

Towards a Globally Competitive Agri-business Sector: “Emerging Opportunities in Agri Trade & Investments”

Ahsan Khan Chowdhury, Chairman & CEO , PRAN-RFL Group

March 12, 2023



“The Bangladesh Paradox “

JETRO

Japan External Trade Organization

“Low cost and high return manufacturing destinations”

**McKinsey
& Company**

“Bangladesh The next China”

**BUSINESS
INSIDER**

“There's a new 'Asian Tiger”

WORLD BANK  **BLOGS**

“Bangladesh: The Next China?”

pwc 

“Bangladesh will be the 28th largest economy by 2030”

The New Bangladesh

\$ 32 Bln +
Forex Reserve

Over \$ 22 Bln
NRB Remittance

67 Mln+
Internet User

7+ Consistent
Growth Rate

\$ 2824 +
Per Capita
Income

**2nd Largest
Economy**
in South Asia



Infrastructural Landscape

Connectivity

- Road ,Rail & River
- 7 Airports(3 Intel.)
- 3 Sea Ports(1 Deep)
- **3 Asian Highways**

Institution & Workforce

- 1M General Graduate yr.
- 10K Technical Graduate yr.

Agricultural Land

14.3 Million ha
59.8% available for cultivation

Financial Mobility

- 100+ M Use MFS
- 60 + Commercial Banks



Demographic Yield

60 % of Total
Under
Workforce

45 % Aged
below
24 Years

70 % Aged
Below 40
Years

Remarkable in
Female
Empowerment



The Way Forward – PESTEL key player

Political

Firm Since
1990

Democratic
Changes

Economic

Rapid Growing

Consistent GDP

Strong Forex &
Banking

Social

Cultural
Diversity

Communal
Harmony

180 M
Population

Technology

Aspiring Digital
Economy

skilled and
cost-effective
workforce

Export
Oriented

Legal & Environment

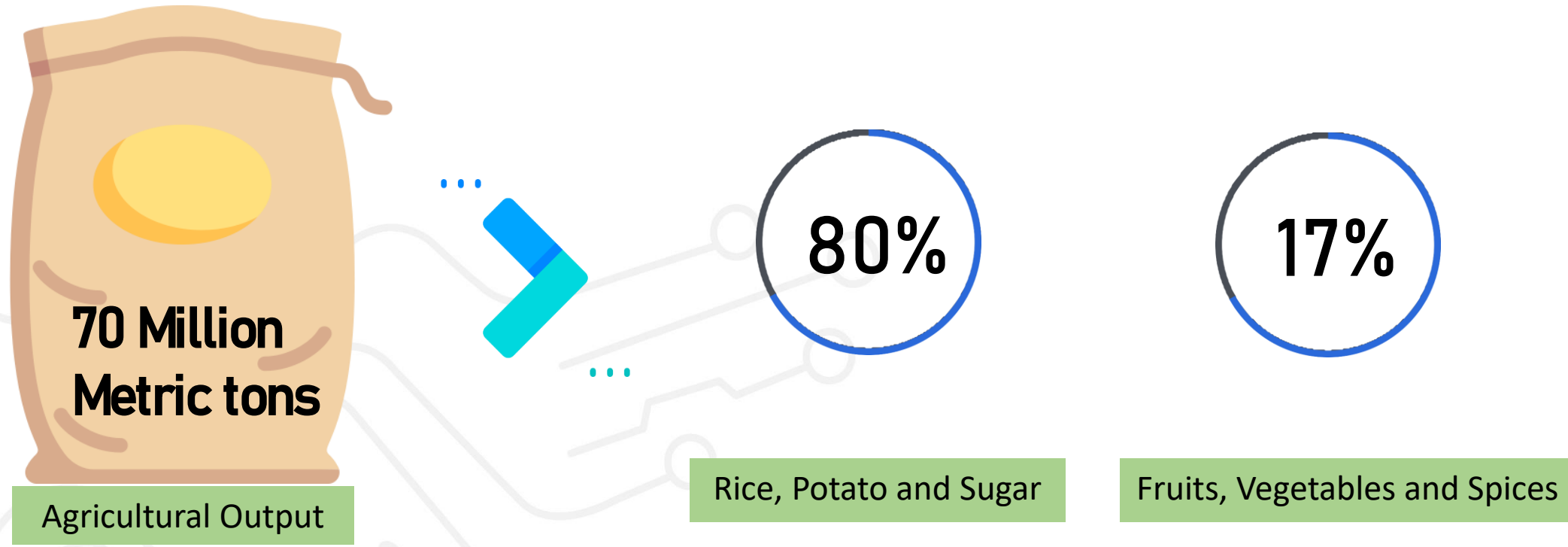
Fair Judiciary &
Law and order

Fertile Land

Subtropical
Country

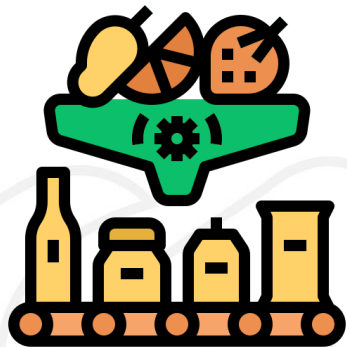
Bangladesh : Agricultural Heaven

Bangladesh is an **agrarian** country with a **tropical climate perfectly suitable** for the production of a variety of **crops, fruits & vegetables**, livestock and fisheries and a **promising Agro and Food-Processing industry**.

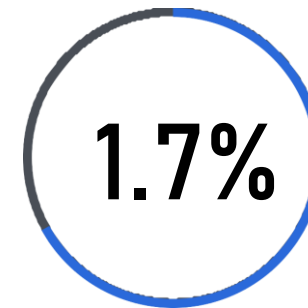


Bangladesh : Agricultural Haven

The agriculture sector employs around **40.6%** of the labor force and contributes **14.23%** to GDP.



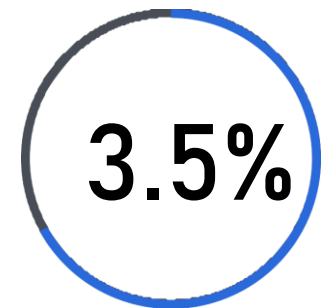
Contribution of Agro-Food processing Industry



GDP



Workers



Share of Export

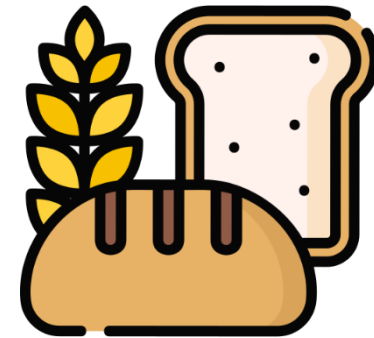
Bangladesh Food Market

In the Food market, volume is expected to amount to **54,583.3mkg** by **2027**. The Food market is expected to show a volume growth of **5.0%** in **2023**.

Revenue in the food market
US\$133,206m



Largest Market segment
US\$24,536m



Bread & Cereal Products

Story of An Agro Aspiring Nation

Towards Agro Based Industrialization

70M MT Agro Output in Yr

700 Basic & Processed Product to Export

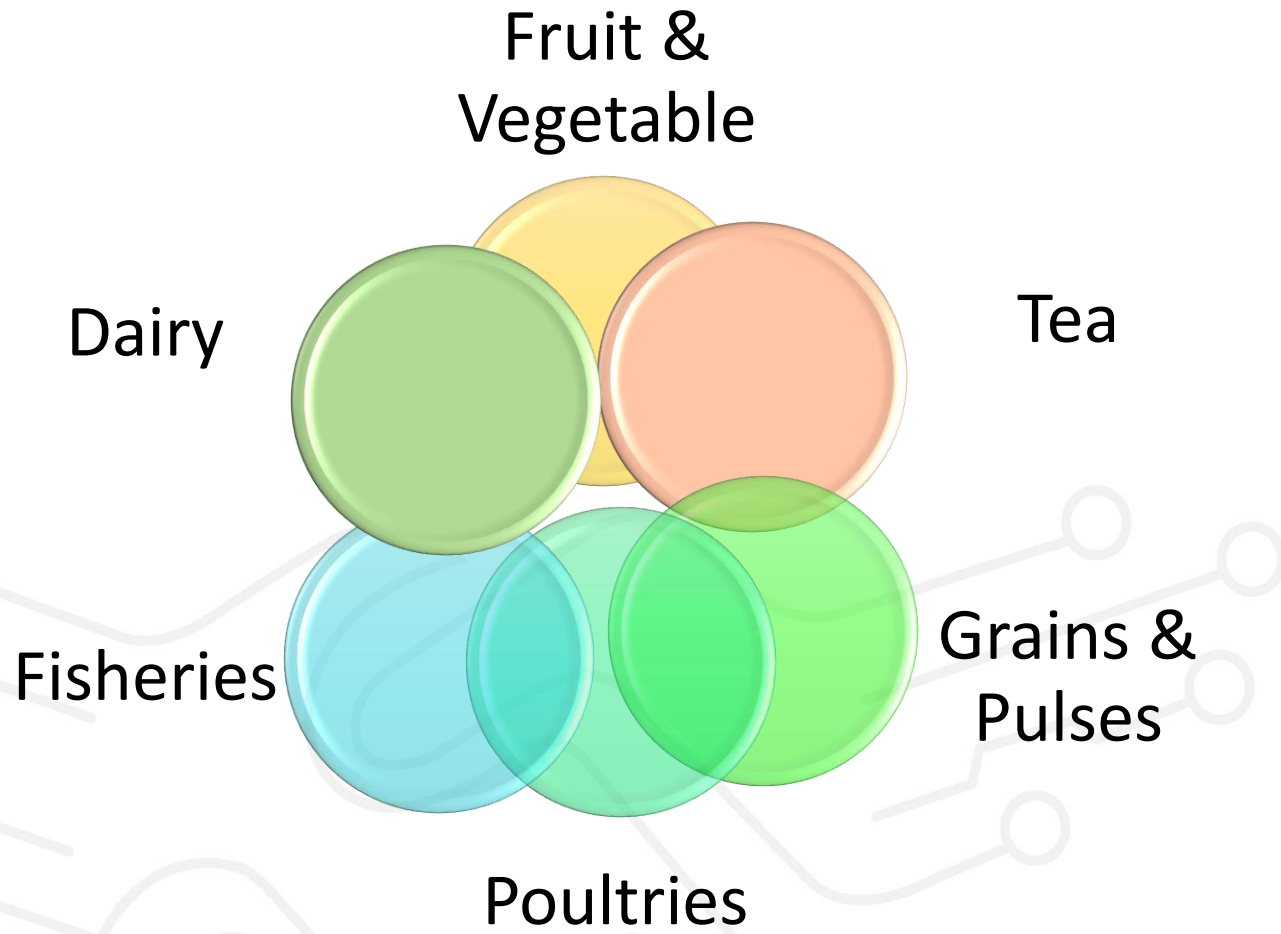
Contributes 16 % of GDP & 40.06 % of
Employment

Export Earnings Near \$2B

\$3B+ Domestic Agro Process Market



Strategic Agro Basket of Bangladesh



Potentials of Agri-business

- Over 30 million people in Bangladesh's rising middle class are driving demand for high-quality agricultural products.

- Crops, livestock, fisheries, and forest products make up 12.5% of Bangladesh's GDP and employ around 40% of the population.

- Rice, wheat, corn, legumes, fruits, vegetables, meat, fish, seafood, and dairy products are all produced in Bangladesh, with rice being the main staple.

- Bangladesh has the necessary resources for successful agribusiness, including fertile soil, a frost-free climate, abundant water, and a large labor force.

- Improved farming practices, marketing methods, and processing facilities have led to significant improvements in agribusiness efficiency.

Government's Development Priorities for Agri-business Sector

8th Five Year Plan

- Promote agricultural diversification
- Promote labor-intensive, export-oriented manufacturing-led growth along with expansion of the domestic market;
- Maintaining food security through improvements in farm productivity, supply of inputs.
- Private sector will remain the driver of growth

Perspective plan 2041

- Rapid transformational shifts in agriculture,
- Paradigm shifts in Agriculture will enhance productivity and ensure nutrition and food security for the future
- Creating Opportunities for Sustainable Agriculture and Green Growth
- Introduction and Popularization of Good Agricultural Practices (GAP)
- Farm Mechanization

Factors that Make the Sector a High-Potential for Bangladesh

Total market size for agricultural products for 2021 is USD 47.549 billion.

With young workforce and a growing consumer base, Bangladesh has enjoyed consistent annual GDP growth of more than 6% over the past decade.

The country has abundant raw materials for the agri-business industry due to its tropical climate, year-round growing season, plentiful freshwaters, and fertile land.



Global Market:

- The agriculture market grew to \$13.4 billion in 2023 and is projected to reach \$19 trillion by 2027.
- Increased crop production, farming activities, and trade volumes will be necessary to meet growing demand.
- Asia-Pacific was the largest region in the agriculture market in 2022, followed by North America.
- The food and agribusiness industry is worth \$5 trillion and is expected to continue growing.



An Agri Aspiring Nation : Global Context

**1st in Jack Fruit
Production**

**2nd Largest Jute
Producer**

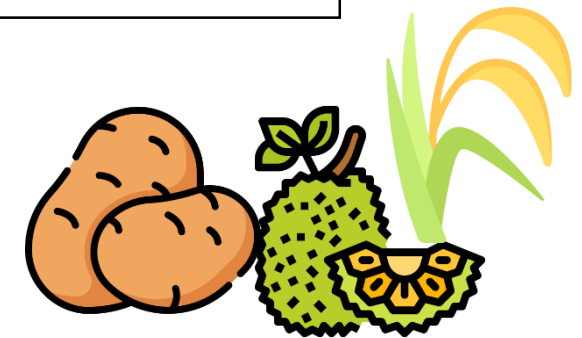
3rd in Fish Farming

**4th Largest Rice
Producer**

**7th Largest Potato
Producer**

**8th Largest Mango
Producer**

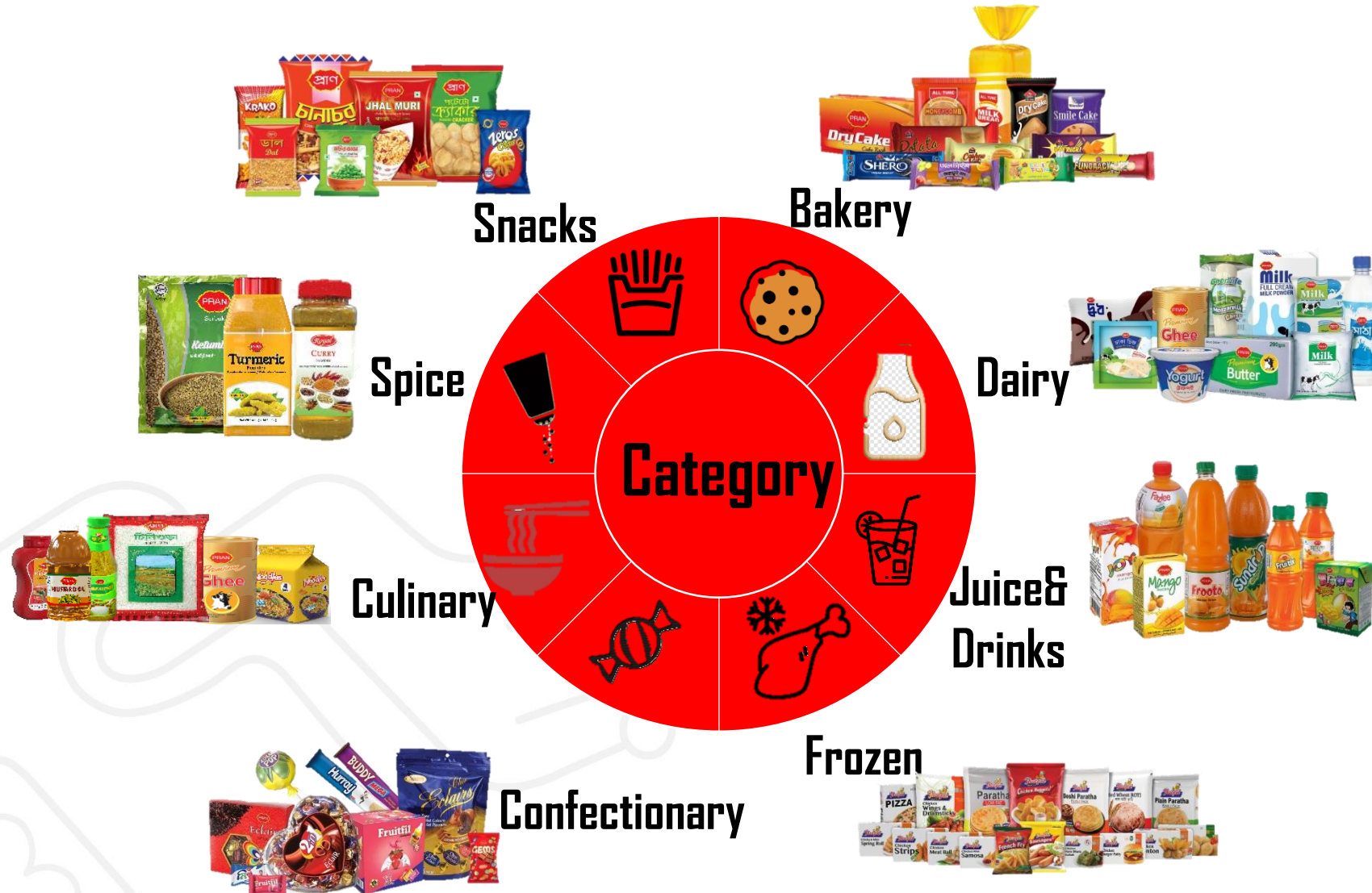
**10th Largest
Producer of Tea**



Key Player in Food Sector



Processed Food Categories Exported



PRAN – Largest Food Processing Company in Bangladesh



Production facilities spread over **23** different locations in Bangladesh



Exporting to over **145** countries of the world



Best exporter's trophy **16** consecutive years



Directly employing **125,000** people



100,000 contractual farmers



1.5 million people subsist on PRAN

Food Factory of Bangladesh

Many large manufacturing facilities are there in Bangladesh



PRAN Industrial Park (PIP)

Located at Narsingdi | 46 production lines | Number of employees: 14696

Items produced: Pasteurized milk, UHT milk, ghee, yogurt, lassi, milk candy, water tanks, PVC pipes & fittings, plastic toys & furniture and electronic items

Export Destinations

MAJOR | **EU**
DESTINATIONS | **US**
MENA MARKET



EXPORTING
145 DESTINATION
AROUND THE
GLOBE



Potential Sector for Agri Business in Bangladesh



Horticulture



Fruits & Vegetable



Grains & Pulses



Poultry



Dairy



Fisheries

Opportunity in Horticulture

Current State

7% of total crop production and 4% of total farming area

HIL in Bangladesh is researching low-cost horticulture technologies,

Suitable environment due to its location in the tropics

Potential Development

Adoption of modern farming techniques and technology

Increased use of high-yielding crop varieties and hybrids

New Opportunity

Growing demand for fresh fruits and vegetables in domestic and export markets

Modernize food processing plants and increase exports

Opportunity in Grains & Pulses

Current State

Major Packaged
Food Products in
Bangladesh

3M +MT Local
Demand

90% Demand Being
Met by Import

Potential Development

Import
Substitution of
Palm, Soybean,
pulses Through
Investment

New Opportunity

Oil Extraction
Process in
Mustard & Rice
Bran Oils, Pulses
processing

Investment Opportunity in Poultry

Current Scenario

Total Market
(Live Bird, Processed
Meat,
Egg, Feed & DOC):
7,144 Mn USD
Integration: 281 Mn USD

Growth: 9% per year

Total Investment in
this Sector:
4,110 Mn USD

Potential Scenario in

Total Market
(Live Bird, Processed
Meat, Egg, Feed &
DOC):
9,590 Mn USD
Export & Integration:
321 Mn USD

Growth: 10% per year

Potential Investment in
this
Sector:

New Opportunity

Export of Processed
Meat, Egg, poultry
Feed, Organic Farming,
Innovative Medicine &
Vaccine

Investment In Poultry
Integration, Poultry Feed,
Process Meat and Value-
Added Meat, Farm
Technology & Equipment

Opportunity in Dairy Products

Current State

Increasing Health Awareness

Consumption of Dairy Products Grew by 20 %

Potential Development

Demand Outpaced Supply Gap in Local MKT,

Large demand in processed Meat and value addition

New Opportunity

Per Capita Dairy Consumption Below WHO Recommendation

Halal Processed Meat & Food Products for Local & Global MKT

Investment Opportunity in Fisheries

Current Scenario

Culture Production: 2.4 Mn MT
Capture Production: 1.2 Mn MT
Marine Production: 0.66 Mn MT

Fish Feed Market: 928 Mn USD
Growth: 4.5%

Potential Scenario

Total Production: 5 Mn MT
Culture Production: 2.9 Mn MT
Capture Production: 1.3 Mn MT
marine Production: 0.69 Mn MT

Fish Feed Market: 1,160 Mn USD
Growth: 5%

New Opportunity

Inland- Intensive fish cultivation and Bio Floc

Deep Sea Fishing

Fish & Shrimp Processing & Value Addition for Domestic & Export Market

Feed Fish and Shrimp

Bangladesh – The Future Netherlands

- Bangladesh has the potential to become the "Netherlands of the East" in terms of agricultural productivity.
- Like the Netherlands, Bangladesh has favorable climate and fertile land that supports agriculture.
- The government of Bangladesh is investing in initiatives to promote and modernize the agricultural sector, similar to what the Netherlands has done in the past.
- With the adoption of modern farming techniques and infrastructure development, Bangladesh can become a leading global food supplier, much like the Netherlands has become.



Entrance of Foreign Direct investment

- Bangladesh aims to become an upper-middle-income country by 2031 and a developed one by 2041.
- Investors are drawn to Bangladesh's growing economy, low-cost workforce, large domestic market, and investment incentives.
- The government aims to reach an FDI of 3% of GDP by 2025, with agribusiness identified as a sector for private sector investment.
- Net FDI was \$3.44 billion in FY22, a 37.20% growth from FY21's \$2.50 billion.
- FY20 saw a net inflow of FDI at \$2.37 billion due to the Covid-19 pandemic.
- In FY19, net inflow of FDI reached \$3.89 billion, the highest in Bangladesh's history.

Promotional Incentives for Agri Biz

Fiscal Incentive

Reduced CIT for Locally Produced Fruits & Vegetables

Tax Exemption on Income from Rice Bran Oil

20% Rebate on Electricity to Agro Units.

Tax Exemption on Technical Assistance Fees

Exemption of Import Duties on Capital Machineries.

Full Repatriation of Profits & Initial Investment Amount

Export Incentive

50 % Tax Exemption for Income from Export

No VAT Imposition on Export Goods

20 % Export Subsidy for Exporters of Locally Processed Agro Products

20 % Export Subsidy for 100 % Halal Meat

Duty-free Market Access to 52 Nations

Recap



**Demographic
Leverage**

**Geographic
Privilege**

**Connectivity &
Infrastructure**

**Immense
Investment
Opportunity**

**Investment
Friendly
Policies &
Supports**

Thank You

Ahsan Khan Chowdhury

Chairman & CEO, PRAN-RFL Group

Cell/WhatsApp: +8801912256665

Email: ceo@prangroup.com

www.pranfood.net

www.rflbd.com

www.chorkatextile.com