

# Country Report – Bangladesh

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## 1. MACROECONOMIC INDICATORS

Bangladesh has made substantial progress in its first 50 years of independence. From being one of the poorest nations in 1971, Bangladesh has successfully met the UN criteria and is expected to graduate from the category of Least Developed Countries (LDC) by 2026. Since 2010, per capita real GDP growth, averaging 5 percent annually, has resulted in a steady decline in poverty, with increasing access to education and healthcare (Figure 1). Following an export-oriented development strategy, Bangladesh has successfully transformed to a more manufacturing-based economy. Macroeconomic policies have been successful in keeping inflation stable, debt-to-GDP ratio low, and external buffers adequate



As envisaged in the 8th Five-Year Plan (FYP), sustaining high pro-poor growth (above 8 percent) to reach upper middle-income status requires, among others, developing new growth engines and increasing productivity to create decent jobs for an estimated 2.2 million job market entrants annually bridging. Ranked as one of the next eleven emerging markets by Goldman Sachs and as one of five frontier emerging economies by JP Morgan world by 2033.

Bangladesh aims to become one of the 24th largest economies in the world by 2033 (GDP at current prices in 2023) which the World Bank expects to be 5.4% for 2023. With a nominal GDP per capita of USD 2,470 in 2023, Bangladesh is the 35th largest economies in 2022 with a GDP size of US\$460.8 billion, with a real GDP growth rate of 5.50 % (Euro 414.30.54 billion) as per International Monetary Fund (IMF). Export growth more than doubled from 12.4% in FY2021 to 33.4%, to reach \$49.2 billion. The large increase reflected pent-up demand from major export destinations. Garment exports grew by 35.5%, bolstered by competitive prices, strong demand for knitwear and woven garments, and the diversion of export orders from other major exporters. Exports of leather and leather products also registered impressive gains, as did engineering products.

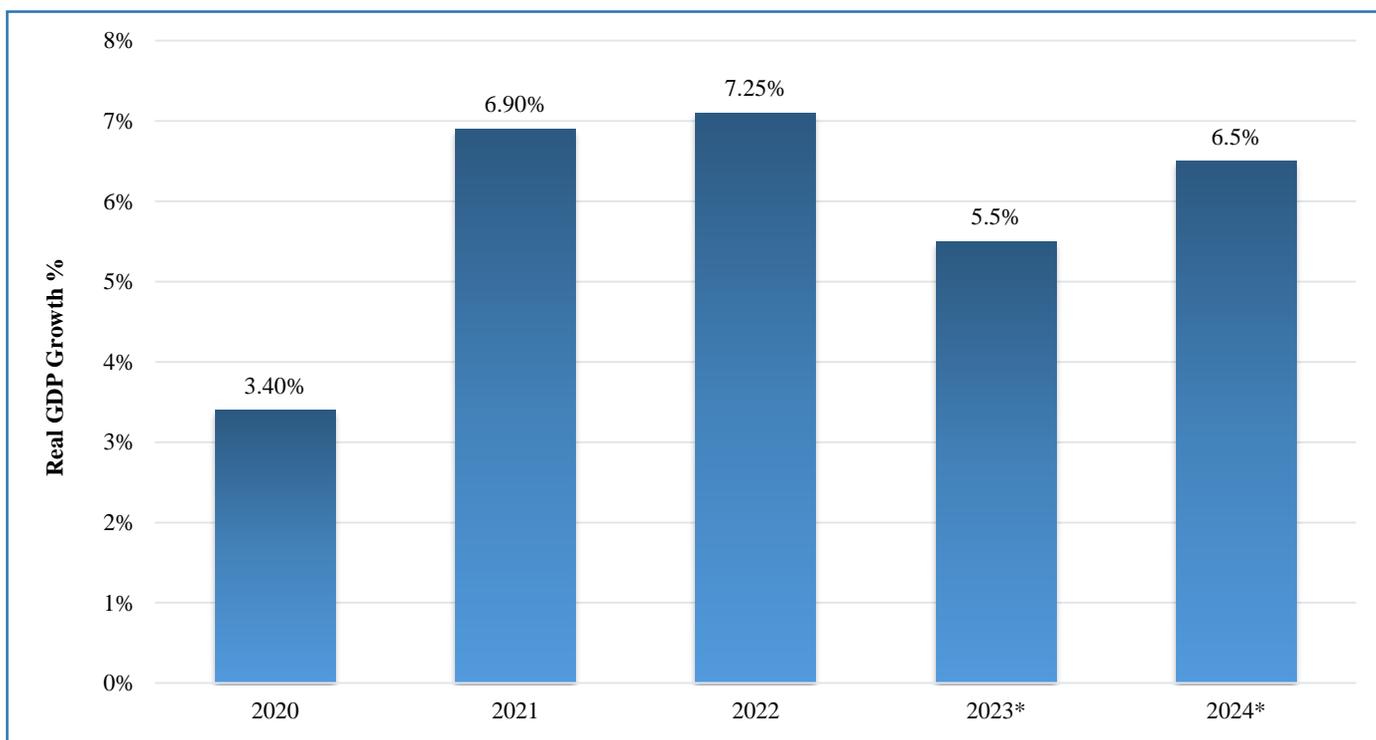
Import growth increased from 19.7% in FY2021 to 35.9%, to reach \$82.5 billion. About a third of the rise came from higher imports of intermediates for the garment industry to meet sharply increased demand for exports, and from higher prices for them. Imports of pharmaceuticals, fertilizer, and intermediate goods for construction rose by a robust 63.5%, contributing about 40% of the import increase. Imports of capital goods rose by 26.3%, signifying strong business confidence. A substantial rise in edible oil and wheat imports reflected higher international prices caused by global supply chain disruption and protective measures imposed by some key exporters of edible oil and wheat.

The country's aspiration to reach upper middle-income status by 2031 requires building on successes and addressing structural issues. Despite significant progress, lack of education and skills remain the main hurdle for transiting into the formal economy. Supply bottlenecks, especially in transport infrastructure, are constraining growth.

## 2. ECONOMIC SNAPSHOT OF BANGLADESH

The International Monetary Fund (IMF) has projected Bangladesh's growth forecast for FY 2023 in view of the ongoing global economic crisis and Russians aggression towards Ukraine. The IMF projects that the country's GDP (real) will grow at 5.50 per cent in FY 2023, a 1.6 percentage points lower than projected in October 2022.

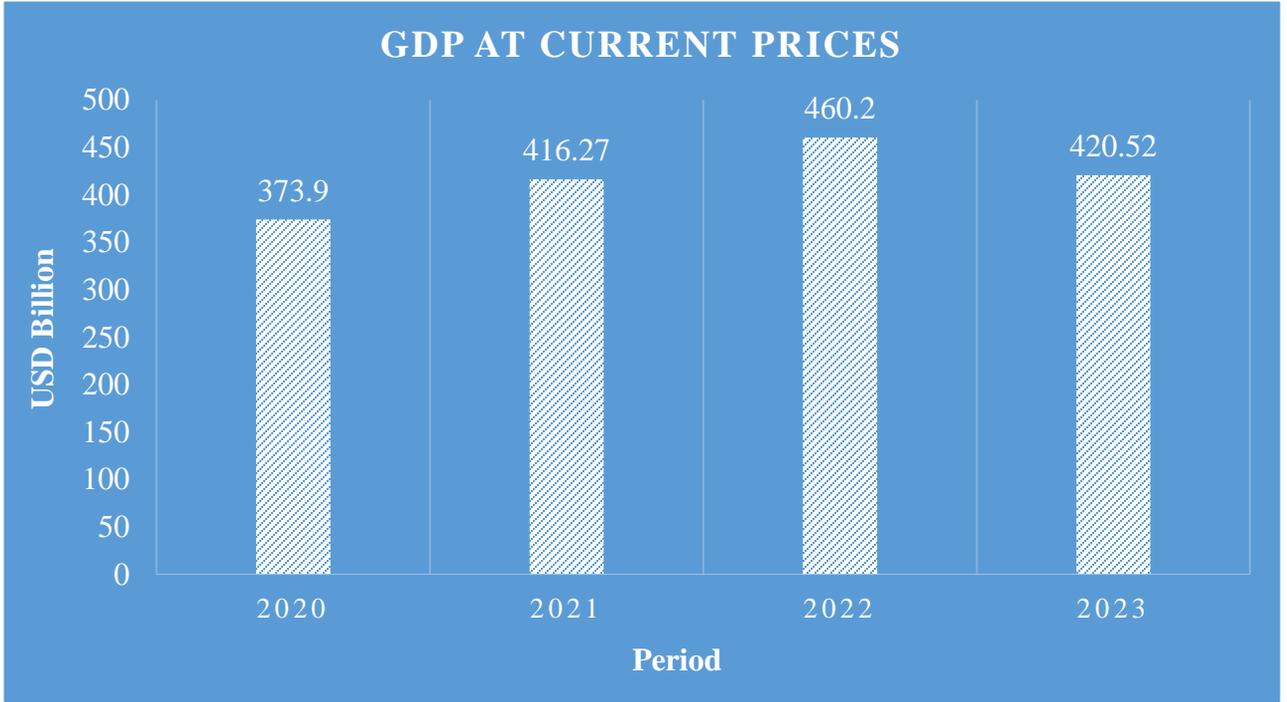
QUICK FACTS
Capital: Dhaka
Population: 170.279 million
President: Mohd. Shahabuddin Chappu
Prime Minister : Sheikh Hasina Wazed
Official Language: Bangla, English
Currency: Taka (BDT)
Unemployment Rate: 3.41%
GDP : 420.52 billion (US \$)



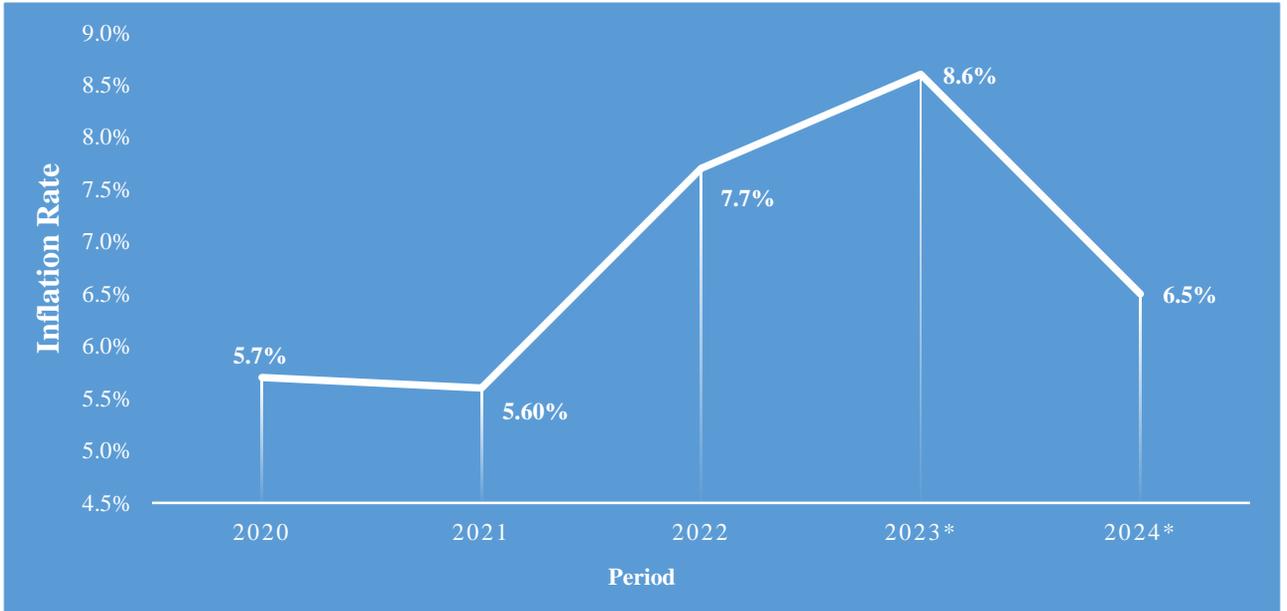
Source: IMF

Bangladesh economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21. According to the provisional estimates of BBS, the GDP growth stood at 7.25 percent in FY 2021-22, 0.05 percentage point higher than the target rate and 0.31 percentage point higher than the previous fiscal year. According to provisional estimate of Bangladesh Bureau of Statistics, per capita GDP and per capita national income stood respectively at US\$ 2,723 and US\$ 2,824 in FY 2021-22 compared to US\$ 2,462 and US\$ 2,591 respectively in FY 2020-21. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25.

## ECONOMIC SNAPSHOT OF BANGLADESH



Source: IMF



Source: World Bank, IMF

Like all other countries of the world, an upward trend of price level is being observed in Bangladesh as the economic damages created by COVID-19 pandemic which is triggered by war in Ukraine. Downside risks include continued high commodity prices that could worsen inflation dynamics and impact the external balance & weaker global demand for Bangladesh’s exports. Economic disruptions and extended regulatory forbearance could worsen financial sector vulnerabilities.

### 3. TRADE STATISTICS - IMPORTS & EXPORTS (Mn EUR)

Year	2020	2021	2022	2022 (Jan-May)	2023 (Jan-May)
<b>Total Trade with Italy</b>	1,613	1,799	2,753	1,178	991
<b>% Percentage</b>	- 20.2	11.5	53		-15.9
<b>Italy's export to Bangladesh</b>	401	513	692	318	242
<b>% Percentage</b>	- 27	28	34.9		-23.8
<b>Italy's import from Bangladesh</b>	1,213	1,287	2061	860	749
<b>% Percentage</b>	-17.7	6.1	60.2		-13.0
<b>Balance of Trade</b>	-812	-774	-1,370	-543	-507

The data for 2022 and 2023 are provisional Source: MAECI Economic Observatory elaborations on ISTAT data  
 Values in Millions of Euros.

<b>Main Italian Products Exported to Bangladesh (Classification used: Ateco 2007 with 3 digits) Jan – Dec 2022</b>	<b>Mn Euro</b>	<b>% of Total Exports to Bangladesh</b>
Other special purpose machinery	246.9	35.7
Other general purpose machinery	84.0	12.1
General purpose machinery	68.9	10.0
Electric motors, generators and transformers; equipment for distribution and control of electricity.	32.7	4.7
Basic chemicals, fertilizers and nitrogen compounds, plastics synthetic rubber in primary forms.	25.5	3.7
Other chemicals	20.0	2.9
Others	213.8	

## TRADE STATISTICS - IMPORTS & EXPORTS (Mn EUR)

Main Bangladeshi Products Imported to Italy (Classification used: Ateco 2007 with 3 digits) January - December 2022	Mn euro	% of total exports from Bangladesh
Clothing items, excluding fur clothing	1,544.9	74.9
Knitwear	397.3	19.3
Footwear	34.7	1.7
Other textile products	26.0	1.3
Tanned and worked leather; travel items, bags, leather goods and saddlery; prepared and dyed furs	14.9	0.7
Other porcelain and ceramic products	9.7	0.5
Others	33	

### POSITION OCCUPIED BY BANGLADESH AS SUPPLIER AND CUSTOMER OF ITALY & RELATIVE MARKET SHARE

	2020		2021		2022		JAN – MAY 2023	
	Pos.	Quota%	Pos.	Quota%	Pos.	Quota%	Pos.	Quota%
<b>SUPPLIER</b>	48	0.3	53	0.3	46	0.3	50	0.3
<b>CLIENT</b>	79	0.1	73	0.1	73	0.1	75	0.1

**SUPPLIER** means the position occupied by Bangladesh in the ranking of countries of origin of Italy's imports

**CUSTOMER** means the position occupied by Bangladesh in the ranking of export recipient countries of Italy

## LIST OF ITEMS IMPORTED FROM BANGLADESH

Total Import of Italy from Bangladesh July 2022 - May 2023	
ITEMS	VALUE (USD)
Fish and crustaceans, mollusc and other aquatic invertebrates	1,652,963.19
Products of animal origin, not elsewhere specified or included	112,438.02
Edible vegetables and certain root and tubers	2,069,062.70
Edible fruits and nuts; peel of citrus fruit or melon	6,226.67
Coffee, tea, mate and spices	260,810.54
Products of the milling industry; malt; starches; inulin; wheat gluten	70,430.19
Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit; industrial or Medicinal plants; straw and fodder	4,137.72
Vegetable plaiting materials; vegetable products not elsewhere specified or included	6,247.65
Animal or vegetable fats and oils and their cleavage products; prepared edible fats, animal or vegetable waxes.	241,736.08
Sugar and sugar confectionery	20,522.08
Preparations of cereals, flour, starch or milk; pastry cooks' products	4,053,997.40
Preparation of vegetables, fruit, nuts or other parts of plants	1,103,465.53
Miscellaneous edible preparations	1,913.87
Beverages, spirits and vinegar	954.49
Tobacco and manufactured tobacco substitutes	3,656,685.56
Salt, sulphur; earths and stone; plastering materials, lime and cement	35,038.35
Inorganic chemicals; organic or inorganic compounds of precious metals, of rare earth metals, of radioactive elements or isotopes.	1,835.06
Organic chemicals	508,484.65
Pharmaceutical products	46,094.69
Plastics and articles thereof	4,647,115.60
Rubber and articles thereof	11,250.28
Raw hides and skins (other than furskins) and leather	9,023,793.58
Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut)	3,628,050.26
Wood and articles of wood; wood charcoal	1,056.91
Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork	700,857.05
Pulp of wood or of other fibrous cellulosic material; waste and scrap of paper or paperboard	86.76
Paper or paperboard; articles of paper pulp, of paper or paperboard	76,424.70

## LIST OF ITEMS IMPORTED FROM BANGLADESH

Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans	968.40
Cotton	256,137.57
Other vegetable textile fibers; paper yarn and woven fabrics of paper yarn	1,454,044.85
Man-made staple fibers	19,322.88
Wadding felts and non Wovens; special yarn; twine, cordage, ropes and cables and articles thereof	29,013.88
Carpets and other textile floor covering	1,291,228.50
Special woven fabrics; tufted textile fabrics; lace; tapestries; trimmings; embroidery	846.36
Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use	434.58
Articles of apparel and clothing accessories, knitted or crocheted	1,349,290,778.52
Articles of apparel and clothing accessories, not knitted or crocheted	711,658,474.27
Other made up textile articles; sets; worn clothing and worn textile articles; rags	20,981,990.00
Footwear, gaiters and the like; parts of such articles	26,690,545.08
Headgear and parts thereof	2,255,345.30
Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair	10,773.98
Ceramic products	10,588,888.77
Glass and glassware	90,165.07
Articles of iron or steel	50,359.87
Copper and articles thereof	997,931.90
Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	12,060.05
Miscellaneous articles of base metal	635.52
Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	172,556.06
Vehicles others than railway or tramway rolling-stock, and parts and accessories thereof	340,537.30
Optical, photographic, cinematographic, measuring, checking, precision, medical or Surgical instruments and apparatus; parts and accessories thereof	1,677,595.81
Clocks and watches and parts thereof	79,559.41
Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishing; Lamps and lighting fittings, NES or incl.; illuminated signs or name-plates and the like; Prefabricated buildings.	107,212.43
Toys, games and sports requisites; parts and accessories thereof	11,191,833.30
Miscellaneous manufactured articles	427,065.80
Miscellaneous National Provisions	475.92
<b>Total Import from Bangladesh till Date (USD)</b>	<b>217,16,18,461</b>

Source: Export Promotion Bureau of Bangladesh

## 4. FDI INFLOW & OUTFLOW OF BANGLADESH

### BANGLADESH NET FOREIGN DIRECT INVESTMENT WITH THE WORLD

Years	2020	2021	2022	2023 (forecast)	2024 (forecast)
Net incoming FDI (millions of US dollars)	2,564	2,896	3,480	1656	1,889
Net FDI Out (millions of US dollars)	12	92	53	30	65

1. Data from 2016 to 2022: Final

2. Data from 2023 and 2024: EIU forecasts

### ITALY'S NET FOREIGN DIRECT INVESTMENTS WITH BANGLADESH

Years	2020	2021	2022	Stock until 2022
Net Italian FDI in BANGLADESH (millions of euros)	11	6	3	140
Net FDI BANGLADESH in Italy (millions of euros)	1	n/a	n/a	3

(1) The data was obtained using the Asset / Liability principle envisaged by the new international standards of the sixth IMF manual on Balance of Payments and International Investment Position (BPM6)

(2) 2023 data is not yet available and 2022 data is provisional

During January-September in 2022, the amount of FDI for Bangladesh was US\$ 2,659.29 million. A total 763 projects were registered in FY 2022-23 (July-February period) under joint venture investment (local and foreign) and the amount involved with the proposal was approx. USD. 7,000 million.

FDI inflows will take a lot time to recover as investment commitments in this country remained weak. The country ranked 168th out of 190 economies in the World Bank's Doing Business 2022 ranking, an increase of eight places compared to 2019 year. Bangladesh suffers from a negative image, wherein the country is seen as extremely poor, underdeveloped, subject to devastating natural disasters and socio-political instability. However, the country has the advantage of being in a strategic geographical position between South and Southeast Asia. Furthermore, its domestic consumption potential and the wealth of its natural resources make the country a good candidate for investment. Inflow of remittances grew by 2.75 percent and stood at USD 21.61 billion in FY23 compared to that of the previous year. Merchandise commodity exports grew by 6.67 percent in FY23 and achieved 95.79 percent of the target for the fiscal year. The government promotes private sector-led growth, foreign currency is abundant due to remittances, and the central bank respects the transferability of foreign currency. A number of more developed Asian countries have outsourced their factory production, mainly textiles, to the country. Additionally, in 2020, the government simplified a number of laws as part of its efforts to reduce barriers to foreign investment.

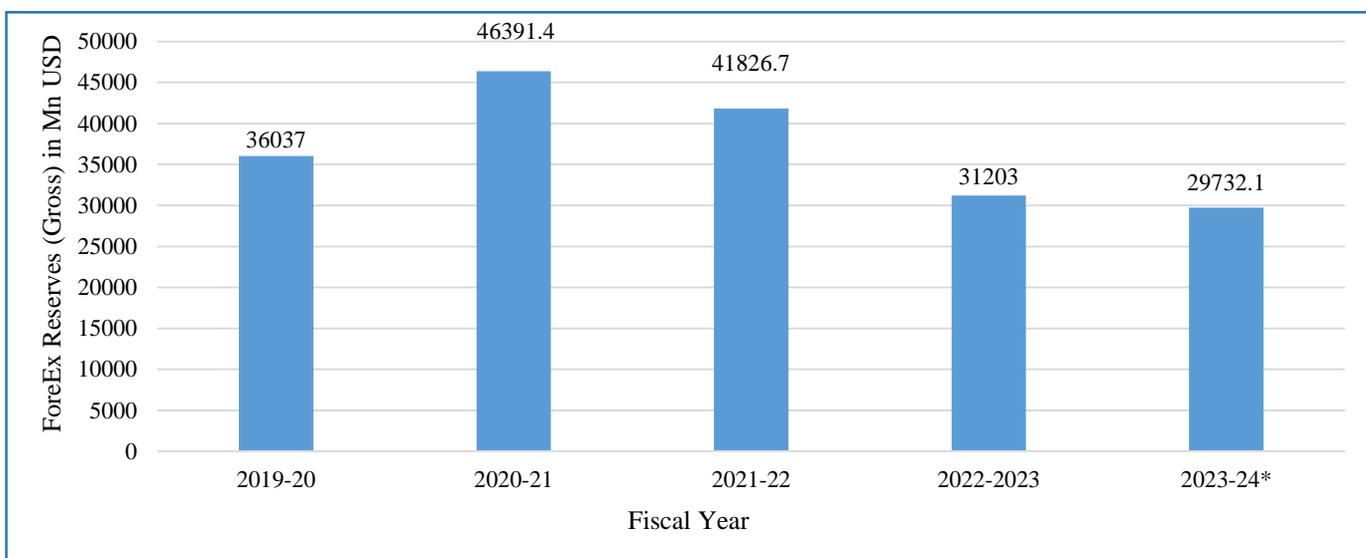
The Government of Bangladesh is actively seeking to attract foreign investment, particularly in the energy and infrastructure sectors. Many incentives have been implemented through industrial policy, the growth-through-exports strategy and a public-private partnership (PPP) program launched in 2009. The sectors include agricultural and agro-industrial products, light engineering, footwear and leather goods, pharmaceuticals, software and ICT products, as well as shipbuilding. Finally, the policy of modernization and strengthening of the armed forces continues, the immediate consequence of which is the increase in offers to purchase technologies and naval means from foreign partners, including Italy, which is able to play a leading role of importance.

## 5. BANGLADESH & THE EUROPEAN UNION (EU)

Today more than half of Bangladesh’s total exports go to the EU. The latest figures of Bangladesh central bank show that in 2022, Bangladesh earned 55.3 percent of its export receipts from the EU. Bangladesh's robust trade growth in the EU is due to the most preferential trade arrangement granted unilaterally by the EU to LDCs, known as the "Everything but Arms" (EBA) scheme. EBA maintains the Generalized System of Preferences (GSP) for an unlimited period which is not subject to periodic renewal as is the case for some other countries. Bangladesh now enjoys a significant trade surplus with the EU.

The EU works closely with Bangladesh in the framework of the EU-Bangladesh Co-operation Agreement, concluded in 2001. This agreement provides broad scope for co-operation, extending to trade and economic development, human rights, good governance, and the environment. Bangladesh has been a WTO member since 1995 and, as a least developed country, benefits from the EU's "Everything but Arms" arrangement, which grants duty free, quota free access for all exports, except arms and ammunition.

## 6. FOREIGN EXCHANGE RESERVE TREND



Gross forex reserves fell to USD 31.20 billion at the end of June 2023 from USD 41.83 billion at the end of June 2022. The total reserves in Bangladesh decreased by 10.63 billion U.S. dollars (-25.41 percent) in 2023 in comparison to the previous year. FDI inflows will take a lot of time to recover as investment commitments in this country remained weak. The country ranked 168th out of 190 economies in the World Bank's Doing Business 2022 ranking, an increase of eight places compared to 2019 year. Bangladesh suffers from a negative image, wherein the country is seen as extremely poor, underdeveloped, subject to devastating natural disasters and socio-political instability. However, the country has the advantage of being in a strategic geographical position between South and Southeast Asia. Furthermore, its domestic consumption potential and the wealth of its natural resources make the country a good candidate for investment. Inflow of remittances grew by 2.75 percent and stood at USD 21.61 billion in FY23 compared to that of the previous year. Merchandise commodity exports grew by 6.67 percent in FY23 and achieved 95.79 percent of the target for the fiscal year. The government promotes private sector-led growth, foreign currency is abundant due to remittances, and the central bank respects the transferability of foreign currency.

## 7. ECONOMIC ZONES IN BANGLADESH

Total 452 business institutions are ongoing with production in the existing 8 EPZs of the country. Additional 93 industries are in to the process of as of February 2023, the amount of cumulative investment in the EPZs is US\$ 6,296.24 million. In the first 8 months of FY 2022-23, the amount of actual investment stands at US\$ 255.81 million achieving 77.52 percent of the annual target (US\$ 330). As of February 2023, 4,86,304 Bangladeshis have been employed in the industrial establishments of EPZs under BEPZA. This is mentionable that 66 percent of Bangladeshi citizens working in EPZ are women, which is playing an important role in women's empowerment. By this time, the location and the land for 97 economic zones have been approved, 68 will be public and 29 will be private. Under public-private partnership modality, 78 projects are approved in principle covering 10 sectors.

In order to attract foreign direct investment, Bangladesh has established three different types of special economic zones since 1980.

**1. The Export Processing Zones (EPZ):** created in 1980 by the Bangladesh Export Processing Zones Authority (BEPZA) to strengthen industrialization and stimulate employment by promoting trade and investment, through a series of fiscal and non-fiscal incentives. There are currently 8 EPZs in Bangladesh.

**2. The Economic Zones (EZ):** created in 2010 by the Bangladesh Economic Zones Authority (BEZA) to stimulate rapid economic development by increasing and diversifying businesses, employment, production and exports. The EZs are of six different types:

- I. EZs arising from public-private partnerships with national or foreign individuals or organizations;
- II. Private EZs, set up individually or in a consortium by national or foreign investors, groups, companies and consortia.
- III. State EZs, established and managed by the Government;
- IV. EZs established under G2G intergovernmental agreements;
- V. Special EZs, established by private individuals, by the Government, by public-private partnerships for the establishment of specialized industries or commercial organizations;

Currently, 69 government EZs and 29 private EZs are operational in Bangladesh. Among these, five EZs were established through G2G: The Japanese special EZ, the Chinese economic and industrial zone (CEIZ) and two EZs established through G2G with India. India also participates in the special EZ Banghabandu Sheikh Mujib Shilpa Nagar in Mirsarai.

**3. High-Tech Parks:** established by the Bangladesh High Tech Park Authority (BHTPA) to encourage the development of the High Tech and IT sectors by foreign and national investors. There are currently 11 different High Tech Parks active in Bangladesh.

## 8. FUTURE PERSPECTIVES

An International Monetary Fund (IMF) staff team, led by Mr. Rahul Anand, Mission Chief for Bangladesh, conducted a staff visit to Dhaka from April 25 to May 7, 2023, to discuss recent macroeconomic developments and implementation of the Fund-supported program. Against a challenging economic backdrop, Bangladesh remains one of the fastest growing economies in the Asia-Pacific region. However, persistent inflationary pressures, elevated volatility of global financial conditions, and slowdown in major advanced trading partners continue to weigh on growth, foreign currency reserves, and the Taka.

During the visit, they discussed recent macroeconomic and financial sector developments. They also took stock of the progress made toward meeting key commitments under the Fund-supported program. This will be formally assessed in the first review of the Extended Credit Facility (ECF) / Extended Fund Facility (EFF) / Resilience and Sustainability Facility (RSF) arrangements, which is expected to be undertaken later this year.

To increase inclusive and productive investment, it appears necessary to increase revenues and strengthen fiscal policy programs, while safeguarding fiscal sustainability. Modernizing revenue administration, rationalizing fiscal spending, separating National Savings Certificates (NCI) from direct budget financing, and adopting a fuel pricing mechanism would also help accommodate additional social, development and development related expenditure. climate. As the economy rebounds, the central bank should closely monitor inflationary pressures and be ready to normalize. More decisive reforms also appear necessary to facilitate Bangladesh's transition out of the status of a least developed country and to maintain competitiveness in a post-pandemic world. To support private sector-led growth, backed by exports and investment, structural reforms should then focus on improving governance, diversifying exports, increasing productivity and building resilience to climate change, including to increase potential. of growth.

Other development priorities include export diversification beyond the RMG sector, deepening the financial sector, sustainability of urbanization and strengthening public institutions. Closing infrastructure gaps would also accelerate growth and reduce territorial disparities in opportunities between regions and within cities. Addressing vulnerability to climate change and natural disasters will ultimately help Bangladesh to continue building resilience to future shocks.

## 9. KEY SECTORS OF BANGLADESH

### Agriculture

A rising middle class (estimated at over 30 million) has fueled demand for high-quality agricultural products. According to the Bangladesh Bureau of Statistics for FY 2020-21, crops, livestock, fisheries, and forest products accounted for about 13.02 percent of Bangladesh's total GDP and employed approximately 40.60 percent of the total labor force. Most agricultural production in Bangladesh is characterized as traditional subsistence farming. Bangladesh produces a variety of agricultural products such as rice, wheat, corn, legumes, fruits, vegetables, meat, fish, seafood, and dairy products. Although Bangladesh imports bulk commodities such as wheat, soybeans, and pulses, there are niche segment opportunities for high-value agricultural product imports, particularly in more affluent urban centers such as Dhaka and Chittagong. Strong consumer demand exists for imported fresh fruits, tree nuts, and dairy products, as well as processed food products.

The agriculture sector employs around 40.6% of the labor force and contributes 14.23% to GDP. The agro-food processing industry now contributes about 1.7 per cent to GDP and employs about 250,000 people. Its share of total exports now stands at around 3.5 per cent. Bangladesh exports more than 700 items including 63 basic agro processed products most of which are cereal grains, frozen fish, processed meat, tea, vegetables, tobacco, cut flower, fruits, spices, dry food and other processed agricultural products including livestock, poultry & fish feed to more than 140 countries. At present, there are 486 agro processing manufacturers in the country among which 241 are exporters and 235 cater to the domestic market. The main exports items are frozen fish, shrimp and other frozen food products, tea, spices, fruits including dry fruits and some other processed agricultural products. The major export destinations include the European Union (EU), the US, the Middle East and the Gulf.

The domestic market size of packaged food is forecasted to reach 7.3 billion in 2023. In the packaged food market, edible oils, dairy products and snacks dominate in terms of sales value. These products are expected to continue growing steadily by around 6% per annum till 2023. Products that are expected to expand rapidly include processed fruits and vegetables, seafood, and meat, which are expected to grow by 8%, 13%, and 13% per year respectively.

The target of food production in FY 2022-23, is 484.98 lakh metric tons (MT). In the current FY 2022-23, till February 2023, the quantity of food grains distribution was 19.36 lakh MT. The amount of subsidy in agriculture has increased to Tk. 16,000 crore. Up to February 2023, Tk. 12,660.78 crore has released to provide subsidy on fertilizer and other agricultural activities. In the current FY 2022-23, the target of disbursement of credit to the agricultural sector is Tk. 30,911.00 crore. Of this, Tk. 21,066.51 crore has been disbursed up to February 2023, which is 68.15 percent of the target. The production of fish in FY 2021-22 stood at 47.59 lakh MT. In the previous fiscal year, fish production was 46.21 lakh MT. In the current fiscal year FY 2022-23, the target of fish production has been set at 47.81 lakh MT.

## KEY SECTORS IN BANGLADESH

### Apparel & Ready-Made Garments

The growth of Bangladesh's garment manufacturing industry has considerably improved the socioeconomic development of the country. In last decade, garment export has more than doubled to touch USD 42.6 billion in 2022 (July 2021 to June 2022). The country has now set an aspirational target of exporting RMG worth USD 50 billion by 2025, and touching USD 100 billion by 2030.

Total export earnings from Readymade Garments (RMG) stood at USD 12255.75 million in January-March FY23 (Woven USD 5777.95 million and Knitwear USD 6477.80 million) which was 3.67 percent lower than that of the previous quarter but 6.32 percent higher than same quarter of the last year respectively. RMG's total export earnings in January-March FY23 were 0.77 percent higher than the quarterly target of USD 12162.36 million. The United States, Germany, the United Kingdom, Spain, France, Italy, the Netherlands, Canada, and Belgium were the top destinations for Bangladesh's RMG exports during January-March FY23. From these nine countries, Bangladesh earned USD 8412.46 million from RMG, accounting for 68.64 percent of total RMG exports. In this quarter, RMGs' net export (determined by subtracting RMG raw material import value from RMG export value) was USD 8709.23 million or 71.06 percent of gross RMG exports.

With the highest number of green garment factories in the world, the Bangladesh RMG industry has been leading the world in sustainable garment manufacturing. Renowned for its strong manufacturing capabilities and thriving ecosystem, the Bangladesh RMG industry has gone from strength to strength and has become a global hub for apparel sourcing. At present, the industry consists of over four thousand factories. RMG exports from Bangladesh includes a wide variety of knitwear & woven garments products such as shirts, trousers, T Shirt, denim, jackets, sweaters, etc. While the industry suffered a temporary setback due to covid19, demand has started to recover and normalize again. Today, Bangladesh leads the world in green garment manufacturing with 150 LEED (Leadership in Environmental and Energy in Design) certified factories in the country and another 500 waiting to obtain the LEED certification from United States Green Building Council (USGBC). Currently, nine of the top 10 green garment factories and 40 of the top 100 are in Bangladesh. Bangladesh's RMG sector has now transformed into a highly transparent and compliant industry regarding factory safety and value-chain responsibility after initiatives such as the Accord on Fire and Building Safety in Bangladesh, the Alliance for Bangladesh Worker Safety, and the RMG Sustainability Council were successfully undertaken.

## KEY SECTORS IN BANGLADESH

### Power & Gas

The installed capacity of power generation of the country reached to 26,700 megawatts, including captive and renewable energy (up to January 2023). The maximum generation so far was 14,782 MW on 16 April, 2022. Per capita generation including captive and renewable energy has reached to 609 kWh in FY 2021-22. Construction of Rooppur nuclear power plant with 2400 MW capacity in 2 units is in progress to meet the growing electricity demand of the country. The target is to complete construction of the 1st (1,200 MW) and 2nd (1,200 MW) units by 2024 and 2025 respectively. On the other hand, total number of transmission lines has been increased to 14,547 circuit kilometers in total till January 2023. The Government has taken a number of steps to improve the distribution system. As a result, the power distribution line has now been stood at 6,29,000 km and the number of subscribers has been increased to 44.5 million up to January 2023.

Natural gas met almost 59 percent of the country's total commercial use of energy. Up to December, 2022, 28 gas fields have been discovered in the country. According to the latest estimate, total Gas Initial in Place (GIIP) is 40.23 trillion cubic feet (TCF), out of which 28.62 TCF is recoverable (proven and probable). From 1960 to December 2022, total 19.94 TCF gas was produced leaving 8.68 TCF recoverable. At present, the fuel oil storage capacity of the country is about 13.69 lakh metric tons. The government has set up two floating LNG terminals in the Bay of Bengal near Maheshkhali in Cox's Bazar to import liquefied natural gas (LNG) to meet the growing energy demand of the country.

### Light Engineering

Bangladesh's Light Engineering sector offers huge opportunities for investments due to growing demand for machineries and parts/ components from the expanding manufacturing sector, favorable economic policies and attractive incentives. Light engineering (LE) sector makes significant contribution to the economy of Bangladesh through providing various industrial machinery and spare-parts, electrical equipment and parts, casting and molding products, agriculture, printing & packaging and construction equipment and a number of spare-parts for almost all categories of machinery and equipment. As of 2018, The total domestic market size was estimated to be USD 12 billion (according to PwC).

While local production has been gradually increasing, they meet only 50% of the overall demand. Electrical goods such as switch, socket, fan meet 48% to 50% of total demand with the rest being met by imports according to Bangladesh Industry Technical Assistance Center (BITAC). Despite being adversely hit by the COVID pandemic during 2019-20, export earnings in FY2020-21 grew by 67 percent YOY to reach USD 489 million. Bicycle accounts for almost one-fourth of total export with potential to grow further as the demand for eco-friendly means of transport increased, especially in the EU countries. Other than bicycle, Bangladesh exports electrical equipment such as lead accumulator, refrigerator, compressor, transistor, diode as well as optical lens.

## KEY SECTORS IN BANGLADESH

### **Shipbuilding and Ship Breaking**

The potentials of shipbuilding in Bangladesh have made the country to be compared with countries like China, Japan and South Korea. Referring to the growing amount of export deals secured by the shipbuilding companies as well as the low-cost labor available in the country, it is suggested that Bangladesh could emerge as a major competitor in the global market of small to medium ocean-going vessels. Bangladesh also has the world's largest ship breaking industry which employs over 200,000 Bangladeshis and accounts for half of all the steel in Bangladesh. Chittagong Ship Breaking Yard is world's second-largest ship breaking area.

### **Leather & Leather Articles**

The second largest export earner after RMG, the leather and leather products sector has received considerable investment in recent years due to its comparative labour source and domestic production of sustainable raw materials. Bangladesh leather industry is well established and ranked second in terms of export earnings. Because of its high value addition, huge growth and employment opportunities, leather sector has already been declared a top priority sector. Bangladesh accounts for 3% share in the global leather and products market. Almost 60% of its annual output is being exported. The export of leather and leather products increased manifold over the past decades. The composition of leather and leather goods from Bangladesh underwent a structural change as manufacturing is moving from finished leather towards production of diversified finished products. The growth of the footwear industry has increased from 36.64% of total sectorial export earnings in FY'2007-08 to 60.90% in FY'2017-18.

- Tanning & Finishing
- Footwear & Footwear Components
- Leather Accessories
- Leather Goods (bags, wallets, belts, accessories, etc).

Local demand for leather products continues to grow as the country experiences steady economic growth with increasing middle-income class. By 2025, 30 to 40 million people are forecasted to join the entry level of middle-income class, another 30 million may reach the aspirant/ emerging middle class.

Domestic footwear market has been growing at the rate of 10-15% per annum, where per capita consumption of footwear has increased to 3 pairs from 1.7 pairs several years ago. The Global leather goods market is valued at USD 241 billion in 2020 and is expected to reach 306.1 billion by 2027. Bangladesh exports 60% of its annual produce of leather goods.

## **KEY SECTORS IN BANGLADESH**

### **Electronics & Equipment Industry**

Bangladesh Electronics & equipment industry- With government encouraging Made in Bangladesh products, invest in Bangladesh to leverage the opportunities present in the huge and growing market. The huge domestic market with rising income along with favorable tax incentives provides tremendous opportunity to local manufacturers to provide electronics products at affordable prices and expand the market at a faster pace. Additionally, the growth in digital economy is driving the growth of electronics and IOT market even further. Overall electronics and electrical equipment market are expected to surpass USD 12 billion by 2025 with consumer electronics market expected to cross USD 10 billion by 2030. The electronic and electrical equipment industry consists of a wide range of consumer and industrial electronic products. There are around 3,000 organizations involved in the sector employing around 1 million people. The electronics industry in Bangladesh mostly produces consumer items such as mobile phones, home appliances like refrigerators, air conditioners, televisions, electronic fans, radios, DVDs and CD players, ovens, blenders etc.

Electrical equipment such as accumulators, transformers, diodes are also manufactured and exported. The market size of the electronics industry which includes both industrial and consumer electronics was estimated to be around USD 5.29 billion at the end of 2019. The industry is expected to grow at a rate of 15% per annum and reach around USD 12 billion by 2025. The size of the consumer electronics market was estimated to be around USD 2.4billion in 2020 and it is expected to reach USD 10 billion by 2030. The most popular consumer electronics product is mobile phone followed by refrigerator, television and air conditioner. The market for accumulator and batteries are also growing rapidly.

### **Automobile Industry**

One of the sunrise industries, the four wheeled automobile industry is attracting investments with the recent entrance of several global brands. Bangladesh's automobile ecosystem offers huge opportunities for investments with stimulating growth in the demand for passenger and commercial vehicles, favorable economic policies, and attractive fiscal incentives. Bangladesh is one of the most promising markets for the expansion of four-wheeled automobiles. The number of annual registered automobiles has more than doubled since 2013, amounting to about 26,000 units for passenger vehicles and 37,000 units for commercial ones (excluding auto-rickshaw, human hauler) in 2019.

Although commercial vehicles are dominant, the growing purchasing power of middle-income population has spurred passenger vehicle registration. Due to steadily increasing per capita income as well increasing economic activity, the demand for both passenger and commercial vehicles is expected to grow at a rapid pace.

## 10. INVESTMENT PROTECTION AGREEMENTS & DOUBLE TAXATION AVOIDANCE AGREEMENTS

### EU-Bangladesh Co-operation Agreement

In 2001 the EU-Bangladesh cooperation agreement was signed which laid the foundation of trade relations.<sup>[8]</sup> The European Union provided Bangladesh duty free access to the Union market under the [Everything But Arms](#) (EBA) initiative. The European Union is Bangladesh's largest trading partner accounting for 24 percent of Bangladesh's total trade. Bangladesh is the European union's 35 largest trading partner. Clothing makes 90 percent of all export from Bangladesh to the EU. EU exports consist mostly of machinery and transport equipment at 49 percent of the total. Everything but Arms scheme is expected to end in 2021 when Bangladesh is predicted to graduate to the developing country bracket.

Bangladesh, EU agree to sign early deal for strategic cooperation. The commitment came during the Bangladesh-European Union Bilateral Discussion on Sectoral Issues at the State Guest House Padma in Dhaka on May 11, 2023.



## 11. POLICY TRENDS

While economic recovery efforts have been strong in response to the impact of COVID-19, there has been a mismatch between global demand and supply due to supply chain issues. As a result, since the beginning of 2021, an increase in the prices of all types of products, including energy have been observed in the world market and it has accelerated due to the ongoing Russia-Ukraine war. As a result, like other countries of the world, the upward trend of the price level is being observed in Bangladesh as well. The average inflation rate in FY 2021-22 stood at 6.15 percent, which is 0.59 percentage point higher than in FY 2020-21. On a point-to-point basis, inflation stood at 9.24 percent in April 2023, as against 6.29 percent in April 2022. In order to keep inflation at a tolerable level, the government has taken various measures under fiscal and monetary policy. The coverage of the OMS has increased and 'Family Cards' have been issued to nearly 1 crore poor people so that they can buy essential commodities at low cost. Besides, reduction of duty on import of essential goods and increase of central bank policy interest rate etc. are significant.

The authorities will continue to accord a high priority to achieving the UN's Sustainable Development Goals. In 2027 Bangladesh will lose some forms of concessional aid and the preferential market access to the EU from which "least developed countries" (LDCs, a UN classification based on economic and social development) typically benefit, as it is set to graduate from LDC to "developing country" status. Expecting government policy during 2020-24 to be directed towards securing bilateral trade and financing agreements with major economic partners, to minimize trade disruption and ensure a smooth transition to "developing country" status.

The fundamental challenge for policymakers is to increase electricity supply; demand has outstripped supply for decades. To overcome this imbalance as quickly as possible, the government is turning to coal and liquefied natural gas (LNG). Overall, the government plans to increase power generation to almost 28,000 MW by 2023, from around 19,900 MW in December 2019; believing that it is on track to achieve this goal. However, a lack of necessary distribution infrastructure in the face of rapid population growth and urbanization will mean that the energy deficit persists in 2020-24.

Various policies and initiatives are being implemented to encourage private sector expansion and investment in this sector. These include the establishment of Special Economic Zones, incentive packages for investors and creation of special authorities for investment facilitation.

Bangladesh Investment Development Authority (BIDA) launched online one stop service portal on 24th February 2019 with the aim of providing more than 150 services of various service providers through one stop service portal. At present BIDA has signed Memorandum of Understanding (MoU) with 43 companies under which 63 services are being provided by 23 companies.

## 12. MONETARY POLICY

The FY 2022-23 monetary policy has been formulated in order to discourage unproductive financial flows to tame the demand-side pressures without circumventing the required flow of funds to the productive sectors easing supply-side conditions and supporting the country's long-term growth aspirations. Thus, the formulation of a contractionary cautious monetary and credit programs for FY 2022-23 is expected to support the economic recovery process in the coming days as well as mitigate inflationary and exchange rate pressures. The last monetary and credit Programmes were designed in line with the targeted real GDP growth and CPI inflation as outlined in the national budget for FY 2022-23.

Bangladesh Bank (BB), the central bank of Bangladesh, has been carrying out its principal task of formulating and implementing its monetary policy to manage the monetary and credit system of the country with a view to stabilizing domestic monetary value and maintaining a competitive external par value of Taka towards fostering growth and development of the country's productive resources. BB designs its monetary policy stance, and monetary and credit programs based on macroeconomic updates and outlooks at home and abroad. As per the policy stance, the broad money growth is pegged at 11.50 percent and domestic credit growth at 18.5 percent at the end of FY 2022-23. The actual growth in broad money and domestic credit stood at 8.77 percent and 15.58 percent in February 2023, as against 9.45 percent and 13.23 percent in the same month of the previous fiscal year. At the end of February 2023, the credit growth in the public and private sectors stood at 33.87 percent and 12.41 percent respectively, while the actual credit growth at the end of February 2022 was 28.94 percent and 10.87 percent, respectively. The recent trends in weighted average lending and deposit rates show upward movement. The weighted average lending rate showed some constancy and reached to 7.09 percent at the end of June 2022 from 7.10 percent of end February 2022. After that it increased consistently and stood at 7.27 percent at the end of February 2023. At the same time, the weighted average deposit rate although declined a little and stood at 3.97 percent of end June 2022 from 4.02 percent of end February 2022, later it increased much and reached to 4.31 percent at end of February 2023. In enhancement of the market-based interest rate, increasing the policy rate several times by Bangladesh Bank and reduction of excess liquidity in the banking system have played significant role.

## 13. EXCHANGE RATES

Bangladesh Exchange Rate against USD averaged 108.7 (USD/BDT) in July 2023, compared with 108.2 USD/BDT in the previous month. Bangladesh Exchange Rate against USD data is updated monthly, available from May 1970 to August 2023. The data reached an all-time high of 109.50 in August 2023 and a record low of 7.338 in Mar 1972. CEIC extends history for monthly average Exchange Rate against USD. Bangladesh Bank provides average Exchange Rate against USD. Exchange Rate against USD prior to July 1986 is sourced from the International Monetary Fund.

Exchange rates of Taka for inter-bank and customer transactions are set by the dealer banks, based on demand-supply interaction as well as indicative rates suggested by Bangladesh Foreign Exchange Dealers' Association (BAFEDA). Bangladesh Bank (BB) undertakes USD purchase or sale transactions with dealer banks at prevailing inter-bank exchange rates when needed to maintain orderly market conditions. The exchange rates are used by BB for purchase and sale transactions with the Government and different International Organizations. The cross rates of BDT with other foreign currencies are based on NY and Dhaka closing exchange rates.

## 14. TRADE ASSOCIATIONS IN BANGLADESH

Association	Address	Tel. & Email
<b>Dhaka Chamber of Commerce &amp; Industry (DCCI)</b>	DCCI Building 65-66 Motijheel C/A Dhaka-1000, Bangladesh	Phone : 880-2-9552562 Fax : 880-2-9560830 E-mail : <a href="mailto:info@dhakachamber.com">info@dhakachamber.com</a> URL : <a href="http://dcci.org.bd">dcci.org.bd</a>
<p>Dhaka Chamber of Commerce &amp; Industry (DCCI) the voice of SMEs serves as the first point of business contact for penetration into new market and a vibrant platform putting forward facts-based opinions, suggestions and recommendations for a brighter tomorrow in the sphere of trade, commerce and the overall economy.</p>		
<b>Metropolitan Chamber of Commerce &amp; Industry, Dhaka</b>	MCCI Building 122-124, Motijheel CA Dhaka-1000, Bangladesh	(880)2-9565208-10/9574129-31 <a href="mailto:info@mccibd.org">info@mccibd.org</a> <a href="mailto:sg@mccibd.org">sg@mccibd.org</a> <a href="mailto:president@mccibd.org">president@mccibd.org</a>
<p>Founded in 1904, the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) is the oldest and the pre-eminent trade organization of Bangladesh. Presently, almost all major enterprises of the manufacturing and service sector are among its members. The Chamber's services, developed over a long period, are comprehensive and cover specialized areas such as taxation, import-export, tariff and non-tariff measures, investment, WTO matters and other national and international economic and commercial concerns.</p>		
<b>Federation of Bangladesh Chambers of Commerce &amp; Industry (FBCCI)</b>	60, Motijheel C/A Dhaka, Bangladesh	+880 29560102-3
<p>Founded in 1904, the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) is the oldest and the pre-eminent trade organization of Bangladesh. Presently, almost all major enterprises of the manufacturing and service sector are among its members. The Chamber's services, developed over a long period, are comprehensive and cover specialized areas such as taxation, import-export, tariff and non-tariff measures, investment, WTO matters and other national and international economic and commercial concerns.</p>		

## TRADE ASSOCIATIONS IN BANGLADESH

<b>Bangladesh Textile Mills Association (BTMA)</b>	Level-8, UTC Bhaban, 8 Panthapath, Karwan Bazar, Dhaka -1215	Tel: +88029101508, 9130969, 58156619 E-mail: btmasg@gmail.com, <a href="mailto:btma2@yahoo.com">btma2@yahoo.com</a> Web: www.btmadhaka.com
<p>Bangladesh Textile Mills association (BTMA) is a national trade organization representing Yarn Manufacturers, Fabric Manufacturers and Textile Product Processing mills of the country under private sector. BTMA has been registered with the Registrar of Joint Stock Companies in 1983 as an Association under the Companies Act, 1994.</p>		
<b>International Chamber of Commerce (ICC), Bangladesh</b>	Rangs FC Square (5th Floor) Plot- 6A, Road- 32 Gulshan Avenue, Gulshan Dhaka-1212, Bangladesh	Tel: +8802-58810658-9 E-mail: info@iccbangladesh.org.bd Web: www.iccbangladesh.org.bd
<p>The activities of ICC Bangladesh include promotion of foreign trade and investment, trade policy reviews, business dialogues, seminars &amp; workshops both at home and abroad on related policy issues, harmonization of trade law &amp; rules, legal reforms, updating businesses with the ICC rules &amp; standards for cross border business transactions.</p>		
<b>Leather goods and Footwear Manufacturers and Exporters Association of Bangladesh (LFMEAB)</b>	Erectors House, 18, Kemal Ataturk Avenue,(9th Floor), Banani C/A,Dhaka-1213 Bangladesh	Tel : +88 029821418-19 Fax : 880-2-9821420 E-mail : info@lfmeab.org URL : <a href="http://www.lfmeab.org">www.lfmeab.org</a>
<p>The Leather goods and Footwear Manufacturers and Exporters Association of Bangladesh (LFMEAB) is the recognized trade body that represents most of the major export oriented manufacturers &amp; exporters of leather goods &amp; footwear in Bangladesh. The fundamental objective of LFMEAB is to establish a healthy business environment for a close and mutually beneficial relationship between the local manufacturers &amp; exporters of leather footwear &amp; leather goods and foreign buyers.</p>		
<b>Bangladesh Ceramic Manufacturers &amp; Exporters Association</b>	TMC Building (5th Floor), 52 New Eskaton Road, Dhaka- 1000.	Tel: +88 0248316989 Email: bcmeabd@gmail.com Web : <a href="http://www.bcmea.org.bd">www.bcmea.org.bd</a>
<p>Bangladesh Ceramic Manufacturers &amp; Exporters Association (BCMEA) is a Trade Organization approved by the Ministry of Commerce and registered by the Registrar of Joint Stock Companies and Firms of Manufacturers and Exporters of Ceramic Tableware, Pottery, Tiles, Sanitary ware, Bricks &amp; other ceramic products in Bangladesh.</p>		
<b>Bangladesh Foodstuff Importers and Suppliers Association (BAFISA)</b>	Gulshan Grace, Plot # CWS (C) 8 (2nd floor) Gulshan Avenue, Gulshan-1 Dhaka-1212 Bangladesh	Tel: +88 029830915-18, +88 01779869479 Email: info@bafisa.net
<p>Bangladesh Foodstuff Importers and Suppliers Association (BAFISA) is the largest food importer and supplier in Bangladesh nationally. Which is registered by the Ministry of Commerce and RJSC of the Government of Bangladesh. It is an A-Class category association and we are also a member of the FBCCI, the largest business organization in the country.</p>		

## TRADE ASSOCIATIONS IN BANGLADESH

<b>Bangladesh Garment Manufacturers and Exporters Association (BGMEA)</b>	BGMEA Complex, 23/1 Pantha Path, Link Road, Kawran Bazar, Dhaka-1215, Bangladesh	+88 0255027910 – 21 <a href="mailto:info@bgmea.com.bd">info@bgmea.com.bd</a>
<p>The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is one of the largest trade associations in the country representing the readymade garment industry, particularly the woven garments, knitwear and sweater sub-sectors with equal importance. Starting its journey in 1983 today BGMEA takes care of an industry that is at the backbone of Bangladesh’s economy. Since the inception, BGMEA is dedicated to promote and facilitate the apparel industry through policy advocacy to the government, services to members, ensuring workers’ rights and social compliance at factories.</p>		
<b>Foreign Investors Chambers of Commerce &amp; Industry</b>	"Shama Homes", Apt. # C-3 House # 59, Road # 1 Block # I, Banani Dhaka-1213	+88 029893049 <a href="mailto:info@ficci.org.bd">info@ficci.org.bd</a>
<p>The Foreign Investors’ Chamber of Commerce &amp; Industry (FICCI) was established on the 1st of July 1963 in the port city of Chittagong under the name and style of the “Agrabad Chamber of Commerce &amp; Industry” (‘Agrabad’ being the name of the commercial hub of the city) with the initiative of the foreign companies located in and around Chittagong. It may be mentioned here that, at that point of time, most of the foreign companies, mainly British, had their establishments located in that region of the country.</p>		
<b>Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)</b>	233/1 Bangabandhu Road, Press Club Building (2st& 3rd Floor), Narayanganj-1400, Bangladesh	+88 027640535, 7641295 Fax: 880-2-7630609 E-mail: <a href="mailto:bkmea.chit@bkmea.com">bkmea.chit@bkmea.com</a>
<p>Bangladesh Knitwear Manufacturers &amp; Exporters Association, BKMEA; the Apex Trade Body to represent the Knitwear Sector of Bangladesh stands out in the global panorama with distinct identity and stature. BKMEA adheres to innovation and creativity so that the sector-based policy-making process becomes realistically and strategically perfect and gives off the result that expedites its developments.</p>		
<b>Bangladesh Association of Banks (BAB)</b>	Jabber Tower (16th floor) 42, Gulshan Ave. Road # 135, Gulshan -1, Dhaka-1212	Telephone: +88-02222263478, 02222298885 E-mail: <a href="mailto:info@bab-bd.com">info@bab-bd.com</a> ; <a href="mailto:bab.secretariat@gmail.com">bab.secretariat@gmail.com</a> Web: <a href="http://www.bab-bd.com">www.bab-bd.com</a>
<p>Bangladesh Association of Banks (BAB) is an advisory service organization for the private sector commercial banks. It has now emerged as an effective forum for exchanging views on problems being faced by the banking sector of Bangladesh and for formulating common policy guidelines in addressing such problems. Established under Companies Act- 1913, BAB started its activities in 1993 with 9 (nine) Private Commercial Banks which increased to 38 at the end of the year 2018.</p>		

## 15. MAJOR ANNUAL TRADE FAIRS & EXHIBITIONS IN BANGLADESH

Fair	Location	Month
<b>Dhaka International Trade Fair</b>	Bangladesh-China Friendship Exhibition Center, Dhaka	1-31 January (Organized Annually)

Organized annually, the DITF is the largest national trade fair in Bangladesh, for both local and foreign producers under the same platform with opportunities of showcasing their products and services paving the way for increasing the export potential from Bangladesh. The main goal of the fair is also to showcase local products before the international market as the DITF plays an important role in local and foreign trade. It also creates opportunity to diversify the export product basket of the country. Export Promotion Bureau in collaboration with the Ministry of Commerce have successfully organized 26 DITFs regularly since 1995. The latest 27th edition of the DITF in January 2023 featured some 351 local and foreign stalls, pavilions and mini pavilions, up from the previous year's tally of 225. Some 17 organizations from 10 countries including Singapore, Indonesia, Korea and India alongside local companies took part in it.

<b>Textech Bangladesh International Expo</b>	Bangladesh-China Friendship Exhibition Center, Dhaka	13 - 16 September 2023 (Organized Annually)
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Textech Bangladesh is a Comprehensive International Exhibition featuring Worldwide Textile Apparel Technology & Machinery, focusing on the entire Textile & Apparel Industry of Bangladesh organized annually. The expo showcases Machinery for Spinning Preparation, Spinning, Machinery for Winding, Texturing, Twisting, Bonding and Finishing of Nonwovens and Felting, Weaving, Knitting and Hosiery Machinery, Textile Printing Machinery, Dyeing Machinery, Branding and Embroidery Machinery, Equipment for Recycling, Industrial Garment Machines, Computerized Sewing Machinery, Computer-aided Design Systems, Quilting Machines, Laundry Equipment, Steam Irons & Sewing Needles.

<b>GARMEN TECH Dhaka</b>	International Convention City Bashundhara, Dhaka	11-14 January 2023
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GARMEN TECH Bangladesh, into its 20<sup>th</sup> edition has established itself as an ideal marketing forum to reach out to the RMG sector in the country. Visited by Decision Makers, Procurement Managers, Technical Heads and Technicians, your participation provides an ideal opportunity to reach out decision makers and influencers. As the industry gears itself to achieve \$50 billion in exports by the year 2021, GARMEN TECH Bangladesh is most potential forum to present your products and solutions.

<b>LEATHERTECH BANGLADESH</b>	International Convention City Bashundhara (ICCB), Dhaka	2 - 4 November (Organized Annually)
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Annual International Technology Tradeshow on Leather, Footwear Machinery, Shoe Materials, Chemicals & Accessories. Over the years LEATHERTECH Bangladesh has become an opportunity to get together, network and source Technology, Solutions and Processes from various suppliers from across the world being showcased at this largest International TECHNOLOGY Tradeshow for the sector.

## MAJOR ANNUAL TRADE FAIRS & EXHIBITIONS IN BANGLADESH

<b>BAPA FoodPro International Expo</b>	International Convention City Bashundhara (ICCB), Dhaka	28 - 30 September 2023  (Organized Annually)
<p>Technology for Baking/Dairy/Meat/Drink/Processing/Packing, Labelling, Food Safety Management, Logistics Warehouse. FoodPro exhibitors offer the latest innovations in processing and packaging, and can help processors increase throughput and reduce production waste. Food science academics, industry leaders, and food safety experts share insights that will provide attendees competitive advantages. In addition to networking with the large national companies, individuals and companies can meet decision makers, R&amp;D professionals, engineers, scientists, sales and marketing professionals, and more from small to large processing and packaging companies as well as contract manufacturers and suppliers who know your business and how to help you improve profits.</p>		
<b>Agro Bangladesh Expo</b>	International Convention City Bashundhara (ICCB) Dhaka.	28 - 30 September 2023  (Organized Annually)
<p>Agro Bangladesh Expo provides room for learning practices of soil conservation and practice of securing the production with sustainable solutions at cost effective manner. Also allows to know more about the government scheme for nurturing agriculture, agro mechanization, value adding processing industries etc. The exhibition showcases Plant Genetics, Horticulture, Farm Mechanization, Irrigation, Soil &amp; Water Conservation, Fertilizers &amp; Chemicals, Water Resources &amp; Chemicals, Pests &amp; Pathogens, Storage &amp; Refrigeration etc.</p>		
<b>Build Bangladesh Expo</b>	International Convention City Bashundhara, Dhaka	7 – 9 December 2023
<p>Bangladesh's Biggest and Oldest International Exhibition on Construction Materials, Method &amp; Equipment. The 28<sup>th</sup> Build Bangladesh 2023 International Expo (Previously ConExpo Bangladesh) is the Oldest, Biggest and leading Comprehensive International Exhibition for 28 years, featuring Worldwide Building &amp; Construction Material, Method and Equipment Manufacturers &amp; Suppliers, focusing on the highly vibrant construction sector of Bangladesh.</p>		
<b>POWER Bangladesh</b>	International Convention City Bashundhara, Dhaka	7 - 9 December 2023
<p>A Complete Show for Exhibition on Power Generation &amp; Transmission, Energy &amp; Renewable Energy. With the ever-growing power &amp; energy needs of Bangladesh thus making a need to explore newer opportunities in the Power, Energy, Solar/PV (Photo Voltaic) and Renewable Energy sectors, POWER Bangladesh is the perfect B2B platform for the entire Power &amp; Energy Industry of Bangladesh including Bangladeshi Industry stakeholders who will attend and get the opportunity to see the latest technologies and innovations in the Power Generation and Energy sector thus delivering a great networking opportunity.</p>		
<b>MEDITEX Bangladesh</b>	International Convention City Bashundhara, Dhaka	25-27 May 2023
<p>A show for New Medical Devices &amp; Equipment, Surgical Instruments, Dental Equipment and Hospital Equipment &amp; Supplies under one roof. A B2B platform for the entire Medical &amp; Healthcare sector of Bangladesh. Being the ONLY exhibition of its kind in Bangladesh, Meditex sees attendance from Doctors, Surgeons, Clinics, Importers, Distributors, Agencies and officials from Government &amp; Private Hospitals who visit to explore and source new medical products.</p>		
<b>Plastic Printing &amp; Packaging Fair</b>	International Convention City Bashundhara, Dhaka	24-27 January 2024
<p>The 16<sup>th</sup> Bangladesh Int'l Plastics, Printing and Packaging Industry Fair physically returned at ICCB – International Convention City Bashundhara from 24 to 27 January 2024. Prominent industrialists of the country, businessmen, leaders of various chambers and associations including FBCCI, and national dignitaries including the industry minister of Bangladesh attend the show. As one of the most professional and largest exhibitions in South Asia, IPF Bangladesh 2023 has attracted 23,818 trade visitors seeking business partnerships and brought 574 exhibitors from 21 countries and regions that participated in the fair and occupied 742 booths. The show not only increases the application of plastic but also helps to increase investment, market size and exports in the plastics, printing and packaging sectors.</p>		

\*\*\*Source: Bangladesh Investment Development Authority (BIDA), UN Comtrade, Bangladesh Bank, Observatory for Economic complications (MIT), CEMS Global, ASK Trade & Exhibitions Pvt Ltd, Rainbow Exhibition & Event Management Services Ltd.

## 16. BANGLADESH AS AN INVESTMENT DESTINATION

Bangladesh, growing rapidly over a decade, is on its way to becoming the next Asian Tiger. Economic and political stability are driving its journey towards the future. Currently the 41<sup>st</sup> largest economy, Bangladesh will be the 25<sup>th</sup> largest economy by 2035.

Bangladesh's economy has recovered from the economic damage caused by the impact of COVID-19 and the ongoing Russia-Ukraine crisis, although the recent slowdown in the global economy has adversely affected the country's economic growth. Bangladesh's economic growth in the pre- COVID-19 fiscal year (FY 2018-19) was 7.88 percent. During the COVID-19 period, this growth rate declined to 3.45 percent in FY 2019-20, which increased to 6.94 percent in FY 2020-21 and 7.10 percent in FY 2021-22. According to the provisional estimates of Bangladesh Bureau of Statistics (BBS), the GDP growth stood at 6.03 percent in FY 2022-23. As per provisional estimate of BBS, per capita GDP and per capita national income stood at US\$ 2,657 and US\$ 2,765 respectively in FY 2022-23 compared to US\$ 2,687 and US\$ 2,793 respectively in the previous fiscal year. The per capita national income in dollar terms has declined slightly in FY 2022-23 due to the appreciation of US dollar. However, the per capita national income in terms of Taka increased by about 30 thousand and stood at Tk. 2,70,414 (USD 2704).

### Investment Focus

Bangladesh has the most liberal investment regime in the region, characterized by a wide array of facilities, attractive incentive policies and consistent reforms. Investment development is one of the 10 Special Initiatives of Bangladesh's Honorable Prime Minister.



**Tax exemption, reduced taxation** available depending on industry type and locations.

**7% average GDP growth** in last five years



**100% foreign ownership** is allowed in nearly all sectors.

**Simplified procedure** for issuing work permits to foreign nationals.



**Bonded warehousing** facilities for export oriented industries.

**Equal treatment** of domestic and foreign investment.



## BANGLADESH AS AN INVESTMENT DESTINATION



**Bilateral Investment Treaties (BITs)**  
with 31 countries.

**3 billion+ regional consumers can be accessed.**



**580 km coastline with 90% international trade done via Chittagong and Mongla ports.**

**10 active land ports linking various states of neighboring India.**



**3 international and 5 domestic airports.**

**Part of regional highway corridors like SASEC, BIMSTEC and SAARC.**



**3 Asian highways: AH1, AH2 and AH41**  
- connecting India & Myanmar.

**2,955 km of railways connecting eastern Bangladesh extensively.**



**10.5% annual growth in MAC population, to reach 34 million by 2025.**

## ITA in INDIA



**Alessandro Liberatori**

Trade Commissioner

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