

An aerial view of a city, likely Dhaka, Bangladesh, showing a modern train on the left and a large, modern building in the center. The city is densely packed with buildings, and a river is visible in the background.

Investing in Asia's Rising Economic Powerhouse: A \$ 100 Billion Opportunity for Investors to Leverage in Bangladesh

H.E. Salman Fazlur Rahman, *MP*

Private Industry and Investment Adviser to Hon'ble Prime Minister of Bangladesh

March 12, 2023, Dhaka

Plenary Session 1, Bangladesh Business Summit

The dream of the Father of our Nation Bangabandhu **Sheikh Mujibur Rahman** was to build a 'Shonar Bangla' (Golden Bengal, meaning prosperous Bangladesh).

Under the able leadership of his daughter Hon'ble Prime Minister **Sheikh Hasina**, we are in the process of realizing that dream and Bangladesh is well on its way to becoming a smart and developed country by 2041.



Hon'ble Prime Minister Sheikh Hasina's Visionary Leadership

She has turned Bangladesh from a Least Developed Country into a Developing Country, achieved Digital Bangladesh.

Now her vision is to transform Bangladesh into a Smart and Developed Country by 2041.

Named on the list of 100 most influential people (by The Time Magazine)

The 26th Most Powerful Woman (by The Forbes)

Top 100 Global Thinkers of the present decade (by The Foreign Policy Journal)

Member of the UN Council of Women World Leaders



Bangladesh's Impressive Development Story: An Astounding Transformation in 50 years



High Level Success of Bangladesh from Independence to Present

<i>Indicators</i>	1971	2022
<i>Gross Domestic Product (in US\$ billion)</i>	9	465
<i>Per Capita Income (in US\$)</i>	137	2,687
<i>Life Expectancy (in years)</i>	46.59	72.4
<i>FOREX Reserve (in US\$ billion)</i>	Nil	33.83
<i>Fertility Rate (in number of children)</i>	7	1.95
<i>Agricultural Output (in tonnes per hectare)</i>	1	5.58

Bangladesh's Performance in Select Indicators with Comparators

Indicators	Bangladesh	Vietnam	Thailand
Average GDP growth rate, 2022	7.4	6.8	3.4
Mean Years of Schooling	7.4	8.7	8.4
Seats held by women in national parliaments (%)	21	27	16

Average economic growth rate of over **5%** in the last 30 years;



Last 14 Years Economic and Social Advancement:

An extraordinary momentum under Hon. Prime Minister Sheikh Hasina

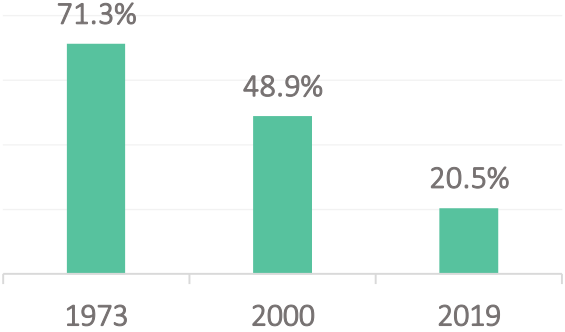
<i>Indicators</i>	2008	2022
<i>Gross Domestic Product (in US\$ billion)</i>	91	465
<i>Per Capita Income (in US\$)</i>	630	2,687
<i>Life Expectancy (in years)</i>	67	72.4
<i>FOREX Reserve (in US\$ billion)</i>	24.6	33.83
<i>Fertility Rate (in number of children)</i>	2.54	1.95

Average economic growth rate of over over 6% in the last 14 years;

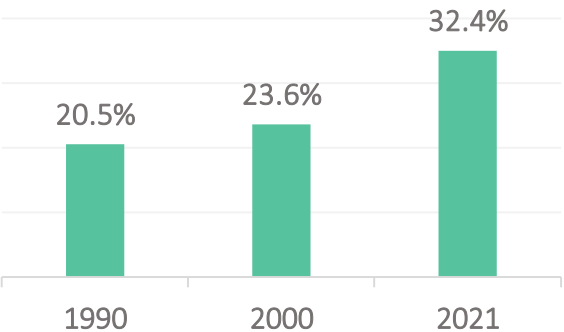
GDP grew five times since 2008 and stood at \$465 billion in 2022

Effective Government Policy Support Coupled with Private Sector Engagement Helped Secure Formidable Successes

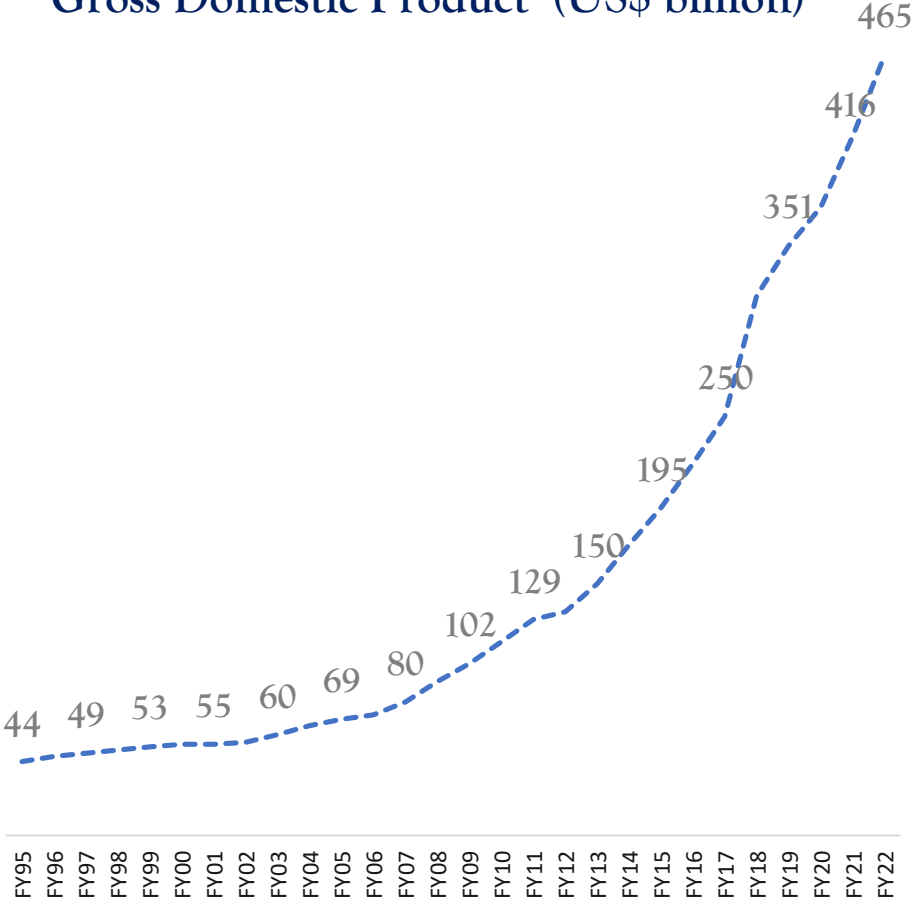
Poverty Rate (%)



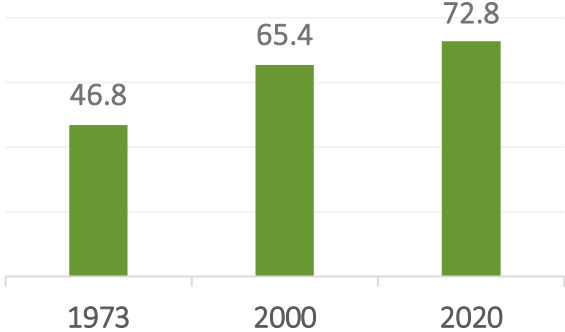
Female Labor Force Participation (%)



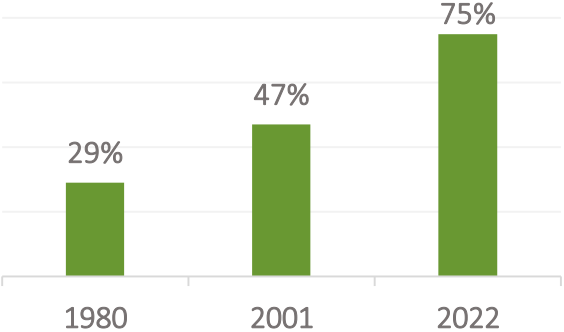
Gross Domestic Product (US\$ billion)



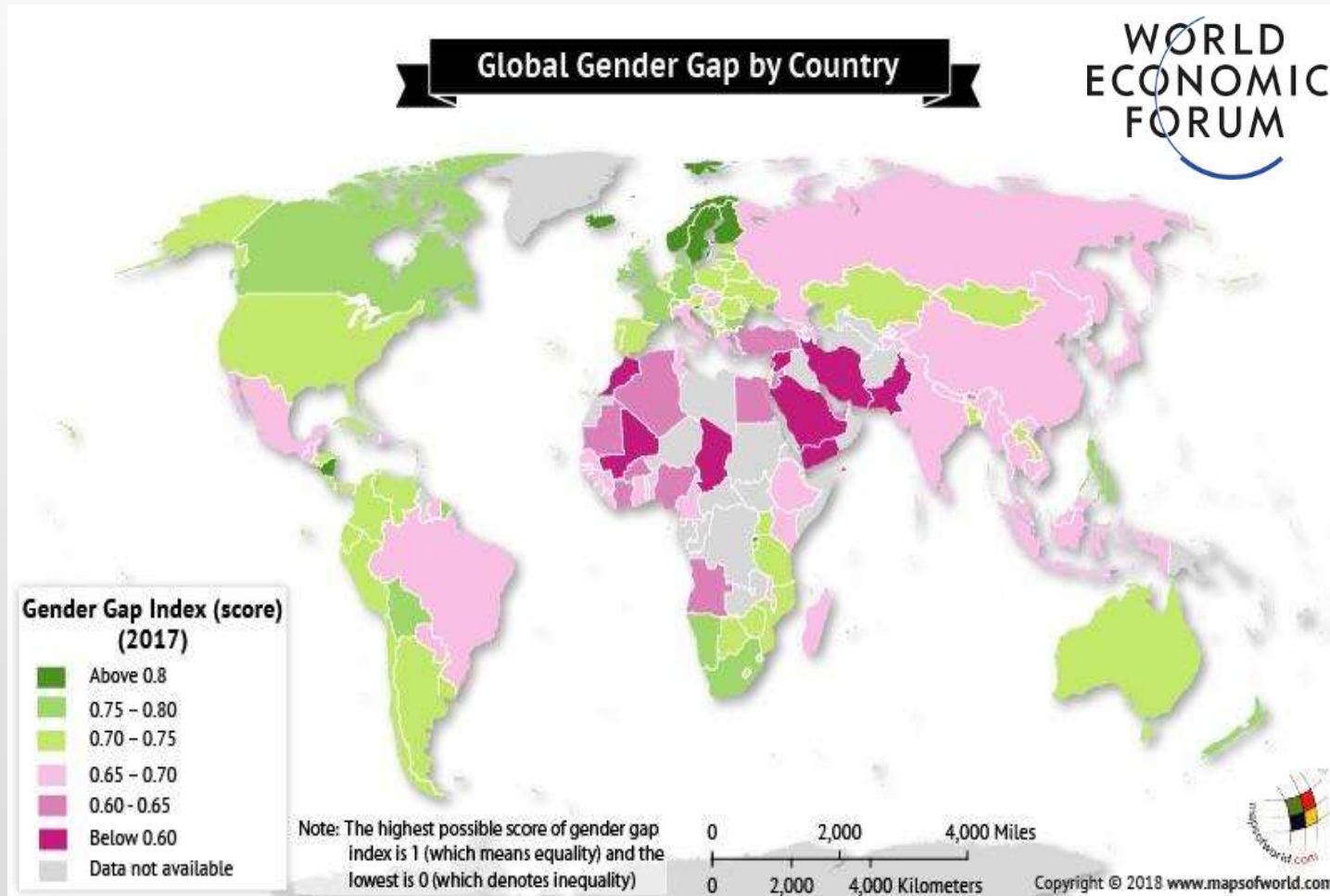
Life Expectancy (years)



Literacy Rate (%)



A Model in Women Empowerment: Top in South Asia



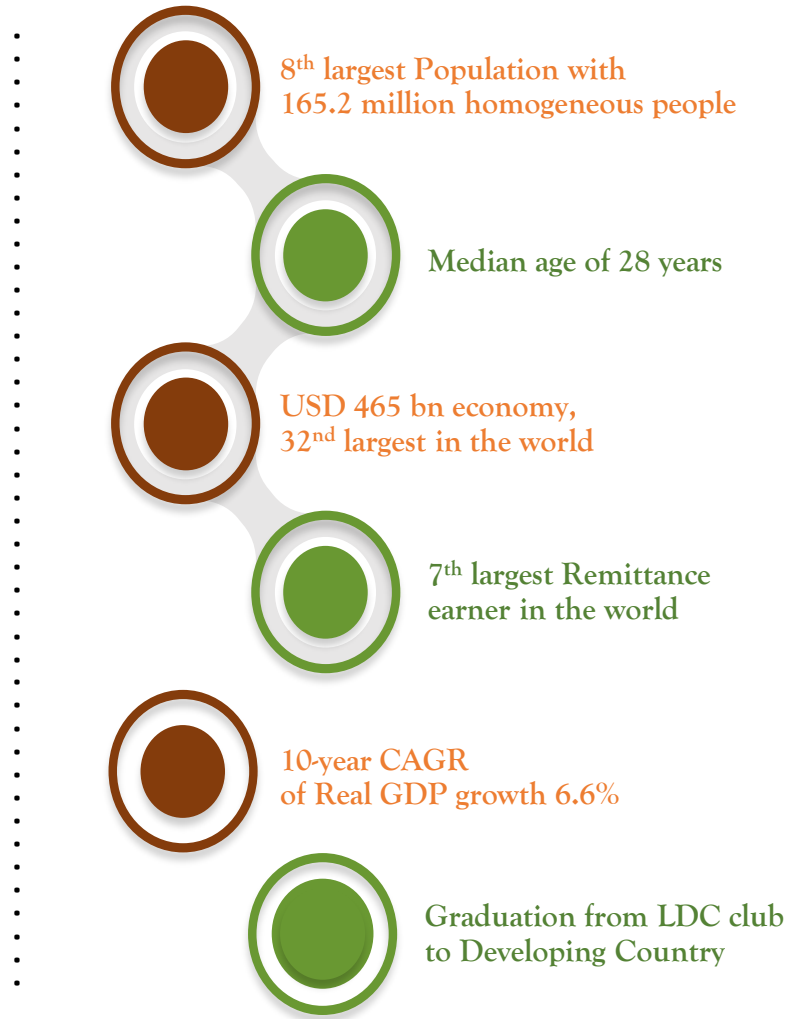
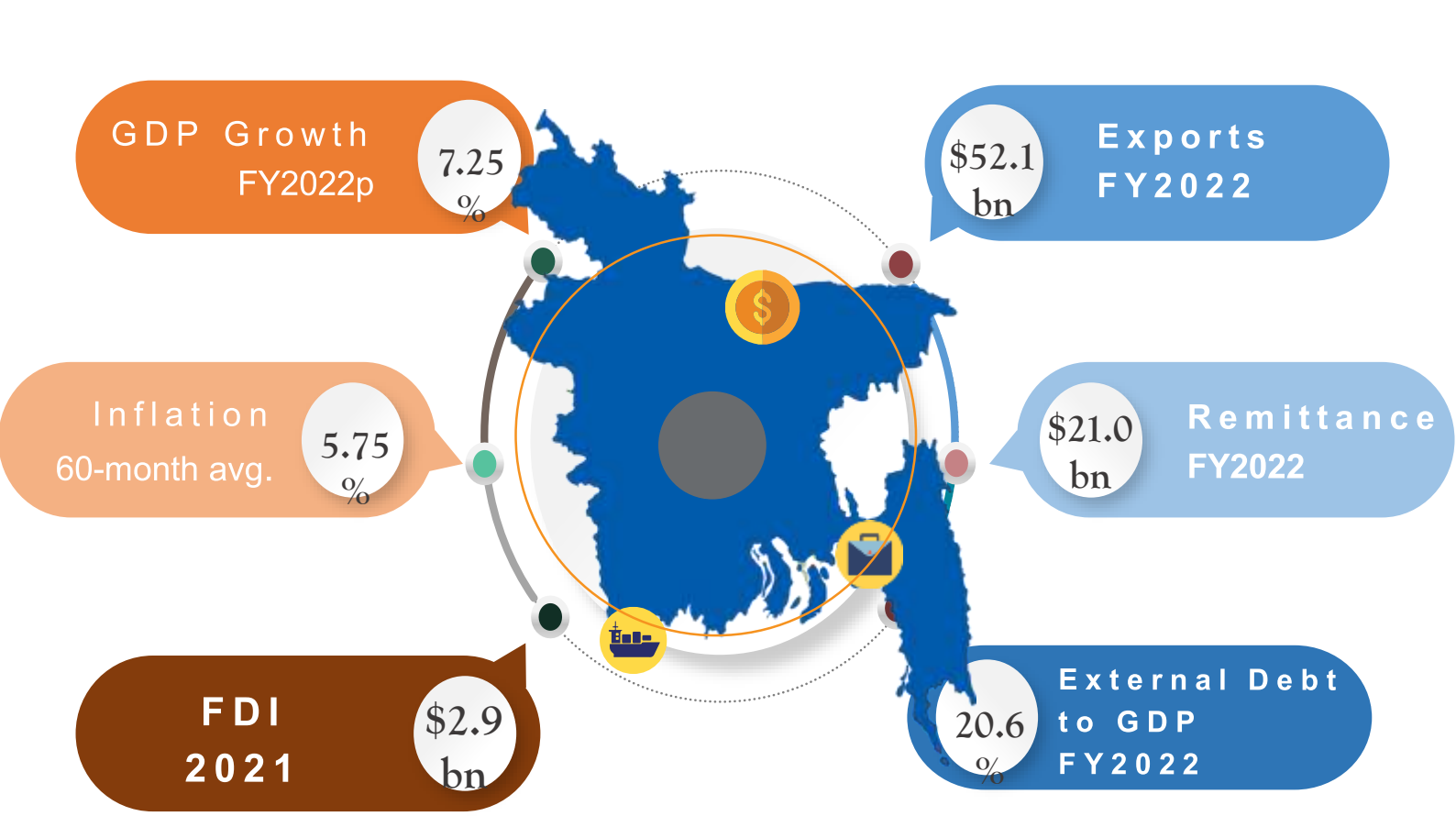
Global Gender Gap Index 2022

Country	Rank	Score
Iceland	1	0.908
Norway	3	0.845

Bangladesh	71	0.714
Sri Lanka	110	0.670
Nepal	96	0.692
India	135	0.629
Maldives	117	0.648
Bhutan	126	0.637
Pakistan	145	0.564
USA	27	0.769
Singapore	49	0.734
Nigeria	123	0.639

Source: World Economic Forum

Bangladesh Offers Strong Macro-Fundamentals: An Essential Precondition for Private Investment



A satellite night view of Earth showing city lights. Bangladesh is highlighted in white. A yellow circle on the right contains text.

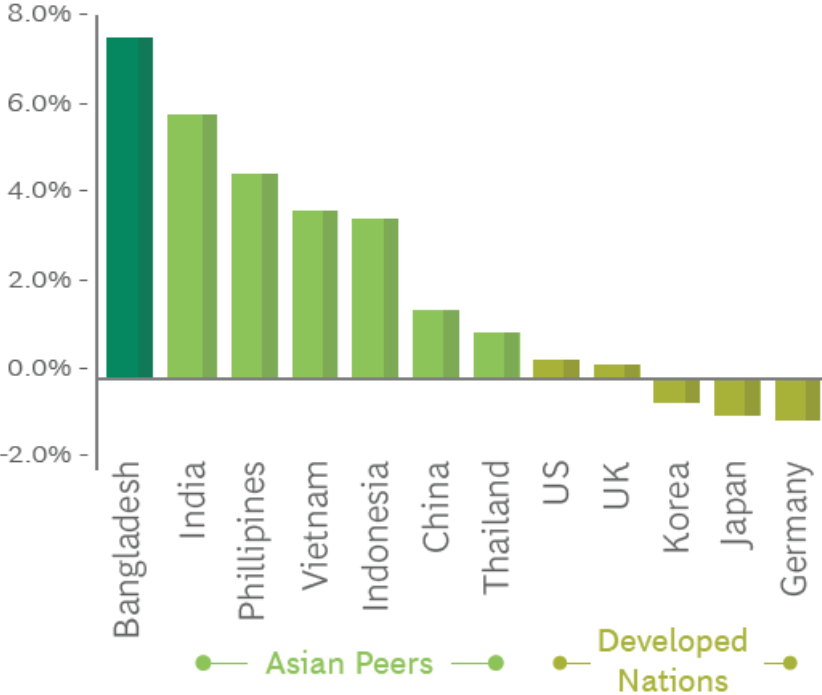
Bangladesh's Unique Value Propositions:

Why Invest in Bangladesh?

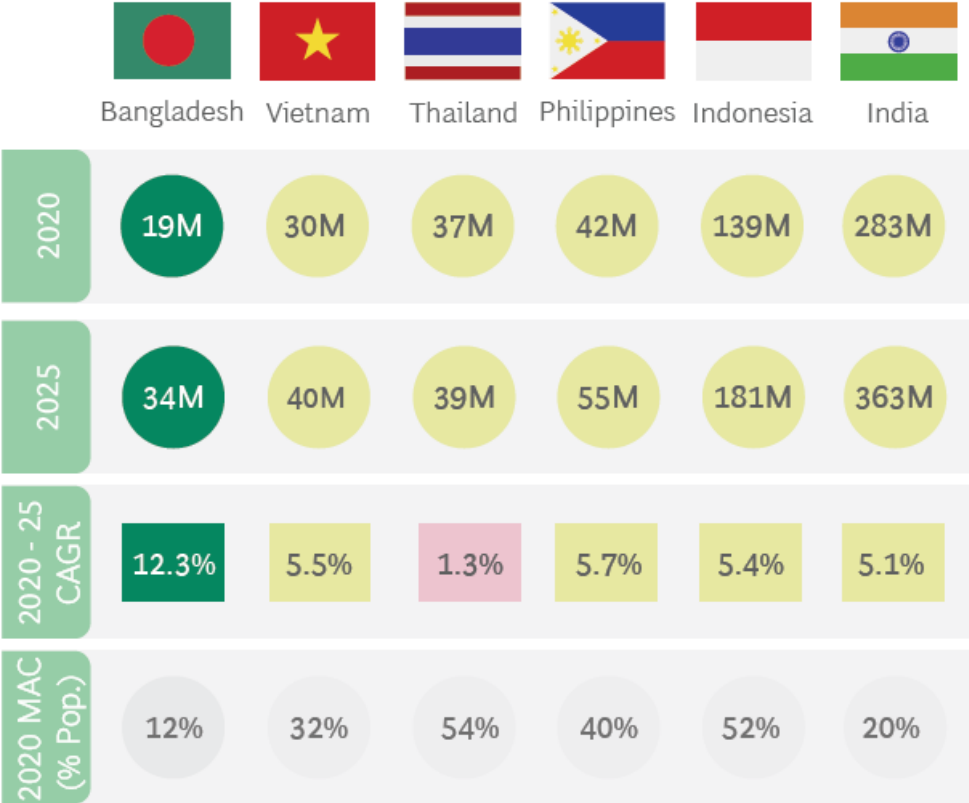
Bangladesh Set to Become 9th Largest Consumer Market Globally by 2030

34 million people in Middle Income and Affluent Class by 2025

Fastest-growing consumer market



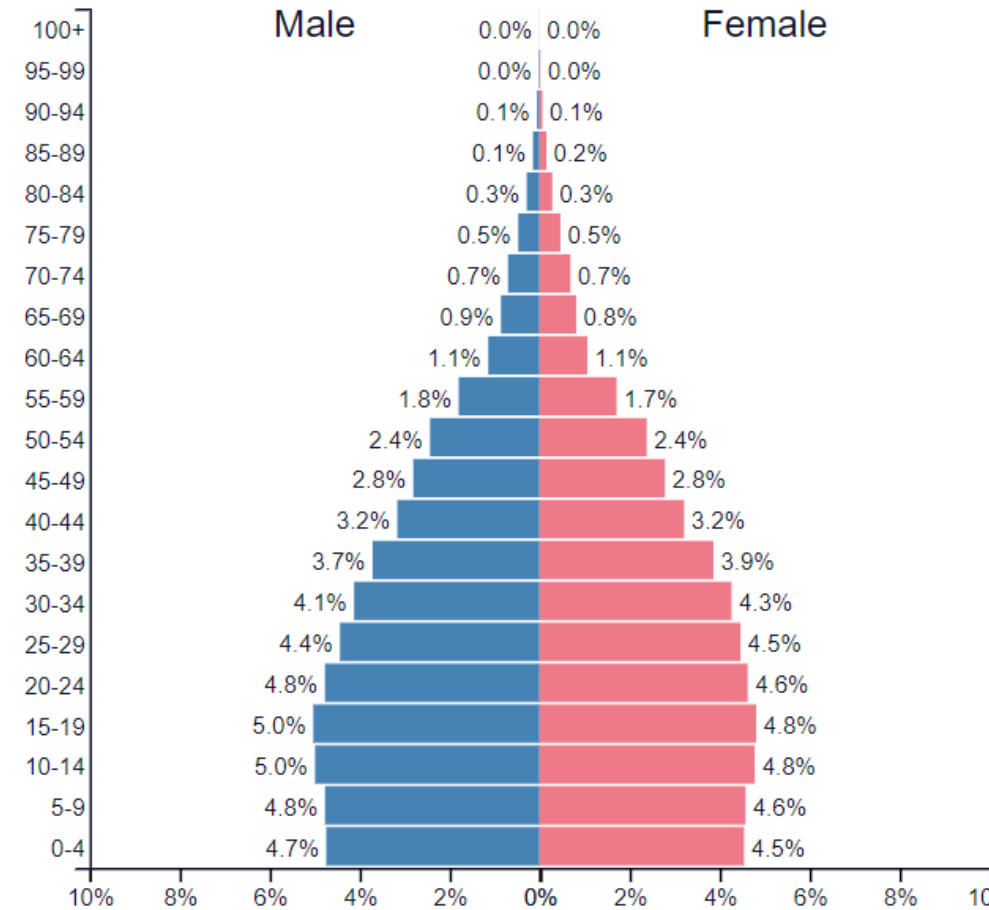
Growth led by surging middle- and affluent-class



Source: HSBC Global Research, BCG’s Center of Consumer Insights, BCG analysis, Neilson HH data

Demographic Dividend: Young and Trainable Labor

- **28 years is Median age** of a Bangladeshi citizen, lower than India (29 years), Indonesia (31 years), Vietnam (22 years) and Thailand (39 years)
- **68.4% population is working age**
- **114 Million** working age citizens
- **Homogenous culture:** Compared to other countries in South Asia, Bangladesh has a high degree of linguistic, religious, and ethnic homogeneity.



Bangladesh's Strategic Location: Gateway to Countries in Asia Pacific

A Gateway to India and China, while connecting regional important new markets (Bhutan, Nepal and Myanmar) to provide access to :

2.9 Billion
consumers who are
spending more than **US\$**
8.53 trillion annually



Bangladesh Gets Preferential Market Access

Bangladesh receives GSP facilities from 38 countries; 28 countries of European Union and 10 other countries: Australia, Belarus, Canada, Liechtenstein, Japan, New Zealand, Norway, Russian Federation, Switzerland & Turkey.



DFQF Access in GSP schemes of Developed Members: Australia, Canada, European Union, Iceland, Japan, New Zealand, Norway, Switzerland, Russia, United States

DFQF Access of selected Developing Countries: Chile, China, India, Republic of Korea, Chinese Taipei, Turkey



Largest denim exporter to EU market

2nd largest apparel exporter worldwide after China



1st in Jute (natural Fiber) production and export



8th largest exporter of the leather products in the world



8th largest exporter of bicycle

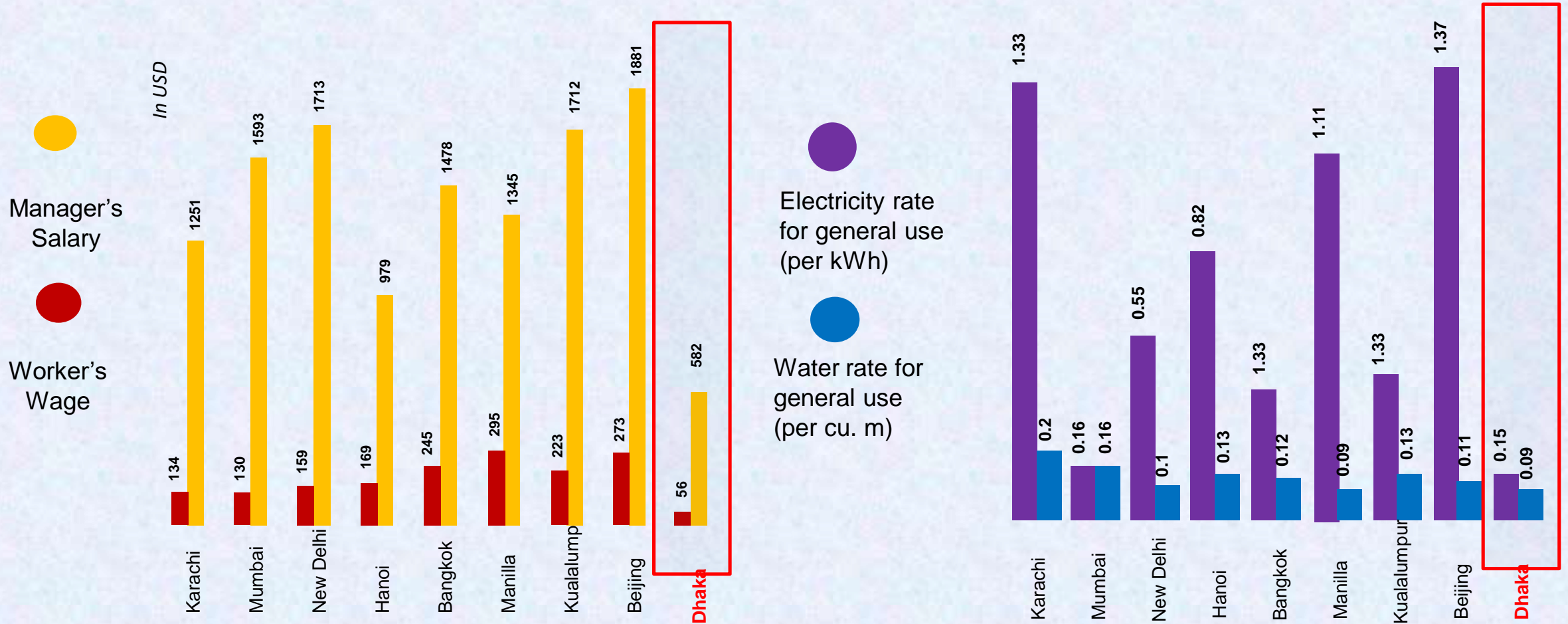
Strong Cost Competitiveness Among Peers

47%-84% SAVINGS IN
WORKER'S WAGES

41%-69% SAVINGS IN
MANAGER'S SALARY

6%-89% SAVINGS
IN WATER COST

10%-55% SAVINGS
IN ELECTRICITY COST



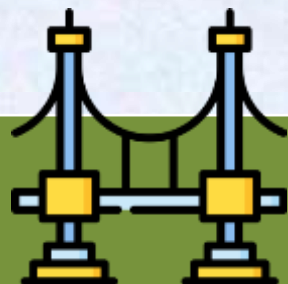
Enormous Infrastructure Development Sets Solid Foundation for Private Sector Growth



100 Economic Zones to be established by 2040

Employment Generation by 10 million

Economic Zones to contribute an additional US\$ 40 billion to exports



Padma bridge linking the south-west of the country, to northern and eastern regions.

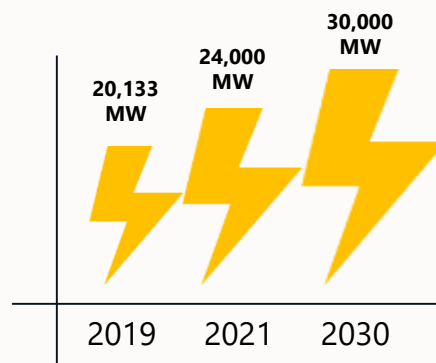


Bangabandhu Satellite 1 is the first Bangladeshi geostationary communications and Broadcasting Satellite.



Power & Energy

Energy Diversification through introduction of LNG, Nuclear power, Solar, Wind, LPG and others



Rail, Road & 4 Lane Highways

All national highways are being converted into 4-lanes

Dhaka Metro Rail in Operation;

All mega cities will be connected via Metro Rail, Elevated Expressway and High Speed Express Railway



Hi-Tech & Software Parks

28 Hi-Tech & Software Parks to attract foreign direct investment in hardware and software manufacturing industry.

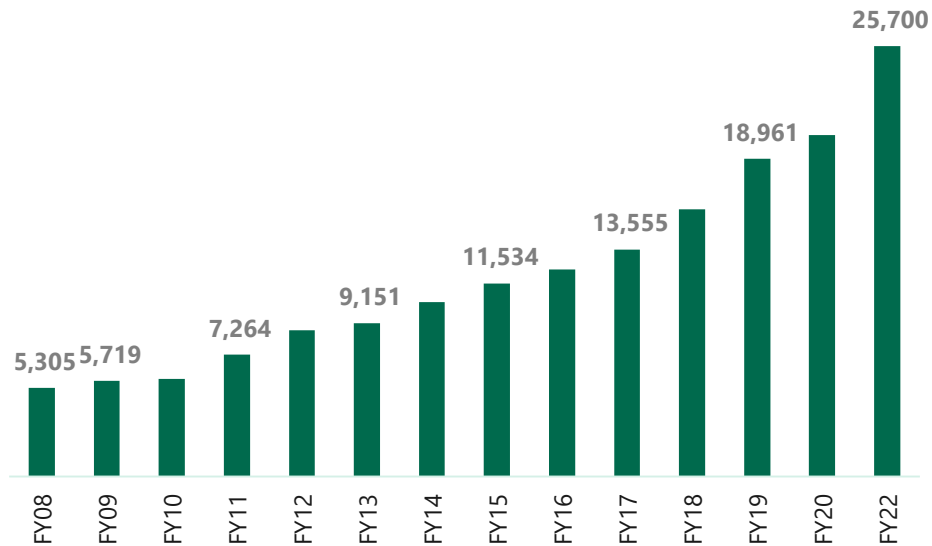


4G is has been rolled out across the country and

5G infrastructure development is in the works 14

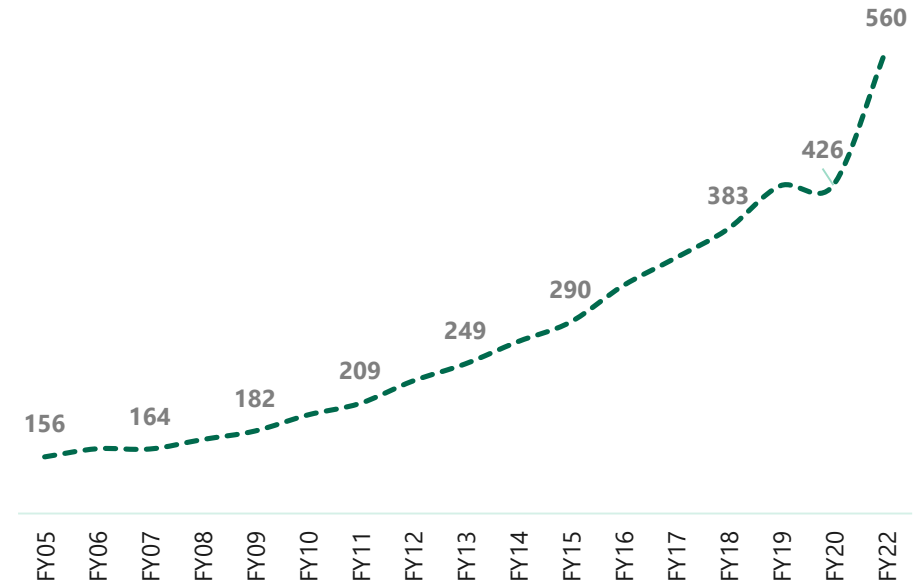
Redefining Energy Stability: Bangladesh Now Has Surplus Electricity

Electricity generation capacity in Bangladesh (MW)



Source: BPDB

Per capita electricity generation (Kwh)



Source: BPDB

- Electrification rate has increased from 47% in 2009 to **99% at present**
- Electricity generation capacity has increased from 5,000 MW in FY'05 to **25,700 MW in June 2022**
- Once in deficit, Bangladesh now has electricity surplus
- Government plans to increase capacity to **60,000 MW by 2041**

Government's US\$ 40 Billion Investment in Infrastructure to Support Businesses



Rooppur Nuclear Power Plant
Total Cost USD 12.65 Billion
Commencement 2017
Estimated Completion 2025



Rampal Coal Power Project
Total Cost USD 5.00 Billion
Commencement 2017
Estimated Completion 2022



Moheshkhali LNG Terminal
Total Cost USD 0.18 Billion
Commencement 2017
Completed in 2019



Matarbari Power Plant
Total Cost USD 4.40 Billion
Commencement 2014
Estimated Completion 2024



Padma Multipurpose Bridge
Total Cost USD 3.65 Billion
Commencement 2009
Completed in 2022



Padma Rail Link
Total Cost USD 4.63 Billion
Commencement 2017
Estimated Completion 2024



Dhaka Metro Rail
Total Cost USD 2.82 Billion
Commencement 2012
Estimated Completion 2025



Chattogram-Cox's Bazar Railway
Total Cost USD 2.13 Billion
Commencement 2018
Estimated Completion 2024



Dhaka Elevated Expressway
Total Cost USD 1.63 Billion
Commencement 2011
Estimated Completion 2022



Dhaka-Chattogram Express Railway
Total Cost USD 1.40 Billion
Commencement 2018
Estimated Completion 2022



Karnaphuli Underwater Tunnel
Total Cost USD 2.49 Billion
Commencement 2017
Estimated Completion 2022



Dhaka Airport Third Terminal
Total Cost USD 2.30 Billion
Commencement 2019
Estimated Completion 2023

This infrastructure projects to create synergy with 100 economic zones, which are to be established in the next 15 years

Innovative Initiatives to Foster your Business's Competitiveness

TAXES



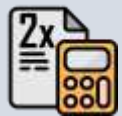
Tax Holidays

5 - 10 Years for some sectors and up to 10 Years for Infrastructure and Economic Zones



Tax Concessions

for Capital Machines and import of Raw Materials



Avoidance of Double Tax

under DTIs

FINANCIAL



Cash Incentives



Export Development Fund



Equity Entrepreneurship Fund



Accelerated Depreciation

In lieu of tax holidays

Investor Care



Fast Track Approvals



Citizenship



Permanent Residency



Quick Immigration



Skilled Work Permits

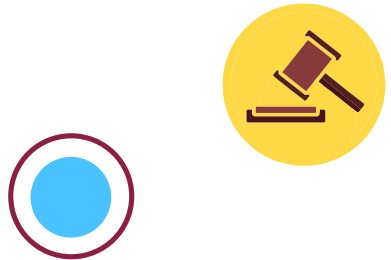


Bonded Warehousing



NRB Preferences

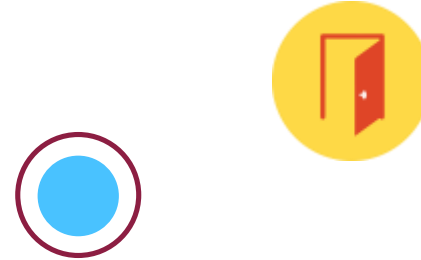
Conducive Regulations To Boost Businesses



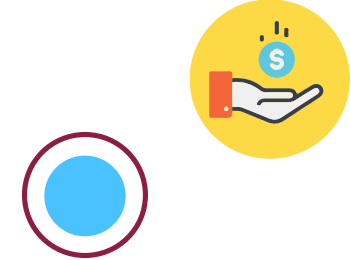
Secured by law against **nationalization and expropriation**



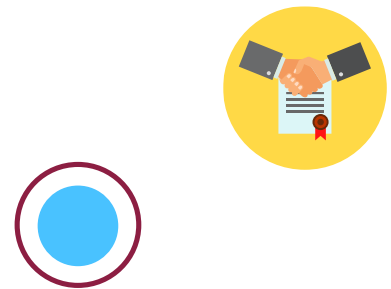
Local and Foreign investments are given **equal treatment**



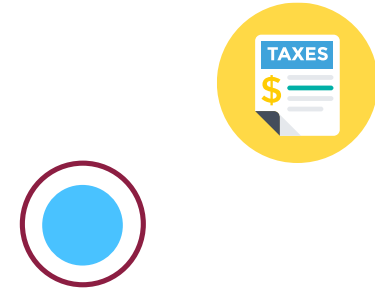
100% foreign equity is allowed along with unrestricted exit



Almost all industrial sectors are **open for foreign investors**



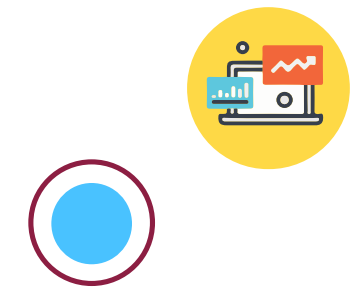
Bilateral Investment treaties (BITs) signed with **32 countries**



Double taxation treaties with **28 countries**



Bangladesh is a signatory to **ICSID, UNCITRAL, OPIC, MIGA, WAIPA, WIPO and WTO**



All laws, regulations are **conducive to investment**

Unparallel Support from Investment Promotion Agencies (IPAs)



- Provides the investors with world class client services (Virtual and Cloud based)
- One Stop Services Covers All IPAs
- 150 services of 34 agencies are being identified and process simplification of these have started. Once these are completed clients will receive their services from one point.
- Investors are offered a wide spectrum of support prior to and during investment
- Investment Aftercare support



BIDA



ure prompt and in ti
a 'OSS Assurance C
ded by 19' ble Finan

Bangladesh Ready for a Fully Digital Economy



75% mobile penetration



128 million + internet users



10th Largest Mobile Market Globally



650,000 Freelancers



230% Increase in Internet Banking Transactions Since 2019



2nd Largest supplier of online labor globally after India



US\$5 billion IT/ITES export target by 2025



US \$3 billion semiconductor export target in the next five years

Opportunities to Leverage US\$ 100 Billion Investment Prospects

Investment Opportunities	
Infrastructure (Annually)	US\$ 25 Billion
Green Investments (Annually) -Renewable energy (0.27 billion USD) -Green Buildings (9.3 billion USD) -Renewable energy (0.27 billion USD) -Transport infrastructure (1.98 billion USD) -Climate Smart Urban Wastewater (1 billion USD) -Municipal Solid Waste Management (0.33 billion USD)	US\$ 14.3 billion
PPP investment (Annually)	US\$ 24 billion
Logistics (Annually)	US\$ 15 billion
Apparel (Annually)	US\$ 4.7 billion
SME Finance (Annually)	US\$ 2.8 billion
Housing Finance (Annually)	US\$ 2.5 billion
Agribusiness (Annually)	US\$ 1.4 billion
Health	US\$ 4 billion
Transmission	US\$ 4 billion
Leather	US\$ 2 billion
Electronics	US\$ 2 billion
Petro-chemical	US\$ 3 billion
Total	US\$ 99.4 billion

What The World's Financial Powerhouses

Are Saying

Bangladesh



“Bangladesh will be the 12th economic power of the world in 2050”



J.P.Morgan

“Bangladesh one of the Frontier 5 economies”

McKinsey&Company

“Bangladesh is the Next China”

“28th & 23rd largest economy of World by 2030 & by 2041”



“Bangladesh is the fastest growing economy in the Asia-Pacific region.”

ADB

HSBC 

Bangladesh to become 9th largest consumer market by 2030

“Low cost and high return manufacturing destination in Asia”

JETRO Japan External Trade Organization

Goldman Sachs

Bangladesh - a part of the ‘Next 11’

Thank you