesh is to supply 144 rolling stocks for Metro Line 6 which is under operation and construction of Hazrat Shahjala International Airport Expansion (3rd Airport Terminal). The construction of 3rd Airport Terminal is almost final stage. In terms of investment, MC acquired twenty five percent (25%) interest in Summit LNG Terminal Co (Pvt) Ltd. (SLNG) in 2018, and since 2019, SLNG is supplying gas to Petrobangla as long term basis by using a Floating Storage and Regasification Unit (FSRU) which is a special vessel of regasification of Liquid Natural Gas. This is the 1st FSRU gas supply project in Bangladesh to contribute to stable energy supply.

MC is seeking new investment opportunity in Bangladesh and expecting reformation by Interim Government lead by Chief Advisor Dr. Yunus for the development of new business. By taking this reformation opportunity, I would like to request mainly for the following improvement.

- To comply with international business manner
- Anti-corruption and transparency
- Simplification of permits and licenses process in for smooth and fast approval
- Simplification of process of currency remittance to overseas
- Installation of traffic signals to eliminate traffic congestion for smooth logistics
- To resume EPA negotiation as early as possible

As Country Representative for Bangladesh, I am in the position to promote and develop new business in Bangladesh. Therefore, the reformation to the international business environment is mandatory for such promotion and development. The population of 170 million people is extremely attractive for doing business. I hope that Interim Government will implement reforms to convert this high potential into new business opportunity.

CLEARING THE PATH FOR FDI WITH DIGITALIZATION IN PUBLIC SECTOR

Shahed Alam
Chief Corporate and Regulatory Officer
Robi Axiata PLC

Bangladesh has long been trying to woo Foreign Direct Investment (FDI) with less than encouraging results. Among many factors, what really undermines our efforts in this regard is the lack of digitalization of the processes in the public sector. The room it creates for corruption deals a major blow to the existing foreign investors' confidence, which naturally discourages the prospective investors.

Attempts were made to solve this mess through digitalization, but the effort went in vain as they were mired in corrupt practices. Widespread nepotism in many instances increased the cost for such projects to astronomical level.

Just imagine, a company needs to take license from each district to operate in it! The FMCG, and the Telcos are required to pay tax to the local authorities for putting up billboards in their areas. VAT on rent, household tax are passed to the companies, though logic demands that such charges are to be levied on the landlords. What we need is a comprehensive plan for digitalizing the entire process of public service delivery with integration of digital payment system.

Another stumbling block is the unrestrained power of the NBR to arbitrarily decide on tax and VAT issues. For example, after having drafted the VAT Act in 2012, right after it was passed in the parliament, the NBR started to issue SROs that effectively made the VAT Act 2012 ineffective.

Also, there are often several VAT rates in place causing confusion. If VAT is truncated, then VAT rebate is not allowed, which adds to the business cost. NBR officers often exercise their power is deciding on critical matters such as cost disallowance, VAT rebate cancellation. These certainly doesn't help Bangladesh in the ease of doing business index.

Unfortunately, in the previous regime, we have seen instances where the judiciary was used to legilimize the unfounded demands from the NBR over tax disputes from the Telcos. Such deviation of justice in Bangladesh only prompts a very negative perception by the prospective investors.

What we need is to digitalize all the permits, NOCs etc along with digital payment gateway. We need to remove the need to pursue in-person engagement with the public sector wherever there is a digital alternative available. The Ministry of Commerce can take a lead role in coordinating this initiative. The moment for fundamental change is now !

THE INVESTMENT LANDSCAPE IN BANGLADESH

SIEGWERK

Ashish Pradhan
President Asia
Siegwerk

In the recent months, the world watched with bated breath as Bangladesh embarked on a new phase in its history. Over the past many years, we have seen the fundamental growth potential in Bangladesh - the vast demographic dividend, the rapidly growing industries and the growing consumer spending capacity have all made brands from all over the world eye Bangladesh as a good investment destination. This is the potential that we saw, as we invested in a state of art safe ink manufacturing facility in this rapidly evolving market.

As an ink manufacturer operating in this vibrant market, Siegwerk not only recognizes the immense potential for growth and innovation but also an opportunity to make a positive impact on consumer health, by manufacturing Toluene free inks that are safe for food packaging. The country's strategic position, new economic policies, and a burgeoning consumer market make it an attractive destination for investors.

Bangladesh has always demonstrated remarkable economic resilience. With consistent GDP growth rates hovering around 6-8%, the nation has successfully transitioned from a predominantly agricultural economy to one that has embraced industrialization and service sectors. This shift is supported by initiatives aimed at fostering a business-friendly environment regulatory frameworks. For manufacturers like Siegwerk, this creates a conducive atmosphere for investment and expansion.

Infrastructure development remains a critical component of Bangladesh's investment landscape. The government has been heavily investing in road, port, and power infrastructure to support industrial growth. The development and upgrades to the Dhaka-Chittagong highway have enhanced connectivity, reducing logistics costs and improving supply chain efficiency for manufacturers. This improved infrastructure is crucial for companies, allowing for smoother operations and timely deliveries.

Bangladesh's participation in regional trade agreements further enhances its investment appeal. The country benefits from duty-free access to key markets, including the European Union and Japan, which bolsters its manufacturing exports. For companies, this translates into greater opportunities to expand product offerings in international markets, leveraging Bangladesh's competitive manufacturing base. Another significant advantage of investing in Bangladesh is its young and dynamic workforce. The country has a large pool of skilled and semi-skilled labor, which is essential for manufacturing operations. Companies that prioritize training and development will find that a well-equipped workforce can drive productivity and innovation.

In fact, Bangladesh consumers deserve nothing less than the highest standards of safety in their packaging solutions. Safe packaging starts with safe inks, and in Bangladesh, Siegwerk stands as the sole manufacturer committed to producing Toluene-free inks specifically designed to meet stringent food safety regulations. By ensuring that our inks are free from harmful chemicals, we prioritize the health and well-being of consumers, providing peace of mind to both manufacturers and end-users.

While the investment landscape is promising, challenges remain. Issues such as political uncertainty, regulatory hurdles, and environmental concerns can pose risks for investors. However, these challenges also present opportunities for innovative solutions. For instance, as safety and sustainability become increasingly important, Siegwerk is committed to developing circular economy enabled inks that align with global environmental standards, thus addressing both market demand, regulatory and sustainability requirements. The future of the investment landscape in Bangladesh looks bright, especially for sectors aligned with global trends such as sustainability and digitalization.

In conclusion, the investment landscape in Bangladesh presents a unique blend of opportunities and challenges. For investing companies like Siegwerk, the combination of economic growth, infrastructure development, and a young and capable workforce creates an ultimate environment for success. As we delve deeper into this dynamic market, we remain committed to contributing to its growth while upholding our standards of quality and sustainability. The journey ahead is filled with potential, and we are excited to be part of Bangladesh's promising future.

Banking on Bangladesh

How the financial sector can accelerate foreign investment in Bangladesh

Naser Ezaz Bijoy
Chief Executive Officer
Standard Chartered, Bangladesh

Policy Importance

A progressive tax policy and stabilty could boost FDI by 16x and tax collections by 6.6x by 2041.

Bangladesh stands at a pivotal moment. Despite inflation, supply chain disruptions, and geopolitical uncertainties, the economy remains resilient. With robust growth, an expanding industrial base, and a young, digitally adept workforce, Bangladesh is evolving from an emerging economy into a dynamic global market.

However, momentum alone won't be enough. Standard Chartered's recent report, "Future Powerhouses: How Western Financial Institutions are Banking on Dynamic Markets", highlights the need for closer cooperation between policymakers, business leaders, and financial institutions. The stakes are high, but so are the opportunities.

A Standard Chartered survey of 400 senior executives from financial institutions across Europe and the Americas—50% of whom are in the C-suite—revealed growing interest in dynamic markets. Eighteen percent ranked Bangladesh among their top ten investment destinations, affirming the country's potential. But while interest is mounting, investors still need reassurances: **Can Bangladesh navigate geopolitical uncertainties, maintain policy stability, and keep pace with technological change?**

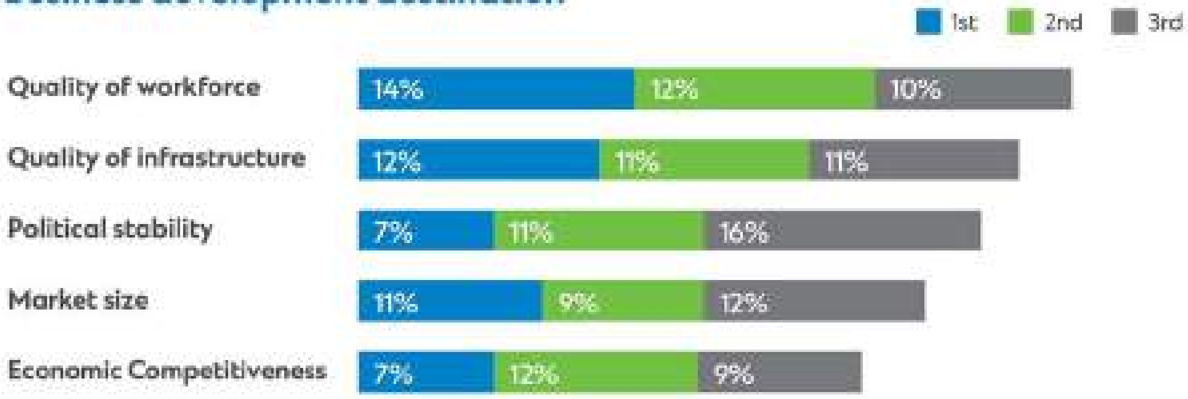
This is where the financial sector must step up. Investors need more than awareness; they need guidance. Many are unfamiliar with Bangladesh's unique market dynamics. Banks like Standard Chartered, with a global footprint and deep local expertise, are well-positioned to bridge this gap—identifying opportunities, managing risks, and creating sound investment strategies.

Sectoral Opportunities: Key Drivers of Investor Interest

Key sectors such as infrastructure, manufacturing, and renewable energy continue to attract investor interest. However, optimism about these sectors is tempered by concerns over execution and sustainability. Infrastructure, in particular, presents significant growth potential, but its development hinges on sound financing structures. **Financial institutions must not only provide capital but also offer the expertise needed to navigate large-scale, complex projects.**

Banks will play a critical role in structuring these investments for resilience, mitigating risks while maintaining a focus on sustainable growth. Although the potential for infrastructure development is clear, it must be approached with caution to ensure viability amidst both local and global risks.

Financial institutions' top three reasons to choose an investment or business development destination



Policy and Investment: The Balancing Act

Investor confidence is closely tied to policy predictability. Bangladesh's progress can be sustained only if policies remain clear and consistent. A progressive tax regime, for instance, could be instrumental in attracting and retaining foreign investment. Research suggests that a corporate tax rate of 20% through 2031 could significantly boost tax revenues and foreign direct investment. The need for long-term policy continuity, fiscal or otherwise, is essential.

Policy reforms that modernize company formation laws, improve intellectual property rights, and trade controls, ease foreign direct investment, and spur digitalization could unlock new opportunities. Yet, these reforms must be accompanied by assurances of stability and clear communication from the government. Political stability and fiscal policy consistency are just as important as economic fundamentals in ensuring investor confidence.

Bangladesh's political stability with a sharp focus on maintaining law and order will ensure viability for fresh investments. New projects will also require uninterrupted power supply and energy security is critical to make Bangladesh a competitive investment destination.

Digital Transformation: The Next Frontier

One of Bangladesh's most exciting opportunities lies in digital transformation. As the country moves toward becoming a cashless economy, banks will play a pivotal role in driving this shift. Digitalizing trade processes and introducing supply chain finance innovations can provide the much-needed efficiency, transparency, and productivity gains that will attract investment. Digital tax collections and a fully integrated digital ecosystem are other critical elements in Bangladesh's growth story.

Our research indicates that digital supply chain finance could boost trade across key regions by 7.5% by 2030. For Bangladesh, this opens new doors, especially for small and medium-sized enterprises (SMEs) seeking to integrate into global supply chains. However, to realize this potential, the banking sector must do more than facilitate transactions—it must become a technology partner, building the digital infrastructure needed for secure and seamless operations.

At the same time, digitalization introduces new risks, particularly in cybersecurity. Any digital transformation strategy must be accompanied by robust security measures to protect the integrity of financial systems and investor interests.

Showcase Bangladesh: Building Investor Trust

As Bangladesh embarks on a new chapter, managing investor expectations becomes critical. The country is well-known as a manufacturing hub, but it must expand its global narrative to include high-value sectors like bicycles, smartphones, and automobile assembly.

The recent political uncertainty adds complexity to the investment landscape. While Bangladesh's demographic advantages—a young, growing middle class—remain attractive, **restoring investor confidence will require consistent communication and a reliable regulatory framework.** Banks must play a leading role in shaping the narrative around Bangladesh's potential and ensuring that risks are clearly understood and managed.

Capital Markets: Building for the Future

For long-term growth, developing Bangladesh's capital markets is essential. Expanding the debt capital market and introducing instruments like sustainability-linked bonds and Islamic finance products could help diversify the investor base. However, given the relatively low investor interest in listed equity in Bangladesh—only 16% of surveyed investors consider it a priority—there is significant room for growth.

This growth, however, will not come without challenges. Political and economic uncertainties may create hesitation among investors, especially in long-term projects. Banks must tackle these concerns head-on, structuring products that are not only attractive but also resilient to the inherent risks of emerging markets like Bangladesh.

Leading with Vision

By forging strong partnerships between the public and private sectors, the banking industry can position Bangladesh as an investment destination that, despite its challenges, is rich with opportunity. We must continue to promote financial inclusion, support key industries, and drive both digital and capital market development—while maintaining a risk-aware approach to ensure sustainable growth.

The future of Bangladesh as an investment destination is promising, but reaching our full potential will require a balanced, strategic approach—one that acknowledges risks while continuing to pursue long-term growth. As we move forward, we must be clear about our goals. **We stand at a crossroads: we will either make history or be unmade by it.**

> "Financial institutions must not only provide capital but also offer the expertise needed to navigate large-scale, complex projects"

A SOAP SELLER'S PERSPECTIVE ON ATTRACTING FOREIGN DIRECT INVESTMENT IN BANGLADESH

Zaved Akhtar
Chairman & MD, Unilever Bangladesh
President, FICCI

01. A Product to Buy vs An Idea to Buy Into

As I took over my role in the Foreign Investor's Chamber of Commerce and Industry (FICCI) earlier this year, many have asked, multiple times regarding the challenges of attracting Foreign Direct Investment (FDI) for Bangladesh. Some even with fervent aggression as to why it even declined, as if it a birthright for the country to receive FDI, forgetting that it is the investors' prerogative where she or he wants to invest given the risk return matrix. The stark reality is that it has not been a recent phenomenon, rather has been a perennial challenge as we have consistently fallen well below our own expectations or even the global benchmarks in attracting FDI.

As a soap seller and as an organization that has a stable of the top brands in the country, I would humbly like to say that we need to start from that perspective of the consumers or customers, or in this case investors, or as a Fast-Moving Consumer Goods (FMCG) marketeer would say, the target audience. Should we put ourselves in the shoes of the target audience (i.e., the potential investors), the 1st thing that comes to one's mind is if we understand their pains or needs. This must start by going under the skin and being empathetic about their investment journey to appreciate why Bangladesh matters to them. Let me break it down by using an example of selling soaps. On the face of it, a soap is a product that our consumers buy, but beyond the product, the consumers also buy into the idea of the brand. That is what differentiates from an average product vs a great brand. Let us now unpeel the skin to understand what makes a great brand. Firstly, the product needs to deliver on the promised functionality. For a soap its about cleaning. All soaps clean so how do we differentiate one for the other? That is where the art and science of building brands come, we must go beyond the functionality and connect at an emotional level to build empathy for brand Bangladesh. So, it will mean that we need to design the product that promises, delivers, and delights consumers or customers (in this case investors) to come back time after time, again and again and see Bangladesh as a preferred investment destination.

The obvious question is how do we build the muscles to brand Bangladesh. At FICCI we use a 3C framework (Illustration 1: Credibility, Consistency & Capability) to explain this, i.e.,

- Credibility of sovereign to honour its commitments
- Consistency of Policies & Regulations
- Capability of Institutions

Illustration 1: 3Cs of Crafting Bangladesh for Investors

02. Credibility of Sovereign to Honour Its Commitments

Brands from our very beginnings have led the way on our journey of growth, be it Lux, Lifebuoy, Dove all of these brand worlds had an intuitive sense – a passion, a conviction, a purpose to hardwire brand love into our positioning, by defining each brand as "a product to buy" and "an idea to buy into", with at its core a clear sense of purpose at the service of a specific group of people.

We need to put ourselves in the service of the investors and understand what aspirations (maybe low-cost reliable supplier, hi-tech solution provider, precision engineer hub etc.) we are solving through our product offering (an investment destination where the investment is secured and profits are easy to repatriate) and how we will serve and connect at a higher level purpose (delivers through sustainable means) to bring it to life. Illustration 2 gives a framework for us to work on.

Here are some specific actions as a nation we need to reimagine ourselves to build credibility:

Illustration 2: Building Brand Bangladesh for Investors

• **Protection of Intellectual Property Rights & Patents:** One of the most important aspects of foreign investors are the brands they bring and build, the technology transfer, and know how that they impart. It is important to protect those rights and any infringement of such reduces the confidence and credibility of the country.

• **Complex Regulatory Landscape:** It requires numerous approvals for any investors to invest in Bangladesh. In my last count it was 29 authorities and 141 approvals that were needed for anyone to get clearance to invest in Bangladesh. Just for comparison it takes 2-6 days in Hong Kong, a week in Dubai. In Singapore application is usually processed within 15 minutes after the application fee is paid and it can be done in 2 weeks. Additionally, all foreign companies need to attract world class talents. But this will entail that we are able to make their reward lucrative enough to work in Bangladesh. Many companies use eSOP (Employee Share Option Plans) to do so. Bangladesh, unlike most countries, does not let you to do so and the share needs to be cashed in after vesting. We need to change such draconian rules should we need to create confidence, attract great talents, and reverse the brain drain.

• **Taxation simplification:** Bangladesh tax and customs laws are complicated and designed to create more hurdles and rather than help facilitate compliance or create a tax conducive environment. I would believe that it would immensely help simplifying things, being consistent and predictable. Some quick wins could be around:

o *Forward looking taxation*, i.e., taxpayers are informed in advance about the tax rates applicable for the current fiscal year and beyond. Such clarity provides individuals and businesses with the assurance and stability needed to make well-informed financial decisions. It removes the unpredictability linked to a sudden or retrospective tax rate changes. A forward-looking tax system upholds principles of fairness, allowing taxpayers to organize their financial affairs appropriately. It also promotes compliance, as taxpayers are more likely to fulfill their obligations when they can accurately anticipate their tax responsibilities.

o *Effective tax rates*, namely, few provisions in the current tax regime are creating unfair tax burden on businesses. Such rules are adversely impacting the growth of investment and FDI in Bangladesh. This can be best illustrated how treating disregarded expenses under Section 55 as separate taxable income, imposes an unjust additional tax liability on businesses, inadmissibility of legitimate business expenditures thereby raising their operational costs.

o *Reduce non-tariff barriers (NTBs) and indirect taxes, Change of Fabric, a World Bank Group Report* emphasizes, "the restrictiveness of NTBs, at an average ad valorem equivalent close to 200 percent, towers over that of tariffs. Burdensome sanitary and phytosanitary requirements, technical barriers to trade, pre-shipment inspection, nonautomatic licensing requirements, and price control measures are a significant deterrent to trade and an impediment to firms' competitiveness." While we should endevour to remove NTBs gradually, we should also focus on direct taxation so that we can maximize revenue collection from those who earn more.

o *Simplify VAT*, we tend to make laws more complicated than it needs to be. The original 2012 VAT Law was simple and was easy to execute. But given our own narrow needs and self-interests we have amended it and made it complicated for execution. I believe the time has come for simple, unified VAT structure for all.

o *Digital Transformation*, i.e., Building an integrated digital architecture for customs, tax, and VAT is now the order of the day. I have spent a part of my professional life transforming business processes and systems and defining how technology will redefine future of work. Our internal revenue challenges are now setup exactly for a transformation and I believe that we can easily map the workstreams and leverage technology to transform the whole value chain. We can eliminate the intermediaries and decouple the whole value chain to build more revenue for NBR while create a seamless and easy taxation system for the country that can attract and encourage more FDI. Illsutration 3 gives a framework how we can go about in creating a holsitic digital transformation.

Illustration 3: Transformation Triad

• **Alternate Dispute Resolutions (ADRs), Arbitration & Contractual Obligations,** for anyone living up to commitment is nonnegotiable. As an individual I believe if I have made a commitment, I must make good of it, even if meant later one realized that the decision or commitment was erroneous, lest it questions my personal integrity. To me my personal integrity and value system my parents taught is uncompromising. It is no different for a country as well, as a great brand is only built when we have kept up to the promise as a country we have made. We must remember should we have made a contractual obligation, settled issues through ADRs, or have been directed to an arbitration judgement (post all the appeals) we must honour them unless of course we have found concrete evidence of malpractice. There are numerous examples where we have not honoured such commitments or judgements and opted to delay through bureaucratic meandering. Similarly, not making good of dues and payments do not auger well and is seen equivalent to default. We need to remember all these obligations are with the sovereign and it is important to show huge deftness to honour these. We must remember that most entities prefer to settle things out of court, and we must ensure that as a country we setup a mechanism where we have the capability of negotiation and settling things fast that protects the interest of the country, and we are able alienate any opportunity of fraudulence.

03. Consistent Policies & Regulations

Investors do not like uncertainty or instability, and predictability is the name of the game for them. Hence all investors always look at Value at Risk (VaR), a statistic that quantifies the extent of possible financial losses within a firm, portfolio, or position over a specific period. This metric is most commonly used by investment and commercial banks to determine the extent and probabilities of potential losses in their institutional portfolios. This is also now a widespread practice for volatile, high inflation, high risk markets. Risk managers use VaR to measure and control the level of risk exposure. It is particularly important that we can minimize this and protect share holder value. We need to ensure we design policies that help support this.

• **Inter Department Coordination (e.g., BIDA, BEZA, BEPZA, HI Tch Park, NBR, DGDA, BSTI, BFSA, BTRC):** We are well known to make an extremely easy thing complicated. We have seen multiple examples when BIDA, Hi-Tech Park Authority or BEZA has agreed on the investment terms which has not been hounoured by other verticals, i.e., NBR. We really need to make it easy for investors to come on board by appointing a national single window for investments where the authority is empowered to facilitate onboarding of the investors and facilitate the process for all permission and licensing. Relevant domain authorities could have their offices but are responsible for the execution through BIDA (or any authority deemed right). BIDA (or any authority deemed right) should intervene with each of the verticals at a policy level should there be contradictions between policies and investment facilitation.

• **Dividend, Technical Assistance Fees (TAF), Royalty Repatriation challenges**, we must remember all investors need to have their investment protected, hence we need to ensure fast and quick repatriation of all dues and profits. We tend to see the arduous process of paper pushing through bureaucratic maze that ends up making significant delays, many cases years. We need to reimagine this process and find a simpler process whereas an audited financial statement is endorsed by the board for the investors to be able to repatriate the funds.

• **Inefficiencies in logistics and infrastructure**, a big issue is competitiveness in the logistics. Bangladesh is 33rd amidst the 50 emerging markets in logistics index, a global measure that evaluates the competitiveness of the sector. Logistics is a great enabler for improving competitiveness of the country's investment destination. We have been able to craft a good National Logistics Policy, before reinventing it, I would urge that we focus on the execution plans.

04. Capability of Institutions

At the heart of attracting any investor confidence is to ensure that we eliminate their pain. Any investor that has a free hold resources need to be guided to understand where they can invest with minimal risk. It is important that we map the Investor journey and ensure that we can address their issues and challenges so that the investors are able to seamlessly and frictionlessly invest.

• **Investor Onboarding and After Care challenges**, all investors need tender loving care. It is one thing to invite guests to your home, but it is a completely different for them to enjoy the hospitality unless one is a great host. Investor retention and ensuring that they become a great ambassador to the country means that we need to ensure that we are there with them on the sidelines to help navigate the regulatory, bureaucratic and compliance issues with ease. It is so important that we formalize this with an Investor on Boarding and After Care Center that can follow through on the specific issues and is empowered to resolve them with speed.

• **Lack of depth in our financial sector** is a big challenge and on top of it we have vulnerable financial institutions. Ben Bernanke (Economist, Professor, Chair Board of Governors of the Federal Reserve System and Noble Laureate) showed empirical evidence how failing banks played a decisive role in the global depression of the 1930s, reiterating the point bank crises can potentially have catastrophic consequences. We need to reevaluate our end-to-end financial system, given that we have 62 scheduled banks for an economy estimated to be a tad below half a trillion whilst our next-door neighbor India (US$3.5 Trillion GDP) has 34. Trust this illustrates the importance and need for of well-functioning bank regulation. We need to now define what we will 'fix' and what we will 'accelerate' in the wider financial sectors to reset it for growth.

• **Low Workforce Productivity and technology adoption**, whilst we boast of having one of the lowest cost labours, the reality is that according to the Asian Productivity Organisation (APO) Productivity Data Book-2024, Bangladesh's labour productivity is 10.4 per cent. The average labour productivity in South Asian and the APO countries is 16.3 per cent and 27.8 per cent, respectively. Much needs to be done here.

• **Restriction of Investment Logistics capped, Tourism local partners, State Owned Enterprises (SoE):** While we say that we are open for business and welcome investment in all sectors, the reality is that not all sectors are open. Like tourism where one needs to have a local partner and investment is logistics sectors is capped. Many cases we also have SOEs running monopolies without a sustainable business model while subsidized by taxpayers' monies. Time is ripe now for the government to divest and secure foreign currency to bridge the fiscal gap.

05. Enough Fish in the Ocean, we Need to Learn how to Fish

Total global FDI is US$ 1.3 Trillion with almost half of it being invested in Asia. Even within the developing countries FDI has increased according to World Investment Report 2024. Our average FDI has been US$ 3 bl (< 0.4% of GDP vs SL at 1.2% and India at 1.5%). The crux of the issue will come to execution and change management. To address the former, we need to chart a clear plan of action, some humble recommendations would be as follows:

a) Do a formal investor journey mapping and identify the pain points
b) Create a scorecard on the reimagination required to remove frictions for investments
c) Form of National Economic Reform Committee & build cadence of review

As for the latter, we need to make people understand the benefit for them should we be able to attract FDI and create a capability development plan for them. Should none of these yield results it would merit refreshing the team.

What we can control is our own performance and our execution, so we need to make sure we are ruthless with this and ensure we are able to create a modicum of change across the system to that transforms and makes Bangladesh the economic brand where the investors become the brand ambassadors.

At the outset, I had said while I sell a product for the consumers to buy, but beyond it is an idea to buy into. We started a journey of change, a journey of reinvention. Now is the time to reinvent ourselves to make people buy into the idea of Bangladesh.

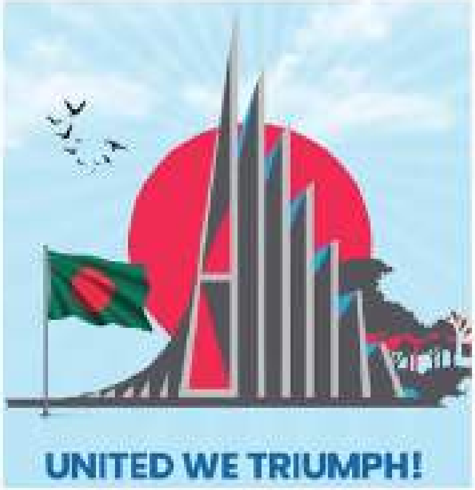
BUMPY RIDE AND NEW TYRES

Najith Meewanage
Chief Executive Officer
Bangladesh Operations
Commercial Bank of Ceylon PLC

Bangladesh is currently in a cross road with pragmatic changes that are shaping up the many part of the economy. In line with the global economic landscape together with the recent changes that took place in the country which will offer a wider array of opportunities for the investors to avail which will not be available for a longer period of time.

Ride on the volatility for a better tomorrow

The rest of the year 2024, would be a roller coaster ride for many. Changes in regulatory framework with monetary tightening to tame the general price levels in the economy will be more costly to do business and eventually may lead to weaker corporate earnings in the September quarter and quarters to follow. However, silver line will appear in the Banking sector earnings with the thicker spreads and will surely negate the possible adversities of lower earnings to a greater extent in the equity market.



At the same time advanced economies already started easing out their tightening cycles led by the US and closely followed by the other developed economies. It is still very early to say that the global economy is preparing for a soft landing or a hard landing by browsing through the macroeconomic indicators. However, sluggish real estate market in China and rising non-farm payroll figures in US reflects a bleak global economic outlook for the years 2025 & beyond.

When Bangladesh in a tightening cycle & the global economies are soft paddling their interest rates, will create a rare opportunity for those who are interested in investing in Fixed income securities in Bangladesh .If the macro stability can be achieved in the country that will attract more foreign investors to the capital market specially in fixed income securities at this juncture.

If geo-political uncertainties spreading through the gulf region and prolong conflicts in resourceful nation like in Ukraine and Russia, will continue to create an imbalance in resource distribution in the world. This could drive the global commodity prices higher and greater challenges to the global supply chain.

Ray of Hope

As a current tightening cycle will reach it's peak in the near future, along with the tighter liquidity and the flexible exchange rate regime can provide a much needed stability to the Bangladesh economy in the medium to long run. This will eventually spur the downward momentum of interest rate in six to twelve months time horizon.

The recent removal of floor price and the adjustment of the downward circuit breaker from 3% to 10% have resulted in an improvement of the liquidity in the equity market and the turnover. Much needed macro stability will entice the investors back to the capital market within a midterm horizon and more importantly proactive approach has to be initiated to ride the wave comfortably.

Like in the past when global interest rates are heading south, emerging market will attract more capital market investments. This is a time tested phenomenon and considering the current equity market valuations, Bangladesh will be a choice for risk takers who are eagerly looking for attractive arbitrage opportunities.

Commercial Bank of Ceylon PLC, a bank with a unblemished legacy of 100 years of existence with over 20 years presence in Bangladesh provides a fully fledged Custodial Service window for the investors who are keen to invest in capital market including Equities , Treasury Bills and Bonds, and any other listed Corporate Debt Securities that are available in Bangladesh.

Retrospective to the above developments, we invite everyone to enjoy the ride with new tyres though it could be bumpy at the beginning of this new journey but surely you will enjoy the ride with greater satisfactions and benefits.

CUSTODIAL SERVICE

For Non-Resident Individual and Institutional Investor's Taka Account (NITA)

CBC PLC Bangladesh offers secure custodial services, including safe custody, trade settlement, and income collection. Our NITA product is perfect for non-resident investors, with easy profit repatriation.
Invest with confidence.

Our Services:

- TRANSACTION SETTLEMENT
- PORTFOLIO MANAGEMENT
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- SHAREHOLDER SERVICES
- RECORD KEEPING

CONTACT US!

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COMMERCIAL BANK

TRANSFORMATION JOURNEY with Burak Özçivit

Singer Beko transformations brought Koç Group and Arcelik's global expertise and standards to Bangladesh and enhanced the consumer experience; reaffirming Singer Bangladesh's commitment to excellence.


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CYPH3R
Bangladesh's First Certified
Tier-IV Commercial Data Center
MULTI-LAYER SECURITY
99.995% UPTIME
TIER IV
CERTIFICATION
FAULT TOLERANCE
Built for the Future
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AMANN
BANGLADESH

AMANN BANGLADESH CONTRIBUTED ONE MILLION TAKA IN CHIEF ADVISOR'S RELIEF & WELFARE FUND

In response to the recent devastating floods in the eastern part of the country, employees of AMANN Bangladesh Limited (a member of AMANN GROUP, Germany) came forward and contributed their one-day salary for the flood affected people. Company has also contributed to the fund as a part of the Corporate Social Responsibility.

Mr. Md. Rokonuzzaman, FCA, Country Managing Director of AMANN Bangladesh Limited met **Mr. Faruk E Azam (Bir Protik)**, Honorable Adviser, Ministry of Disaster Management & Relief at his office in Bangladesh Secretariat along with senior management of AMANN Bangladesh Limited on September 11, 2024.

Later in a brief ceremony, Mr. Rokonuzzaman handed over the cheque of One Million Taka in Chief Advisor's Relief & Welfare Fund on behalf of AMANN Bangladesh. The Honorable Adviser highly appreciated the contribution of the employees of AMANN Bangladesh and the company. He also urged other companies should come forward and extend their cooperation to overcome these sorts of disasters.

Mr. Md Kamrul Hasan ndc, Secretary of Ministry of Disaster Management and Relief, Mr. GS Ashiqur Rahman, Finance Director & Company Secretary and Mr. Md. Mehanazuddin Rupom, Head of HR & Admin of AMANN Bangladesh were also present in the program.

AVERY DENNISON

AVERY DENNISON CONNECTS THE PHYSICAL AND DIGITAL TO SOLVE SOME OF THE WORLD'S MOST COMPLEX CHALLENGES

MAKING POSSIBLE™

Avery Dennison is a global materials science and digital identification solutions company that provides a wide range of branding and information solutions that optimize labor and supply chain efficiency, reduce waste, advance sustainability, circularity and transparency, and better connect brands and consumers.

Avery Dennison is focused on the long-term health of our business, planet, and communities. Our legacy of innovation and sustainability guides us to take meaningful action today to ensure a viable, sustainable business for the future .

At Avery Dennison, every innovation starts with "What if?" These two simple words empower us to continuously pursue new approaches, to go beyond what's been done before, and to create value for businesses, people and planet. It drives our curiosity, our thirst for knowledge and our passion for problem-solving. It enables us to unlock new solutions and help create a world of possibilities.

WHAT IF? WHAT IF? WHAT IF? WHAT IF?
WHAT IF? WHAT IF? WHA
WHAT IF? WHAT IF? WHAT IF? W
HAT IF? WHAT IF? WHAT IF? WHA
WHAT IF? WHAT IF? WHAT IF? WHAT IF?

For the "What if" campaign, we have created a list of "What If?" questions. These questions highlight various aspects of Avery Dennison's products and solutions, as well as the key industry challenges we help to address.

Our goal is to present a diverse range of clear and interesting case studies. By including simple, relatable examples that inspire wonder and curiosity while also being factual and informative, we ensure everyone can understand and connect with the content. At the same time, we can showcase innovative and thought-provoking case studies to capture the audience's attention, making them both educational and engaging for all audiences.

Our industries and customers face significant challenges. Today, during a time of constant and fast-paced change, we support our customers and the industries across the globe that we serve by tackling some of the world's most complex problems:

- Optimising labor and supply chain efficiency
- Reducing waste
- Advancing sustainability, circularity and transparency
- Helping brands and consumers better connect

Our tagline, Making Possible, conveys a concise and powerful brand statement that captures the essence of our vision and the value we deliver. Designed to be aspirational, have a lasting impact and reflect our long-term strategic commitments, it speaks in a relatable, engaging and inspiring way to our stakeholders.

Together, our vision statement and tagline convey our value proposition and focus on how we proactively address the key challenges facing our customers and industries. In helping to address these complex issues, we're not only expanding the value we create for all our stakeholders but also ensuring that we continue to be a force for good.

We are Avery Dennison. We are #MakingPossible

www.averydennison.com/makingpossible

AYGAZ

AYGAZ UNITED - A SAFE AND RELIABLE LPG SOLUTION

Aygaz United LPG Ltd., established in 2021, is a joint venture that unites the expertise of Aygaz, Turkey's leading LPG provider, and United Group, one of Bangladesh's largest business conglomerates. Together, they are transforming the LPG market in Bangladesh, delivering unmatched reliability, safety, and innovation under the Aygaz United brand.

Aygaz is part of Koç Holding, one of Turkey's largest and most established corporations. Founded in 1926, Koç Holding operates across numerous sectors, including industry, energy, automotive, consumer goods, finance, and retail. As a Fortune Global 500 company, Koç Holding contributes 9% to Turkey's GDP and for 7% of the country's total exports. With around 100,000 employees, the group plays a pivotal role both in Turkey and globally. Aygaz, founded in 1961, has led Turkey's LPG sector for decades, providing LPG solutions to 81 cities with a network of 4,000 dealers across the cylinder gas and autogas sectors.

United Group, the Bangladeshi partner in this joint venture, is a well-established industrial and commercial powerhouse. Founded in 1978, United Group operates in various sectors, including energy, infrastructure, healthcare, education, construction, real estate, maritime, and IT. The group is a key player in Bangladesh's energy and healthcare sectors, with United Hospital Limited being a leading institution in healthcare.

Aygaz United's journey began with the opening of the mother terminal in Anwara, Chattogram, Bangladesh's largest onshore LPG storage facility, boasting a capacity of 16,000 MT. This facility has the highest draft in the country, capable of accommodating medium-sized gas carriers. Further expansion is underway with a satellite terminal in Rupganj, Dhaka, with 3000 metric ton storage capacity, which will be operational by the end of 2024 and a third terminal in Mongla is in the planning.

Ensuring an uninterrupted LPG supply is a top priority for Aygaz United, and with Aygaz's wealth of experience, significant progress is being made in Bangladesh. Since entering the market in September 2022, the company has already reached 75% of Bangladesh in a short time and captured a significant market share, positioning itself for continued rapid growth.

Aygaz United being the fastest growing LPG company in the industry, aims to become the leading LPG company in the market, with a strong focus on safety and quality. The company is making a difference not only by prioritizing customer satisfaction but also by shaping the market. Aygaz United has introduced innovative strategies in Bangladesh, such as cylinder information cards, a cylinder tracking barcode system, and shrink covers to enhance safety. Additionally, the Regulator & Hose Campaign, offering European-standard safety equipment at affordable prices, emphasizes the company's commitment to consumer safety. To further promote safety awareness, the company conducts educational campaigns via television and social media.

Aygaz United places great importance on its relationships with distributors and retailers, who are the key touchpoints with consumers. As part of its commitment to employee and partner well-being, Aygaz United offers health insurance to employees, distributors, and retailers through a partnership with Green Delta Insurance Company.

In addition to its commercial goals, Aygaz United is dedicated to social responsibility. The company is leading an "Information-Raising Campaign" to educate the public about the safe use and industrial applications of LPG, recognizing that LPG is a versatile and sustainable fuel option for Bangladesh. Through this campaign, Aygaz United is working to ensure that society is well-informed about the benefits and safe usage of LPG.

BASF We create chemistry

BASF OFFERS CUTTING EDGE TECHNOLOGY TO FIGHT BURNING CHALLENGES

BASF, the world's largest chemical company, is renowned for its innovative and groundbreaking technologies that address many of the key challenges being faced by Bangladesh. Off late, the company has introduced couple of sustainable solutions to combat waterlogging and to reduce plastic wastes:

Elastopave®: A Sustainable Solution to Urban Waterlogging in Bangladesh

Water logging has been a nightmare for the city dwellers during the monsoon. Major cities like Dhaka and Chittagong go underwater even there is moderate downpour. BASF has come up with a way out of this worsening concern.

Elastopave® is a revolutionary pavement solution designed to tackle urban waterlogging while promoting groundwater recharge. Made by combining crushed stone and polyurethane, it creates a permeable surface that allows water to pass through while maintaining structural integrity. Already applied in 3 parks in Dhaka and 1 in Narayanganj, Elastopave® offers long-term durability and eco-friendliness, addressing the country's pressing water management challenges.

Photo: Walkway cum cycle lane made with BASF Elastopave® in a well-known park in Gulshan, Dhaka

ecovio®: Tackling Plastic Waste with Biodegradable Innovation

Managing plastic waste is another aggravating challenge Bangladesh has been dealing with. Although the country had banned plastic bags two decades ago, the presence of non-biodegradable items throughout the country is a harsh reality. BASF has recently introduced ecovio®, a biodegradable, certified compostable polymer. The company is working with some of the pioneers in country's packaging industry to produce biodegradable shopping and garbage bags, with a vision to reduce plastic waste and promote environmental responsibility. Future plans include expanding ecovio® applications to garment packaging, straw and food wrapping, aiming to replace traditional plastics. With government support regarding high import duty, BASF's initiatives can have a far-reaching impact on reduction of environmental pollution and advancing sustainability in key industries across Bangladesh.

Photo: BASF participated in **World Environment Day 2024** fair organized by **Ministry of Environment, Forest and Climate Change of Bangladesh** to promote biodegradable packaging made with ecovio®.

CHEVRON BANGLADESH INAUGURATES COMPREHENSIVE TREE PLANTATION DRIVE IN HABIGANJ TO SAFEGUARD BIODIVERSITY

Chevron Bangladesh and Green Savers, an environmental organization, jointly inaugurated a tree plantation program in the vicinity of Chevron Bangladesh's Bibiyana Gas Plant in Habiganj as part of the comprehensive tree plantation initiative across the country to protect biodiversity.

Chevron Bangladesh is launching a five-year plantation program to transform the landscape around its gas plant. This initiative will see the planting of over 4,000 high-quality seedlings, including a variety of flowers, fruit trees, wood trees, and medicinal plants. Prioritizing indigenous species, the program aims to enhance biodiversity, improve air quality, and provide food and shelter for local wildlife. Additionally, the Debdaru trees, known for their sound-absorbing qualities, will help reduce noise pollution, creating a more peaceful environment.

This project is not just about beautification; it's a commitment to sustainability and environmental stewardship. Green Savers will oversee the plantation and maintenance, ensuring the health and growth of the trees. Join us in this green revolution and witness the transformation of our surroundings into a vibrant, sustainable ecosystem where nature and industry thrive in harmony.

Speaking about the initiative, Chief Guest Mr. Fardoush Anwar, director of the Sylhet divisional office of the Department of Environment, said, "This initiative from corporate responsibility to environmental protection deserves praise.

Mr. Eric M. Walker, president and managing director of Chevron Bangladesh, said in his speech 'Tree Plantation offsets carbon emissions and commits to a greener, healthier future. Our tree plantation campaign reflects our dedication to environmental stewardship and community well-being. We aim to nurture these trees for lasting benefits to the environment and community.'

In his welcome speech, Mr. Ahsan Rony, founder of Green Savers, said if top corporate houses like Chevron take such a planned and sustainable initiative to build a green Bangladesh and protect the environment, the country will be greener.

It may be mentioned that, among other guests; Deputy Director of Habiganj District Agricultural Extension Department, Md. Nur E Alam Siddiquee; Upazila Nirbahi Officer of Nabiganj Upazila, Mr. Anupam Das Anup; Upazila Agriculture Officer of Nabiganj Upazila, Mr. Sheikh Fazlul Haque Moni; Officer in Charge of Nabiganj Police Station Mr. Mohammad Kamal Hossain PPM; Corporate Affairs Director, Muhammad Imrul Kabir from Chevron Bangladesh; Local UP Chairman along with distinguished local persons and environmentalists of the area were present at the inaugural ceremony of this initiative.

SUPPORTING COMMUNITIES IN CRISIS: COCA-COLA BANGLADESH BEVERAGES'S (CCI BANGLADESH) COMMITMENT TO FLOOD RELIEF

As a responsible corporate citizen, Coca-Cola Bangladesh Beverages, now as CCI Bangladesh, is deeply committed to aligning community efforts with sustainability goals. In response to the devastating floods that recently hit southeastern Bangladesh, the CCI Bangladesh team has taken swift and impactful action to support those affected.

The relief efforts began with CCI Bangladesh's distributors stepping in to provide safe drinking water to flood-affected communities. Building on this, CCI Bangladesh delivered the first installment of more than 80,000 bottles of Kinley Water—reaching flood-hit areas of Noakhali. This critical contribution is not just about immediate relief but also about ensuring access to safe drinking water, thereby helping to prevent waterborne diseases and ease the suffering of those affected by the floods.

CCI Bangladesh's commitment goes beyond immediate emergency response. CCI Bangladesh is dedicated to providing long-term support through post-emergency relief and rehabilitation initiatives. To further this cause, CCI Bangladesh launched a donation campaign where employees have the opportunity to contribute, with the company matching all donations. To date, this initiative has raised 1 million BDT, and the team remains committed to ensuring the effective use of these funds in recovery efforts.

These challenging times have truly underscored the strength and resilience of communities. CCI Bangladesh continues to monitor the impacted areas closely and is doing everything possible to support those in need. CCI Bangladesh believes that together, these challenges can be overcome, and heartfelt gratitude is extended to everyone who has come forward to contribute to the ongoing flood relief efforts across the country. By standing united, CCI Bangladesh aims to help rebuild lives and restore hope.

EDOTCO

EDOTCO BANGLADESH HAS BEEN HONOURED WITH THE SDG BRAND CHAMPION AWARDS 2024

Member of FICCI, EDOTCO Bangladesh has been honoured with the SDG Brand Champion Awards 2024 in the 'Affordable & Clean Energy' category and received an Honourable Mention for the category 'Sustainable & Innovative Infrastructure' initiative.' This recognition reflects their steadfast commitment to fostering sustainable development and enabling Bangladesh's journey towards achieving the SDGs by 2030.

Aiming to achieve carbon neutrality by 2030, EDOTCO actively integrates renewable energy solutions, enhances operational efficiency, and implements innovative infrastructure across all its regions. Its engagement in carbon offset programs, collaborative efforts with stakeholders, and active involvement in communities underline commitment to sustainable practices.

grameenphone

GRAMEENPHONE BRIDGING THE DIGITAL DIVIDE THROUGH UPSKILLING

Bangladesh faces significant challenges in digital literacy and online safety, particularly among marginalized communities and school children. Approximately 15% of the population is marginalized, residing in hard-to-reach rural areas with limited access to digital resources. Despite the rapid advancement of digital technologies, a substantial portion of the population remains digitally excluded. Rural households specially women lack access to the internet, and literacy rates in these areas are significantly lower than the national average. This digital divide exacerbates existing social and economic inequalities, leaving marginalized communities further behind.

Over the last year GP has ramped up efforts to drive digital literacy and online safety knowledge through digital skills trainings. These are being delivered nationwide to marginalized communities (65% women), mass youth population and also school children.

GP's Digital Inclusion Project for marginalized communities spans 32 districts and 3000+ unions, providing basic digital skills and online safety to eight (8) distinctive hard-to-reach communities. So far, the project in last 18 months has successfully trained 2.1 million individuals, with a goal of reaching 2.3 million by the end of 2024. To keep youth and leaders aligned in these areas, we are training youth to become local level youth advocates and engaging with local leaders to ensure sustainability.

The digital literacy and online safety for school children in Bangladesh is critical, with over 30 million school-age children needing safe and informed internet use. Only about 25% of schools have dedicated IT teachers, and less than 40% of children receive digital safety education. Many children, especially in rural areas, lack the skills to navigate the online world safely, posing significant risks to their well-being.

The Project on online safety for school children is developing comprehensive and up to date safety content and training 35,000 IT teachers and overall reaching a total of 4.2 million children.

Bangladesh has a youth population of approximately 47.6 million, which constitutes about 30% of the total population. As of the beginning of 2024, there are approximately 58.9 million young people under 15 years. While each year 2 Mn youth are ready to join the workforce, a major development challenges for Bangladesh is providing enough jobs; The lack of right skill sets amongst the potential labor force is creating growing unemployment, so much as 3.5Mn people remain unemployed in 2023. FutureNation program, Grameenphone Academy and GP Accelerator are active platforms to connect youth to economic opportunities through upskilling and investment connect.

Futurenation project in collaboration with UNDP are training mass unskilled youth population through platform futurenation.gov.bd. GP Academy together with our global partner Cisco on the other hand are actively upskilling youth to bridge the skills gap and connect with future economic opportunities including freelancing. So far the programs have completed 80,000+ certifications while offering 4449+ Job Offers. This year GP Accelerator has trained 2500 potential entrepreneurs from 10 districts.

Grameenphone is bridging the digital divide and ensuring sustainable digital inclusion across Bangladesh. This collaborative effort by Grameenphone and its partners including Telenor, UNICEF and Plan International, Cisco, UNDP and others, prepares future generations for the digital age. The project's combined impact on digital literacy exemplifies a commitment to fostering a digitally inclusive society.

grameenphone

HSBC

HSBC SUPPORTING RICE PRODUCTION IN HAOR AND BARIND REGION

Bangladesh, a country where rice is synonymous with culture, nutrition, and food security for over 170 million people, stands as the third largest rice producer in the world. Rice production holds great significance in the economy contributing towards 16 percent of national GDP, as per FAO data. With only 0.05 hectares of arable land per person, the unsung heroes of the country produced 57 million tonnes of rice in the year 2022 (FAO, 2023).

Ranking seventh on Germanwatch's 2021 Global Climate Risk Index, climate change is a major concern in Bangladesh. In recent years, the country has witnessed devastating floods, drought, cyclones with infiltration of salinity, untimely rains and extreme heat which affect crop cycle and production.

To better equip farmers tackle climate change and to increase rice production, HSBC has extended its support to developing adaptability measures such as Climate-Smart Agriculture (CSA). This is an approach helping transform agri-food systems towards green, climate resilient practices. The initiatives not only include rice production in the flood-prone Haor region but also in the drought stricken Barind region.

Water Efficiency and Rice Production in the Barind Region

Alternate Wetting and Drying (AWD) project in Rajshahi

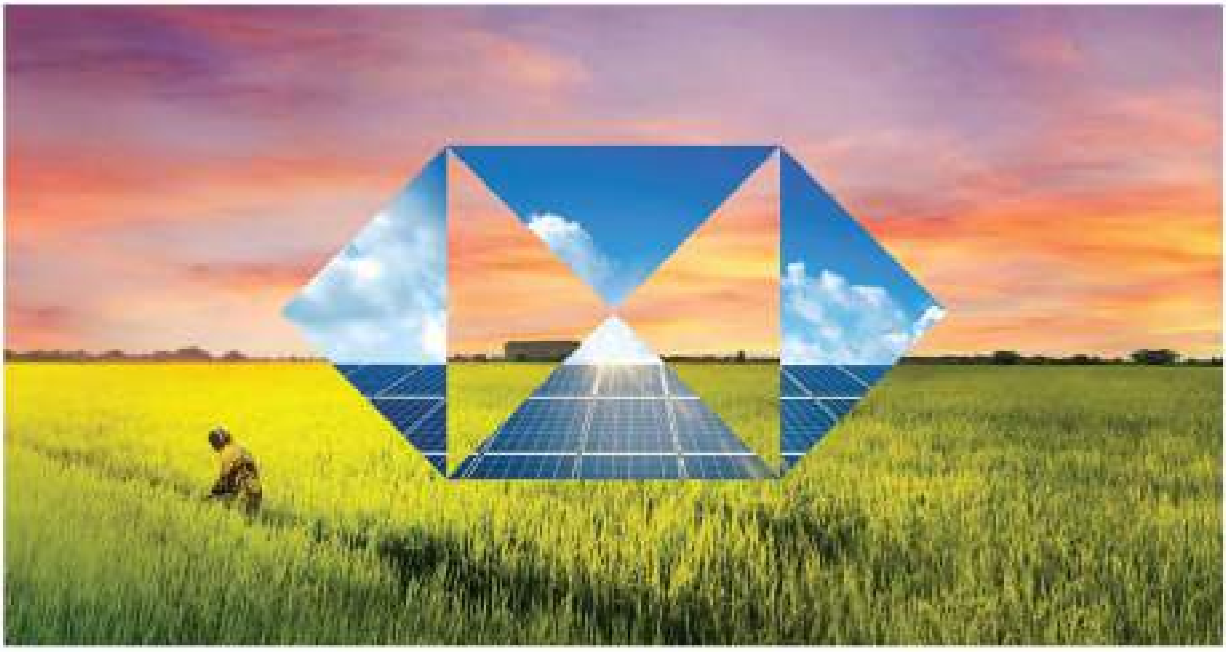
In collaboration with Syngenta and DASCOH Foundations, HSBC has initiated a climate-resilient, water-efficient irrigation method known as Alternate Wetting and Drying (AWD) in the country's Barind region. AWD is a low-cost, easy-to-adopt method enabling farmers to cut water usage by up to 30% without compromising on yield. AWD has also been shown to curb methane emissions by 30-70%, helping mitigate greenhouse gas emissions. This initiative is currently benefiting approximately 25,000 farmers across the Rajshahi, Chapainawabganj, and Naogaon districts, promoting climate-smart agricultural practices and improving irrigation efficiency.

Rice Production in the Haor Region

Climate-Smart Rice Value Chain (CS-RVC) inception workshop, June 2024

Addressing challenges like seasonal flooding and limited cultivation windows, HSBC has partnered with the International Rice Research Institute (IRRI) to launch the Climate-Smart Rice Value Chain (CS-RVC) project in the Haor region. The initiative aims to support 13,000 farming households across 30 villages in the Sunamganj and Kishoreganj districts by introducing resilient rice varieties, increasing access to machinery, and providing crop advisory services. These efforts will create a more sustainable and resilient rice value chain and ensure long-term farming viability in the Haor region.

The implementation of these interventions will set a precedent for climate-smart initiatives that can be undertaken in other vulnerable regions and climate hotspots nationwide.



INSEE CEMENT

INSEE ECO PLUS+ CEMENT, PIONEER OF SUSTAINABLE & DURABLE SOLUTION FOR COASTAL CONSTRUCTION IN BANGLADESH

Siam City Cement Public Company Limited from Thailand launched a groundbreaking product at a grand event held in Cox's Bazar, marking the beginning of a long-term green revolution. The product, INSEE ECO Plus+ cement, is the result of years of research by Siam City Cement PLC and is designed specifically for durable construction in coastal regions of Bangladesh.

This is the first cement of its kind in Bangladesh, providing a sustainable solution for the construction of buildings, cyclone shelters, bridges, dams, tunnels, and retaining walls. To introduce INSEE ECO Plus+ as an environmentally friendly, sustainable, and high-quality cement to local stakeholders, a special technical session was organized during the launching event. The session featured speeches by experts such as Mr. Petr Dobry and Dr. Wonchalerm Chalodhorn from Siam City Cement PLC, Thailand, as well as Mr. Mahmud Hasan, Chief Executive Officer and Managing Director of Siam City Cement (Bangladesh) Ltd. Additionally, Dr. Kanthasat Boontem, Director of Operations and Mr. GMG Mustafa, GM of Quality and Raw Materials, of INSEE Cement Factory also delivered brief addresses. The technical session saw participation from senior officials of INSEE Cement Bangladesh, including Commercial Director Mr. Mohammad Abu Sayeed.

During the event, speakers discussed how coastal structures deteriorate and become vulnerable due to the effects of salinity, chemical attacks etc. Guests also exchanged views on the challenges Bangladesh will face in the future due to global climate change and sustainable development. As solution to all these issues, Siam City Cement PLC, invented INSEE ECO Plus+ as its commitment to the sustainability ambition.

Special guest Professor Dr. Shameem Ahmed from the Department of Civil Engineering at Bangladesh University of Engineering and Technology (BUET) also addressed the launching event and the technical session. Lecturers from Chittagong University of Engineering and Technology (CUET), representatives from the Roads and Highways Department (RHD), the Bangladesh Water Development Board(BWDB) and the Local Government Engineering Department (LGED) joined in the discussions and Q&A sessions. Private sector engineers, expert consultants, and construction material traders also took part in analyzing the necessity of this specialized cement in the construction industry. INSEE ECO Plus+, made from Thailand's own clinker, is expected to bring revolutionary changes to coastal construction in Bangladesh as per the experts.

INSEE is the only cement in Bangladesh that holds the internationally recognized Environmental Product Declaration (EPD) certificate. The INSEE Group of Thailand is the only group of companies worldwide that has ensured EPD certification for all its cements across various countries.

LafargeHolcim

LAFARGEHOLCIM WINS SDG BRAND CHAMPION AWARD FOR THE SECOND YEAR IN A ROW

LafargeHolcim Bangladesh Limited (LHBL) has been awarded the **'SDG Brand Champion Awards 2024'** for second year in a row. This year LHBL won the award under the category **'Decent Work and Economic Growth'**. A total of 357 initiatives were evaluated in nine categories out of which only 39 initiatives were awarded by Bangladesh Innovation Conclave.

On behalf of LHBL Mr. Kazi Mizanur Rahman, Director, Strategic Projects and Ms. Tamrin Chowdhury, Deputy Manager, Geocycle received the award from Mr. Ahsan Khan Chowdhury, Chairman and CEO, PRAN-RFL Group.

The SDG Brand Champion Awards stands as a testament to the exceptional contributions of the organizations that have committed themselves to the advancement of the SDGs and serve to inspire and encourage others to follow in the footsteps. In 2023 LHBL won the SDG Brand Champion award in two categories (i) Affordable & Clean Energy and (ii) Sustainable Community Development.

recover™

CIRCULAR
FASHION
FOR ALL

RECOVER™ AND BANGLADESH, TOGETHER FOR A BRIGHTER TOMORROW

Recover™ is a leading materials science company and global producer of low-impact, high-quality recycled cotton fiber and cotton fiber blends. As a fourth-generation, family-owned business with over 75 years of expertise, we are committed to pioneering environmentally responsible solutions in the textile industry. Headquartered in Spain, we operate as a fully independent company backed by renowned international investors, with a mission to reshape the fashion supply chain through innovative, sustainable, and cost-effective products.

At Recover™, our goal is to enable large-scale sustainable change in fashion through business value and inspiration. We partner with the global supply chain, retailers and brands, offering low-impact, high-quality fibers that reduce the industry's environmental footprint. As a key elevated ingredient brand, we are creating a virtuous cycle of demand between brands, the supply chain, and consumers.

A cornerstone of our commitment to Bangladesh is through our subsidiary, RBD Fibers Limited, which operates the world's largest and most advanced facility for mechanically recycling cotton fiber. Spanning more than 360,000 square feet, this facility is located within Beximco's industrial area in Tarabo, Rupganj, Narayanganj, Dhaka. In this respect, we want to clarify that Beximco serves solely as our landlord and has no participation in the company -Recover fully owns and operates the facility itself, including all machinery and production operations.

Equipped with cutting-edge recycling technology, our state-of-the-art facility enables the large-scale production of high-quality recycled cotton fibers. It reflects our belief that international investment can significantly contribute to local economic growth while promoting a more sustainable global fashion industry. Through this facility, we are committed to making Bangladesh a world leader in sustainable apparel production.

We also take pride in supporting our dedicated team of employees in Bangladesh, whose professionalism, perseverance, and expertise are integral to our success. By working closely with local partners and the community, we are helping to elevate the country's role as a key player in the global fashion supply chain.

At Recover™, our core values of sustainability, innovation, and quality guide everything we do. We prioritize transparency, traceability, and consistent product quality while providing our partners with education, training, and production development support. Together, we are committed to advancing a more sustainable and responsible fashion industry while fostering long-term growth in Bangladesh.

We strongly believe in the resilience and potential of this nation, and we are here to stay, working hand in hand with our local partners to ensure a brighter tomorrow.

STANDARD CHARTERED LAUNCHES SEVEN GROUNDBREAKING AGRICULTURAL RESEARCH INITIATIVES

Standard Chartered Bangladesh has unveiled seven new agricultural research initiatives aimed at driving innovation and fostering community engagement in the country's agricultural sector. These research projects are part of the Bank's ongoing efforts to support and enhance research in agriculture, focusing on productivity, mechanization, and post-harvest management.

The seven selected research initiatives focus on a wide range of critical areas within Bangladesh's agricultural landscape. These include developing climate-resilient crops such as nutrient-rich carrots and tomatoes, enhancing mango production through environmentally conscious pest management, and expanding rice irrigation in off-grid areas using solar-powered systems. Other projects aim to reduce dependency on commercial feed in aquaculture by introducing plant-based alternatives, improve Boro rice cultivation through IoT-based water management, enhance crop resilience in saline-affected coastal region through indigenous fungi induced fertilisation, and enhancing dairy production through advanced heat stress management and early pregnancy detection technologies. Collectively, these projects represent innovative solutions to pressing challenges in food security, productivity, and sustainable farming through practices that are environment - friendly.

Naser Ezaz Bijoy, Chief Executive Officer, Standard Chartered Bangladesh, said, "Through these agricultural research initiatives, we are addressing some of the most pressing challenges faced by the sector, from food security and climate resilience to technological innovation. By leveraging the expertise of our Jury Panel and working alongside leading researchers, we are confident that these projects will make a significant impact, enhancing productivity, sustainability, and the livelihoods of countless individuals across the country."

He added, "I would like to extend my heartfelt thanks to our Jury Panel for their valuable insights and dedication, and to the briliant researchers whose work will be instrumental in shaping the future of agriculture in Bangladesh. We are proud to play a part in driving transformative change in the sector, ensuring a brighter, more resilient future."

To ensure the selection of the most impactful projects, the Bank assembled a five-member Jury Panel of distinguished agricultural experts. Following a rigorous evaluation process, seven initiatives were selected based on their potential to significantly contribute to the sector's growth, food security, and sustainability. Each project addresses critical challenges in Bangladesh's agriculture, aiming to bring about transformative change.

The selected initiatives are:

• Developing and upscaling nutrient-rich carrots and tomatoes for growth in stressful environments to enhance food security in Bangladesh, led by **Dr. Harun Ar Rashid, Bangladesh Agricultural University**

• Increasing safe mango production by mitigating fruit fly infestations, led by **Dr. Abul Manjur Khan, Bangladesh Agricultural University**

• Unlocking the potential of climate-smart solar pump irrigation systems to increase irrigated Boro rice command areas in off-grid **haors**, led by **Dr. Mizanur Rahman, Bangladesh Agricultural University**

• Reducing dependence on commercially available feed in Bangladesh's aquaculture sector by developing alternative, fermented plant-based feeds in polyculture systems, led by **Dr. S M Rafiquzzaman, Bangabandhu Sheikh Mujibur Rahman Agricultural University**

• Scaling up the use of IoT-based automated alternate wetting and drying systems for rice cultivation, led by **Dr. Mostafizar Rahman, Bangabandhu Sheikh Mujibur Rahman Agricultural University**

• Enhancing crop resilience in saline-affected coastal regions by applying a novel fungus-containing bio-fertilizer and nano urea, led by **Dr. Rakibul Islam, University of Dhaka**

• Improving dairy production by mitigating heat stress, using IoT-based temperature sensors and ultrasonography, led by **Dr. Rashedul Islam, Sher-e-Bangla Agricultural University**

The Jury Panel was led by Professor AKM Nowsad Alam, Ph.D., Dean, Faculty of Fisheries, Bangladesh Agriculture University. Other members include Professor Md. Rostom Ali, Ph.D., Department of Farm Power and Machinery, Bangladesh Agriculture University; Professor Mirza Hasanuzzaman, Ph.D., Department of Agronomy, Faculty of Agriculture, Sher-e-Bangla Agriculture University; Professor KBM Saiful Islam, Ph.D., Dean, Faculty of Animal Science & Veterinary Medicine (FASVM), Sher-e-Bangla Agriculture University; and Professor Mashura Shammi, Ph.D., Department of Environmental Science, Jahangirnagar University.

With over 119 years of commitment to Bangladesh's growth, Standard Chartered continues to champion initiatives that promote sustainable development in critical sectors like agriculture. The Bank remains dedicated to investing in communities, expanding services, and creating new opportunities for stakeholders, all while fostering inclusive and sustainable growth in Bangladesh's agricultural landscape.

SGS

SGS BANGLADESH PROVIDES RELIEF TO FLOOD VICTIMS IN COLLABORATION WITH BANGLADESH ARMY

As part of our unwavering commitment to sustainability and corporate social responsibility, SGS Bangladesh recently extended its support to the flood-affected regions through a significant donation aimed at providing relief to the impacted communities. This initiative reflects our core values of sustainability and community welfare, aligning with our long-term vision of creating a positive and lasting impact on society.

In recent times, severe flooding caused widespread devastation in several areas of Bangladesh, displacing families and disrupting livelihoods. In mid-August, heavy rainfall has triggered flash floods, leading to the submergence of south-eastern regions of the country. The damage has been catastrophic, with more than fifty lives lost and 5.5 million people across 11 districts severely affected. Recognizing the urgency of the situation, SGS Bangladesh swiftly mobilized its resources to assist in the recovery efforts. Our relief pack equivalent to 5 lacs BDT included essential supplies such as rice, medicine, soap, feminine care etc. was handed over to Bangladesh Army to ensure timely and effective distribution to those in need.

On 2 September 2024, the Country Manager of SGS Bangladesh, Mr. Abdur Rashid, along with other senior management team of the company, handed over 350 relief bags to Bangladesh Army for distribution in the worst-affected areas.

This donation is part of SGS Bangladesh's ongoing efforts to engage in meaningful sustainability and CSR activities, contributing to the well-being of communities and the environment. Through this initiative, SGS Bangladesh continues to uphold its mission of creating a positive impact while supporting those affected by natural disasters.

Here are some pictures of the relief goods and handover program:

Handing over SGS's relief goods to Bangladesh Army for flood-affected people

AMANN
BANGLADESH

GERMAN ENVOY VISITED AMANN BANGLADESH MANUFACTURING PLANT IN MAWNA, GAZIPUR

Jan Rolf-Janowski, Chargé d'Affaires a.i., Embassy of the Federal Republic of Germany in Dhaka visited the manufacturing plant of AMANN Bangladesh Limited (a member of AMANN Group, Germany) in Mawna, Gazipur on June 2024.

Mr. Md. Rokonuzzaman, FCA, Country Managing Director of AMANN Bangladesh Limited and Director of Bangladesh German Chamber of Commerce & Industry (BGCCI) welcomed Mr. Janowski to the plant. He and his plant team accompanied Mr. Janowski in a guided tour to the entire plant, briefed him about the journey of AMANN in Bangladesh and shared the sustainability initiatives of the company. Mr. Janowski inaugurated the first ever Shade Gallery of AMANN Bangladesh during this visit. Later, he joined the tree plantation event organized by AMANN Bangladesh inside the plant.

Since 1854, AMANN has been one of the leading international manufacturers of high-quality sewing threads, embroidery threads and Smart Yarns. In Bangladesh, AMANN set up a joint venture with Standard Group (one of the largest apparel manufacturers in Bangladesh) in 2013.

The Chargé d'Affaires a.i, Mr. Janowski expressed his appreciation to Mr. Rokonuzzaman for hosting the visit and briefly touched upon areas for development and cooperation that could strengthen the ease of doing business for the German companies in Bangladesh.

During the visit, the Co-Chairman of the Company and the Deputy Managing Director of Standard Group, Mr. Hasnat Mosharraf was also present along with all the Senior Leadership Team members of AMANN Bangladesh Limited.

SINGER | beko

SINGER BANGLADESH BEGINS TO "TRANSFORM FOR GROWTH"

Singer Bangladesh Limited, the pioneer in the consumer durables industry in Bangladesh possesses 119 years of history in this country. With economic growth and the changing lifestyle of the customers; Singer Bangladesh is transforming to bring the most contemporary and global standards to the customers of Bangladesh while keeping customer centricity at the core of its operations. The company is determined in pursuit of innovation, customer satisfaction, and sustainable economic growth.

The Consumer Durables Industry in Bangladesh market is at a crossroads. Looking into mature markets, we see that when GDP per capita exceeds the US$2,500 level, consumers start to invest in home appliances to improve their lifestyle. With a growing domestic market, rising middle class, rapid urbanization reaching 40% and projection of 60% by 2028, we are witnessing the evolution of more dual income nuclear families who are starting their lives for whom the consumer durables become a necessity, not a luxury.

Singer Bangladesh Limited revealed its biggest operational transformative initiatives, comprising of a series of transformations, including a state-of-the-art manufacturing plant, one-of-its-kind Concept Store, and a workspace representing the company's new vision. Singer Bangladesh aims to bring Koç Group and Arcelik's global expertise and standards to Bangladesh and enhance the consumer experience, reaffirming Singer Bangladesh's commitment to excellence.

As part of the initiatives, Singer Bangladesh is on the verge of commencing commercial production at the state-of-the-art Manufacturing Plant with an investment of US$78 million. Established in 135,000 sqm land at the Bangladesh Special Economic Zone (BSEZ) in Araihazar, Narayanganz, the new factory will create more than 4,000 employment opportunities and underscore the company's commitment to local manufacturing. Singer Bangladesh aims to reduce dependency on imports and foster a robust local supplier ecosystem by focusing on manufacturing over 90% of products locally. It will be a LEED Gold certified factory.

The new state-of-the-art Manufacturing Plant of Singer Bangladesh

As one of the biggest retailers in the country and to cater to the ever-evolving consumer demand, Singer Bangladesh has launched 'Singer Beko Concept Stores'. The concept stores' design sets a new standard for retail spaces in Bangladesh, achieving monumental success by redefining traditional retail norms and meeting global standards for customer engagement and product presentation. The stores offer an immersive retail experience where consumers can experience the products of Singer and Beko brands firsthand before making a purchase. Singer Bangladesh will open more SINGER | beko concept stores in major urban areas and adapt the same design language in retail stores across Bangladesh in 2024.

One-of-its-kind Singer Beko Concept Store

To cater to digitally connected customers, Singer Bangladesh has been the first mover to successfully deploy Omni Channel Marketing approach through www.singerbd.com.

Singer Bangladesh has also relocated its corporate headquarter to Gulshan 2, Dhaka. The new workspace encourages the employees in a agile way of working, teamwork, collaboration, creativity, and forward-thinking. The headquarter embodies Singer Bangladesh's progressive ethos, laying the groundwork for continued success.

World-class workspace of Singer Bangladesh

Singer Bangladesh's transformation started back in 2019 with the acquisition of the company by Arcelik. Now the company is at the peak of its transformation journey, which is enabled by the exceptional transformations in production, retail experience and working space.

Despite the ever-evolving market trend and concurrent political-economic challenges, the consumer durables industry demonstrated remarkable adaptability in driving innovation, adopting new challenges, and offering customers easy payment options to purchase big-ticket items. Moving forward, we must prioritize the development of a resilient and adaptable Consumer Durable industry in Bangladesh. At Singer Bangladesh, we are open to work together to ensure that the growth of the sector and the broader economy remains inclusive and resilient.

Unilever

UNILEVER BANGLADESH WINS THE HIGHEST NUMBER OF ACCOLADES

Unilever Bangladesh places sustainability at the heart of its business, influencing every decision and initiative. This dedication was acknowledged at the SDG Brand Champions Awards 2024, where Unilever Bangladesh won two awards and received honourable mentions in two categories, leading to Unilever Bangladesh securing the highest number of accolades among industry-leading companies for its contributions towards achieving 12 Sustainable Development Goals (SDGs).

Winner in Women Inclusion in Manufacturing

Unilever Bangladesh has been a trailblaser in promoting female participation across all levels, from the boardroom to the frontline. Women in the factory are breaking new barriers every day, taking on roles in maintenance, engineering, quality control, packaging, and logistics, even during night shifts. This initiative began with targeted recruitment and retention efforts aimed at female employees, particularly in roles traditionally occupied by men.

Key actions and impacts include:

- **Inclusion of Females in Shopfloor and Supply Chain Managerial Roles:** 35% of UBL's Supply Chain roles are female, with 26% in managerial roles at KGF, aiming for 30% by 2025. Additionally, KGF has 198 women in outer core roles and 44% female representation in managerial shift operations.
- **Graduate Engineering (GET) Programme:** The 9-month trainee programme - GET, has a 64% female representation and an 80% conversion rate, creating a strong female talent pipeline.
- **Infrastructure and Culture:** KGF has added prayer rooms, lockers, a creche, and dedicated transportation for female employees, ensuring convenience, security, and safety.

Winner in Sustainable Partnerships and Inclusion for Plastic Waste Management Project in Chattogram

Since 2022, Unilever Bangladesh has been in a tripartite partnership with the Chattogram City Corporation (CCC) and the NGO Young Power in Social Action (YPSA) to implement the country's largest public-private-development sector-run plastic waste management initiative. This project manages **10%** of the plastic waste generated in the city.

Key actions and impacts include:

- Plastic waste is collected, processed, and sold to recyclers in **41 Wards**.
- **3000 Waste Workers' livelihood improved** resulting in a 25% increase in income.
- **150 Cleaning Service Organisations/Bhangariwalas** are supported through business linkages and financial literacy.
- **1M+ People Reached Through Awareness** through door-to-door campaigns, school awareness programmes, and neighborhood ward committee discussions.
- **14,000+ tonnes of Plastic Waste Collected and processed**

Honourable Mention in Responsible Consumption and Production for URefill

The URefill machine offers affordable products to consumers while reducing plastic usage and consumption. This initiative, developed in partnership with Bopinc, designed for a refill machine for General Trade (GT) environment, aims to provide good quality products at affordable prices with reduced plastic usage.

Key actions and impacts include:

- **90% Less Plastic Footprint,** compared to regular packaging.
- Approximately **500kg** of CO_2 emission reduction per metric tonne of product.
- Reduced **transportation and storage costs** due to exclusive bulk product handling.
- Reduced demands of sachets, as it allows consumers to purchase in small quantities.
- Increased affordability compared to regular-pack products like, shampoo and Lifebuoy handwash, with ~**20%** savings per serve.
- Consumers can utilise their own packaging leading towards overall usability of plastic as part of holistic reduction.

Honourable Mention in Industry Innovation and Infrastructure for KGF

Unilever Bangladesh's largest and oldest factory - KGF, stands as a testament to the organisation's commitment to sustainability. Since 2010, Unilever has focused on water conservation, energy efficiency, and reducing carbon footprints through innovative projects and the 3R principle (Reduce, Reuse, Recycle).

Key actions and impacts include:

- **Water Conservation:** Initiatives like rainwater harvesting and recycling ETP processed water have saved **11%** per tonne of production. From 2010 - 2023, **2.45 billion litres** of water were saved, equivalent to 10 years of drinking water for 67,000 households.
- **Energy Efficiency:** Key projects include installing exhaust gas boilers, super chillers, and energy-efficient borewells, among others.
- Since 2014, Unilever Bangladesh has ensured 'Zero Waste to Landfill'.

Unilever Bangladesh's dedication to sustainability and community upliftment continues to set new benchmarks, inspiring others to follow suit.


RAK
CERAMICS
A NEW ERA IN HYGIENE
TOUCHLESS
FLUSHING
SUPER HYGIENIC
RIMLESS TECHNOLOGY
EASY TO CLEAN
WATER SAVING
COMFORTABLE HEIGHT
3L
6L
RAK CERAMICS LAUNCHES BANGLADESH'S
FIRST SENSATION WATER CLOSET

Meeting with the newly appointed Adviser to the Ministry of Power, Energy, and Mineral Resources

The FICCI Board of Directors, led by President Mr. Zaved Akhtar, held a constructive meeting with the newly appointed Adviser to the Ministry of Power, Energy, and Mineral Resources, Muhammad Fouzul Kabir Khan. The discussion focused on key industry challenges and potential areas for collaboration. Senior Vice President Mr. Eric M. Walker, Advisor Mr. Shehzad Munim, Board Members Mr. Mohammad Iqbal Chowdhury, Mr. Faisal Ahmed Chowdhury, Executive Director Mr. Nurul Kabir, CEOs and senior officials from FICCI member companies, and high officials from the ministry were present at the meeting.

FICCI call on meeting with the Chairman of NBR and the Secretary of IRD

A FICCI delegation, led by President Mr. Zaved Akhtar, paid a courtesy visit to Md. Abdur Rahman Khan, FCMA, the newly appointed Chairman of the National Board of Revenue (NBR) and Secretary of the Internal Resources Division (IRD), at his office in Agargaon, Dhaka. Senior Vice President Mr. Eric M. Walker, Board Members Mr. Md. Miarul Haque, Mr. Mohammad Iqbal Chowdhury, Mr. Ala Ahmad, Mr. Najith Meewanage, Mr. Faisal Ahmed Chowdhury, Ms. Rubaba Dowla, Mr. Sumitava Basu, Executive Director Mr. Nurul Kabir, CEO of bKash Mr. Kamal Quadir, other senior officials from FICCI member companies, and NBR policy members were present at the meeting.

FICCI Board of Directors met the Chief Advisor's Special Envoy for International Affairs, Mr. Lutfey Siddiqi, and newly appointed BIDA Chairman, Mr. Ashik Chowdhury, CFA

President Mr. Zaved Akhtar, along with Advisors and Members of the Board of Directors, met with the Chief Advisor's Special Envoy for International Affairs, Mr. Lutfey Siddiqi, and newly appointed BIDA Chairman, Mr. Ashik Chowdhury, CFA (joining virtually from Singapore), at the BIDA office in Dhaka. The discussion presided over by Dr. Khandoker Azizul Islam, Executive Member (Investment Environment Services) of BIDA, focused on the key challenges and opportunities surrounding foreign investment in Bangladesh.

FICCI delegation met with Finance and Commerce Adviser, Dr. Salehuddin Ahmed

FICCI delegation, led by President Mr. Zaved Akhtar, met with Finance and Commerce Adviser Dr. Salehuddin Ahmed at the Adviser's office to discuss crucial reforms aimed at enhancing the business climate and boosting foreign direct investment (FDI).

The meeting was attended by FICCI Advisor to the Board, Mr. Bijoy Ezaz Naser, and Board Members Mr. Ala Ahmad, Mr. Najith Meewanage, Md. Miarul Haque, Mr. M. H. M Fairoz, Mr. Faisal Ahmed Chowdhury, Ms. Rubaba Dowla, Mr. Sumitava Basu, CEO of Citi NA Mr. Md. Moinul Huq, Country Managing Partner at PricewaterhouseCoopers (PwC) Bangladesh Mr. Shams Zaman, Head of Markets and Security Services (Acting CEO) of HSBC Mr. Bashar Mustafa Tareq, and Executive Director Mr. T.I.M. Nurul Kabir. Commerce Secretary Md. Selim Uddin was also present.

FICCI Delegation calls on meeting with Mr. Adilur Rahman Khan Adviser, Ministry of Industries

President Zaved Akhtar led the FICCI delegation in a meeting with Mr. Adilur Rahman Khan, Adviser to the Ministry of Industries, to discuss collaborative approaches to tackle industrial challenges in Bangladesh. The meeting was attended by Industries Ministry Senior Secretary Ms. Zakia Sultana, other high officials from the ministry, and members of the FICCI Board of Directors: Md. Mahbub ur Rahman, Mr. Faisal Ahmed Chowdhury, Mr. Sumitava Basu, and Executive Director Mr. T.I.M. Nurul Kabir.

FBCCI coordination meeting with GoC 9 Division

FICCI President Mr. Zaved Akhtar addressing at the FBCCI coordination meeting with GoC 9 Division about Safety & Security of Industry and Business operations.

Meeting with Kihak Sung, Chairman & Chief Executive Officer, Youngone Corporation

President Mr. Zaved Akhtar met with Mr. Kihak Sung, Chairman and CEO of the South Korean textile giant Youngone Corporation. Mr. Jahangir Saadat, President, Korean EPZ (KEPZ) and Executive Director Mr. Nurul Kabir also attended the meeting.

FICCI Tax Team meeting with NBR Member IT Implementation

FICCI Tax team meeting with Dr. Md. Abdur Rauf, Member (VAT implementation and IT),NBR and discussed about E-Invoicing of VAT Digital System.

FICCI Tariff & Taxation Committee Meeting and Workshop on VAT Policy

FICCI Tariff & Taxation Committee Meeting

Meeting with ILO Country Director & Team

FICCI Executive Director had a meeting with ILO Country Director Mr. Tuomo Poutiainen and his team on 16th September 2024.

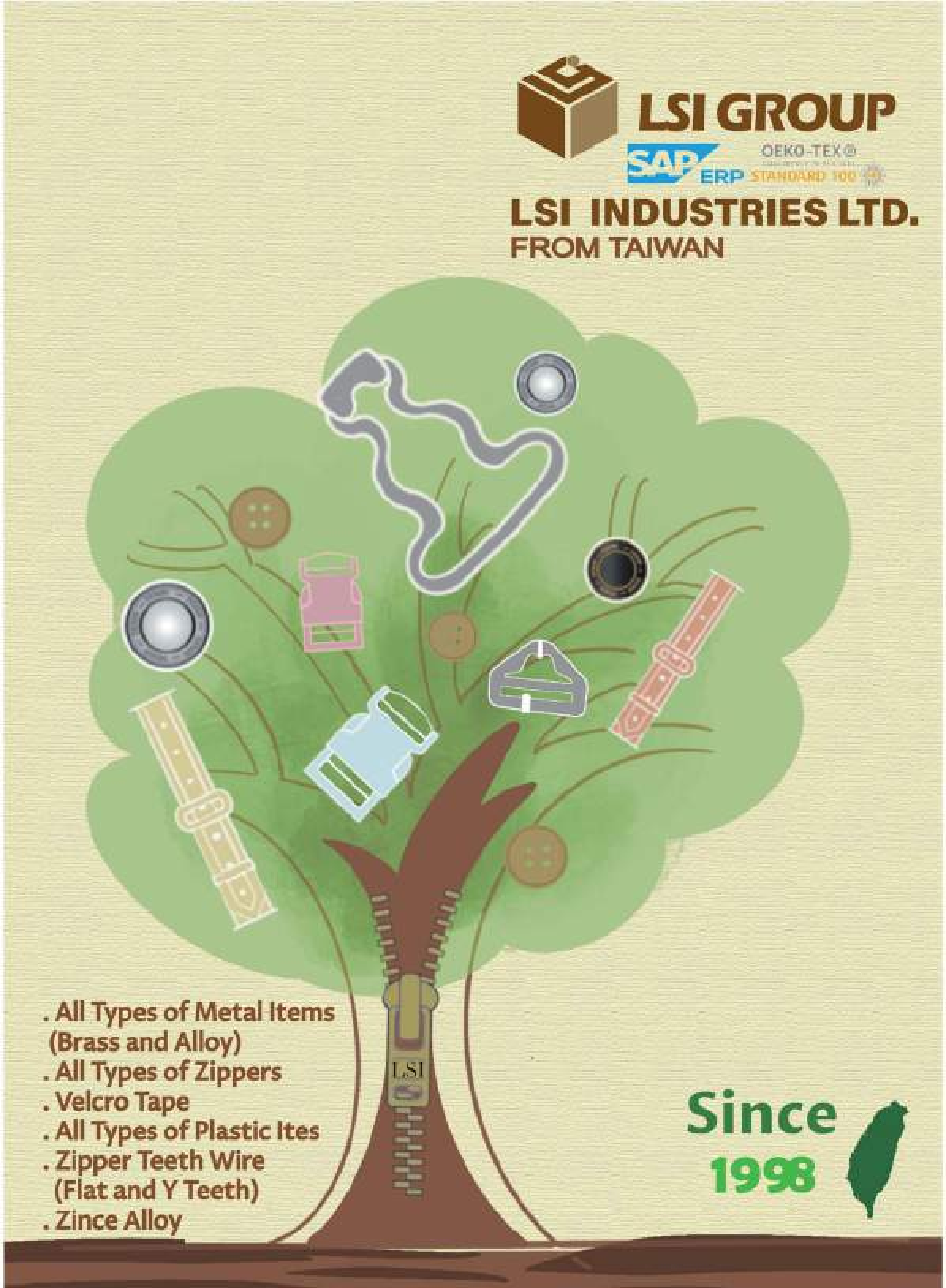
FICCI Board Meeting

FICCI ESG Committee Meetings

The World Bank event on Green Growth Bangladesh

FICCI President Zaved Akhtar speaking as a panelist at the World Bank event on Green Growth Bangladesh.

FICCI Virtual meeting with the Members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Water Repellent
Cement
Water Repellent Formula,
Prevents Water Absorption
Gives High Strength,
Ensures Durability
Protects from Corrosion,
Saves Maintenance Cost
16319

ON BEHALF OF FICCI, OUR HEARTFELT CONGRATULATIONS TO THE FOLLOWING EMINENT PERSONALITIES FOR THEIR NEW ROLE IN GOVERNMENT

Mr. Lutfey Siddiqi
Chief Advisor's Special Envoy for International Affairs (with the rank of Advisor (Minister)), Interim Government of Bangladesh

Dr. Ahsan H. Mansur
Governor, Bangladesh Bank

Mr. Ashik Chowdhury, CFA
Executive Chairman
BIDA and BEZA

Mr. Md. Abdur Rahman Khan, FCMA
Chairman, National Board of Revenue (NBR) and Secretary, Internal Resources Division (IRD) under the Ministry of Finance

Mr. Khondoker Rashed Maqsood
Chairman, Bangladesh Securities and Exchange Commission (BSEC)

Maj Gen Md Emdad Ul Bari, OSP, ndc, psc, te (retd)
Chairman, Bangladesh Telecommunication Regulatory Commission (BTRC)

Morshed Amin Appointed Country Manager, DHL Global Forwarding Bangladesh

Mr. Mohammad Morshed Amin
Country Manager
DHL Global Forwarding Bangladesh

Morshed Amin has been the Country Manager for DHL Global Forwarding Bangladesh since February 2024, bringing over 20 years of experience in logistics, aviation, and business operations across South Asia. Before joining DHL, he served as Head of Business Operations at Cargo Center Limited for five years and held senior roles as General Manager at MGH Logistics and in management positions at Dragonair and Cathay Pacific Airways.

Morshed's expertise includes business management, customer experience, and analytics, developed through diverse roles in Bangladesh, Bhutan, Nepal, and East India. He is recognized for driving growth and operational excellence in logistics and aviation.

Dedicated to lifelong learning, Morshed became a certified member of the Association of Certified Chartered Accountants (ACCA) in February 2023. His qualifications also include advanced studies in accountancy, business administration, and airline management. Under his leadership, DHL Global Forwarding Bangladesh is expanding its footprint in line with DHL's global strategy for innovation and sustainable growth.

Md. Ruhul Amin appointed as District Manager & Managing Director of Expeditors Bangladesh

Mr. Md. Ruhul Amin, FCA
District Manager & Managing Director
Expeditors Bangladesh

Md. Ruhul Amin started working at Expeditors Bangladesh in December 2014 as an Accounting Manager. He was later promoted to the position of Country Controller in July 2018. During his time at Expeditors, he has been involved in several important projects aimed at making Expeditors Bangladesh more competitive in the market while ensuring compliance with local regulations. These experiences have provided him with valuable insights and enabled successful implementation of changes at the country level. Ruhul is known for his collaborative approach, passion, strategic thinking ability, and dedication to self-development.

Ruhul is a Fellow Chartered Accountant (FCA) under the Institute of Chartered Accountants of Bangladesh (ICAB) and holds an accounting degree from the University of Dhaka. Before joining Expeditors, he worked for six years at Rahman Rahman Huq (KPMG Bangladesh), where he gained experience working with a variety of companies, including banks, financial institutions, service, and manufacturing companies.

Shams Zaman Appointed as PwC Bangladesh's Country Managing Partner

Mr. Shams Zaman
Country Managing Partner
PwC Bangladesh

Shams Zaman has been named the new country managing partner of PwC Bangladesh. With over 28 years of professional experience, including a long tenure at Citi, Zaman brings a wealth of expertise to his new role. At Citi, he was responsible for global subsidiaries, local corporates, financial institutions, public sector client coverage, and origination business. During his tenure, he also served as the head of markets sales and structuring and head of structured finance for Bangladesh.

Before joining Citi, where he spent over 20 years, Zaman worked for a boutique investment bank, leading their capital markets and corporate finance business. He holds MBA and BBA degrees and has completed an executive education program on leading strategic growth. Congratulations to him on this significant appointment!

Sadhan Kumar Dey Joins RAK Ceramics

Mr. Sadhan Kumar Dey
Chief Executive Officer
RAK Ceramics (Bangladesh) Limited

It is our great pleasure to announce that Mr. Sadhan Kumar Dey has been promoted as the Chief Executive Officer (CEO) of RAK Ceramics (Bangladesh) Limited , a leading and only multinational Ceramics brand in Bangladesh. It is a prominent subsidiary of RAK Ceramics PJSC, UAE one of the top five largest manufacturing in the world with a global footprint that spans over 150 countries.

Mr. Sadhan has stated his journey as Chief Financial Officer of RAK Ceramics in June 2019. In November 2020, he has taken the charges of the Chief Operating Officer and lastly in July 2024 he has been promoted as the CEO of the Company. Many many congratulation to Mr. Sadhan and wishing his success in his new assignment.

Being CEO of RAK Ceramics (Bangladesh) limited, Mr. Sadhan oversees the company's operations, including all subsidiaries. He has over 26 years of experience in the manufacturing sector, specifically serving manufacturing of construction companies.

Before joining RAK Ceramics, Mr. Sadhan served as the Director of Finance and Commercial in a USA-based multinational specializing in construction segment, where he led finance, strategy, and commercial operations across the GCC, AFRICA, and INDIA from his base in the DUBAI, UAE.

Mr. Sadhan is a qualified finance and management professional from the chartered institute of management accountants (ICMA-UK) and chartered global management accountant (AICPA-USA). He holds a master of commerce (m.com) and master of business administration (MBA). He is also an alumnus of Harvard business school and Indian institute of management (IIM), Calcutta.

BETTERING LIVES IN SATKHIRA
THROUGH CLEAN DRINKING WATER

Satkhira is one of the top most climate vulnerable districts in Bangladesh due to salinity intrusion, drought, flood, water logging, cyclone and storm surges, all of which have led to a shortage of clean drinking water. The crisis is exposing inhabitants/residents to various water borne diseases. A recent UNDP survey reveals that 73% of the people living in Ashashuni and Shyamnagar upazilas of Satkhira drink unsafe saline water and 63% households face difficulties in getting drinking water.*

'Probaho', an initiative with a legacy of 15 years, designed to address the scarcity of clean drinking water in remote areas of Bangladesh, has responded to the humanitarian crisis by setting up safe drinking water filtration plants to provide safe drinking water to the most vulnerable communities in Ashashuni, Shyamnagar and Kaliganj upazilas in Satkhira. Having a self-sustaining model in these water filtration plants guarantees their long term sustainability.

PROBAHO PLANTS IN SATKHIRA

BEFORE

Contaminated surface water

Daily 5-7 kms travel for clean drinking water

AFTER

Probaho plants set up to provide clean drinking water

Community people collect water everyday from Probaho plants

A happier and healthier community

A glimpse of Probaho beneficiaries

8 PLANTS IN SATKHIRA DISTRICT | **15,000** BENEFICIARIES | **40,000 LITRES** WATER PROVIDED DAILY

PROBAHO PLANTS ACROSS THE COUNTRY

122 PLANTS ACROSS THE COUNTRY | **300K+** BENEFICIARIES | **600K LITRES** WATER PROVIDED DAILY

Committed to support the 'SDGs'

Scan QR code to learn more:
Follow us:
facebook.com/probaho2009

*Source: Gender-responsive coastal adaptation project (UNDP) 2021


touching
millions
through bKash
Pivotal role in
women empowerment
Women from households using bKash earn 86%[1] more comparing to non-bKash using families. In terms of ownership of financial assets, 'bKash using women' are 20%[2] ahead of non-bKash users.
Parity in financial services
About 44%[3] of the bKash users are women.
Awareness in education
and healthcare
Households using bKash are more conscious about education and healthcare, thus spend more in these areas.
Enabling families to
increase income
Per capita income of families using bKash is 5.8%[4] higher than non-bKash users. They are also more efficient in tackling disaster-induced situation.
*According to BIDS study on "Impact of
Mobile Financial Services in Bangladesh - The Case of bKash"
Source: [1 & 2: Page 104], [3: Page 71], [4: Page: 109]
bKash


BERGER
Trusted Worldwide
ড্যাম্প ওয়ালের সাথে
টক্সিক রিলেশন?
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