

SHIFTING HORIZONS

Strengthening Global Value Chains for Bangladesh to Navigate Post-LDC Regime



From the Desk of the Administrator



Dear Members, Partners & Stakeholders,

It is a privilege to present the May 2026 edition of the FBCCI E-Bulletin, a monthly compilation tracking the definitive movements of Bangladesh's private sector as it carves out high-value economic pipelines across regional and global borders. As our nation transitions through pivotal development milestones, this month's economic activities, spearheaded by the FBCCI, underscore a deliberate strategy to shift from traditional trade patterns toward highly integrated global value chains and robust structural readiness.

Our bilateral engagements this month emphasize proactive industrial diplomacy. The strategic B2B exchanges with

the Karachi Chamber of Commerce and Industry (KCCI) and the Mandi Bahauddin Chamber of Commerce & Industry mark a definitive departure from basic buyer-seller models, steering instead toward joint ventures in technology, agriculture, textiles, and specialized raw materials. Concurrently, our joint initiative with the Indonesia-Bangladesh Chamber of Commerce and Industry to anchor Bangladeshi participation at the upcoming D-8 Halal Expo Indonesia 2026 demonstrates our firm commitment to embedding local cross-border trade securely within the multibillion-dollar global halal market ecosystem.

Central to this edition is an analytical brief addressing the upcoming horizon for Bangladesh's pharmaceutical industry. As the official timeline

or LDC graduation approaches, the sector stands at a critical juncture regarding Intellectual Property Rights and the conclusion of the long-utilized TRIPS patent waiver. The specialized brief maps a definitive course through this shift, outlining how backward integration via the API Industrial Park, enhanced research allocations, and tactical patent landscaping can successfully cushion our generic manufacturers against strict global compliance architectures.

FBCCI remains positioned not merely as an observer of these coming regulatory transitions, but as the primary driver of private sector resilience. We trust this bulletin serves as an insightful roadmap, aligning commercial policy advocacy with the structural transformations required to sustain Bangladesh's trajectory toward sustainable industrial excellence.

Md. Abdur Rahim Khan
Administrator, FBCCI

FBCCI and Karachi Chamber Push for Joint Ventures & Integrated Value Chains



The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) has called for a strategic shift in bilateral trade with Pakistan, emphasizing joint ventures and the creation of integrated value chains to address the existing trade deficit.

During a B2B networking session held on May 3, 2026, at the FBCCI, Dhaka, leaders from both nations' explored ways to elevate economic ties beyond traditional buyer-seller relationships.

Mr. Muhammad Raza, Senior Vice President of Karachi Chamber of

Commerce and Industry (KCCI) led the delegation.

Both sides agreed that sectors like agriculture, textiles, minerals, and technology offer huge opportunities for both countries to grow together.

FBCCI Secretary General Mr. Md. Alamgir remarked that as Bangladesh emerges as a global manufacturing hub, the time is ideal to transform historical and cultural ties into a robust, modern economic partnership.

Member of the KCCI Managing Committee Mr. Imran Moiz Khan, Former Directors of FBCCI Mr. Mehdi Ali and Mr. Abdul

Wahed, President of Bangladesh CNG Machineries Importers Association Mr. Zakir Hossain Nayan, General Secretary of Bangladesh Supermarket Owners Association Mr. Zakir Hossain, Secretary General of FBCCI Mr. Md. Alamgir, Head of International Affairs Wing Mr. Md. Zafar Iqbal ndc, and others were present at the meeting.

The session concluded with both chambers committing to facilitate more frequent industry-specific exchanges to realize these commercial goals.

FBCCI, IBCCI Focus on Halal Expo Indonesia 2026



A meeting was held between the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Indonesia-Bangladesh Chamber of Commerce and Industry (IBCCI) on 21 May 2026, at the FBCCI office in Motijheel to discuss boosting cross-border trade through the upcoming D-8 Halal Expo Indonesia (HEI) 2026.

The session was attended by FBCCI Secretary General Mr. Md. Alamgir, Head of FBCCI's International Affairs Wing Mr. Md. Zafar Iqbal ndc.

IBCCI delegation was led by Mr. Mostofa Quamrus Sobhan, AVP, IBCCI, alongside officials from the Indonesian Embassy.

According to the Economic Affairs division of the Indonesian Embassy, the upcoming

expo scheduled for July 8–12, 2026, in Jakarta will serve as a premier platform for Bangladeshi entrepreneurs to connect with the global halal market and engage in B2B networking.

Mr. Robbi Firlya Harkha, Coordinator of Economic Affairs at the Indonesian Embassy in Dhaka, noted that the event will also allow Bangladeshi enterprises to showcase their diversified products such as textile, garments, jute yarn and pharmaceutical sectors to Indonesia's market and potential countries. To encourage participation, special discounts and incentives will be offered to Bangladeshi exhibitors by the organizers.

Mr. Md. Zafar Iqbal ndc, Head of FBCCI's International Affairs

Wing, provided insightful perspectives during the meeting on the immense potential of the halal industry and strategic avenues for deepening Indonesia-Bangladesh bilateral trade ties.

To ensure greater participation in the Halal Expo, it was decided that FBCCI shall organize a follow-up meeting, involving prominent chambers and associations, business leaders, and entrepreneurs.

Indonesian Embassy officials affirmed that they will try to bring organizers from Indonesia in the said meeting, where the Ambassador of Indonesian Embassy will also be present.

Mandi Bahauddin Trade Delegation Explores New Commercial Horizons in Bangladesh

In a significant push for regional commerce, business leaders from Pakistan visits FBCCI on May 12, 2026, to strengthen bilateral trade ties with Bangladesh.

Mr. Muhammad Aun Raza, Patron-in-Chief of the Mandi Bahauddin Chamber of Commerce & Industry (MBCCI), and Ms. Syeda Masooma Haider, Secretary General of the Mandi Bahauddin Chamber of Small Traders & Small Industry, held extensive talks with Mr. Md. Zafar Iqbal ndc, Head of International Affairs Wing, FBCCI.

The discussions focused on unlocking economic potential across several key sectors, including light engineering, clothing and textiles, automotive parts, surgical items,



aromatic rice, dates, and fresh fruits. The delegates also highlighted Pakistan's premium pink salt and black salt as high-demand commodities for the Bangladeshi market.

Representing Mandi Bahauddin—a rapidly growing commercial hub in Punjab, Pakistan—the visiting leadership underscored MBCCI's active role under the FPCCI. Led by President Mr. Moez Deewan, the chamber has recently modernized its member services, including a new NADRA center in early 2025, to better facilitate international trade, visa processing, and cross-border registrations.

The meeting concluded with a mutual commitment to exchange goodwill delegations and host joint workshops, aiming to resolve trade barriers and build a profitable, streamlined trade pipeline between the two nations.

Beyond the Waiver: Navigating the New Era of IPR in Bangladesh's Pharma Sector

Bangladesh's pharmaceutical sector is a quiet success story. Local firms today supply 98% of domestic medicine needs, export to 166 countries, and earn USD 213 million in FY 2024–25. It is more than double what the industry earned just seven years ago. The domestic market is valued at over USD 3.5 billion and climbing.

Behind this rise was the legal advantage which most of the world never had - the TRIPS waiver. As a Least Developed Country (LDC), we have benefitted from a World Trade Organization (WTO) waiver that exempts us from enforcing expensive patents. This means local companies could legally produce generic versions of patented drugs without paying royalties. This legal shield allowed our local industry to thrive.



The Change Coming in 2026

However, with Bangladesh's graduation from LDC status officially set for November 24, 2026, the rules are about to shift dramatically. While there are active discussions that the LDC graduation might not happen this year as we are officially asking for a three-year grace period, we still need to aggressively prepare ourselves from now to tackle the incoming challenges.

The era of generic production is reaching its final chapter, and the industry must now prepare for a world governed by strict Intellectual Property Rights (IPR). In plain terms:

- Local firms will no longer be able to produce patented medicines without a license or royalty agreement.
- Regulatory agencies may need to protect clinical trial data submitted by originators, slowing generic entry.
- Export access to other LDCs may narrow, which is currently a key market.

The risk is real. Once we enter this new regime, if a global company patents a breakthrough treatment for a disease like cancer or a new viral strain, Bangladeshi manufacturers will have to wait for the patent to expire, which is often twenty years, or pay significant royalties. For a nation where

73% of health spending comes directly out of the pockets of citizens, these added costs could have profound social impacts. Industry experts warn that while older generics may remain cheap, the newest, life-saving medicines could become significantly more expensive. Drug prices could rise. Some products may become legally off-limits. And companies that have not prepared could face disruption at the worst possible time.

An authentic example of this challenge can be seen in the production of modern treatments like insulin or advanced oral anticoagulants. Currently, local firms can manufacture these for a fraction of their global price. Post-graduation, if a company wants to launch a generic version of a newly patented drug, the Bangladesh Patent Act 2023 limits royalties to 4% of local sales revenue to keep prices somewhat manageable. While this is a helpful safeguard, the real challenge lies in the potential 6.9% decline in export earnings as the industry loses the WTO export subsidies it currently enjoys



But there is a Path Forward

To turn this threat into an opportunity, the industry is looking toward "backward integration." Currently, Bangladesh imports roughly 95% of its Active Pharmaceutical Ingredients (APIs)—the raw materials of medicine—mostly from China and India. The API Industrial Park in Munshiganj is the key to our survival. By producing these raw materials locally, firms can lower their production costs to offset the new patent fees they will eventually have to pay. Furthermore, there is a push to increase Research and Development (R&D) spending, which currently averages only 3.4% of total annual expenditure among local firms.

Moreover, TRIPS compliance does not mean losing everything. The agreement contains flexibilities that Bangladesh must use strategically:

Compulsory licensing — the government can still issue licenses for domestic production during health crises or public emergencies, without a patent holder's consent.

Patent landscaping — many drugs appear patented but are not protected in Bangladesh, either because no patent was filed here or it has expired. Systematic review can reveal a wide space of safe generics.

Voluntary licensing via the Medicines Patent Pool — global originators are increasingly willing to license manufacturing to quality producers in the developing world. Bangladesh's WHO-GMP certified firms are well positioned.

Investment in innovation — companies that file their own patents on novel formulations and processes are no longer just rule-takers. They become players.



What the Sector Must Embark On

Conduct IP audits across product portfolios — know what is at risk.

Engage legal experts on freedom-to-operate analysis for key export markets.

Open licensing talks with multinational originators before the deadline.

Invest in R&D, regulatory accreditation (US FDA, EMA), and innovation capacity.

Ensure FTA negotiations do not accept "TRIPS-plus" terms that strip away even the flexibilities TRIPS allows.

FBCCI's Role

The FBCCI stands at the center of this transition — not as a spectator, but as a driver. As the apex body of Bangladesh's private sector, it must champion the policies that give industry the room to adapt: pushing for domestic patent office reform, ensuring that trade negotiators understand what is non-negotiable, and holding the line against TRIPS-plus obligations in any free trade agreement. Crucially, FBCCI must act as the primary bridge between industry innovators and state actors.

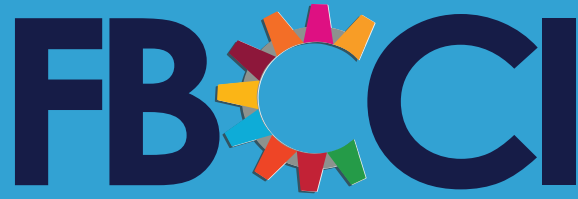
To elevate the industry's modest 3.4% R&D spending, our apex body can facilitate structured industry-academia partnerships, aligning university research pipelines with commercial pharmaceutical needs.

Furthermore, FBCCI can spearhead the establishment of specialized Intellectual Property (IP) cells within pharmaceutical chambers. These cells would provide the technical and legal expertise required for systematic patent landscaping, empowering local firms to confidently identify and exploit the vast landscape of safe generics.

Conclusion

Bangladesh's pharmaceutical industry was built on vision, hard work, and the smart use of every advantage the rules allowed. Infact TRIPS waiver was an advantage to our pharma sector but its end does not signal decline. It is true that the waiver may be ending in the coming years but it does not and should not be an exhaustion of our contribution.

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