

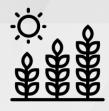




Bangladesh-Japan Investment Opportunities



Bangladesh is globally a model of inclusive development



Self-sufficient in food production



2nd largest vegetable producer



2nd largest pool of IT workers



100% electricity coverage



Extreme poverty down to 10.5%



MAC Population 35 million



3rd largest fish producer



3rd largest apparel makers



Smallest gender pay gap in South Asia



Disaster Management champion

Growth supplemented by macroeconomic stability

S&P Global Ratings

Rating: **BB-**

Stable rating for **11** years

Outlook: Stable



External debt to GDP **13.62%**



Forex Reserve
39 Billion USD
>6 months import cover



Inflation 6.33% (July 2022)



Export Earning: 52 Billion USD Import & Export: 89 Billion USD

FY 2021-2022



Growth has been remarkably resilient

Infrastructure



\$608 Bn Investment required till 2040
Accelerated infrastructure investment through private and public investment.

Demographic Dividend



A young population with 60% of total population (163 M) in the working age group

Density Dividend



1,265 people per sq km in a flat terrain is beneficial for distribution and logistics

Consumer spending



34 M medium & affluent (MAC) population by 2025. Domestic consumption growing >6% p.a.

Accelerated urbanisation



38% Urban Population Growing at **3.1%** every year, 3x faster than overall population growth

Digital connectivity



106% cellphone penetration68% internet penetration62% mobile wallet adoption

Growth of Services



Service sector **grew by nearly 90%** in past five years to reach \$
218 billion, nearly 54% of GDP.
Service export growing at an annual rate of **10.59%**

Growth of Industries



Secondary sector to grow faster than GDP at 13% rate. Constructing 101 Special Economic Zones and 12 High Tech Parks to support manufacturing and ICT sector

Sustainability



Greater focus on climate change, clean & renewable energy, sustainable agriculture, human development

Expanding infrastructure for business operation



101 Economic Zones & 39 Hi-Tech Parks



Deep Sea Port with 16 meter draft



New Terminal at Dhaka airport



Padma Bridge links south districts



20 km Metro Rail in Dhaka



Bus Rapid Transit in Dhaka

IPAs provide end-to-end support to all investors

"We are committed to providing all policy support, including infrastructure, to create an investment-friendly environment."





BIDA: Apex IPA under Prime Minister's Office





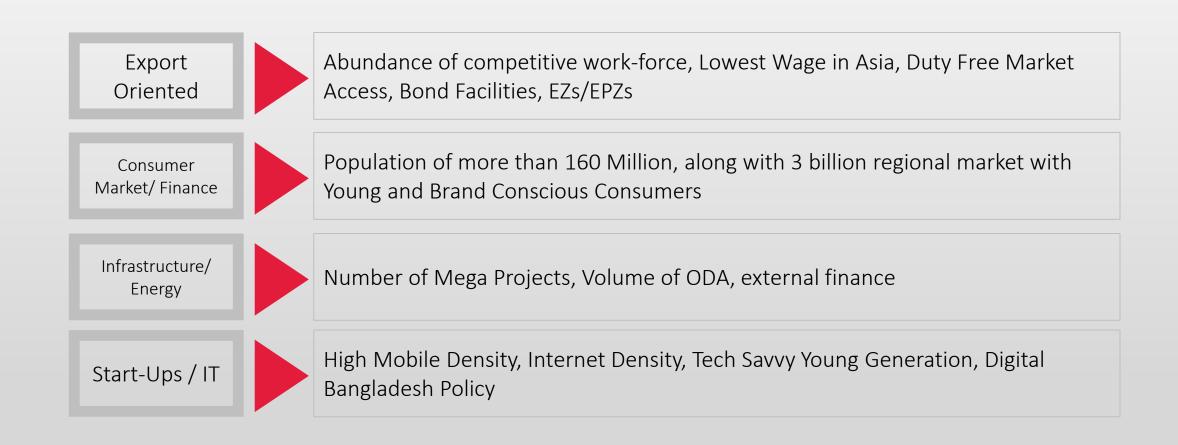
BEZA: Economic Zones BEPZA: Export Processing Zones





BHTPA: Hi-tech Industrial Parks PPP Authority: PPP Projects

Competitive Edge of Bangladesh in Investment Segments



Opportunities Unbounded (1/3)

Infrastructure		Manufacturing
Communication, Energy, Power, Ports, Economic Zones		Competitive manufacturing supporting global value chains
Competitiv	ve Services	Skills
IT & ITES, BPOs Logistics, Health		Education, Training, HR development
All Modes of Investments	100% FDIJoint VenturesPartnershipsPPPs	 Non-equity modes (Technology transfer, licensing Franchising, Contracting etc.) Foreign Lending

Opportunities Unbounded (2/3) Sectors Open for FDI

	Energy & Infrastructure	PowerPorts and LogisticsEconomic Zones	Oil and gasTourismTransport Infrastructure
(((2)))	ICT & Electronics	ICT and ITESComputer software & ICT	ElectronicsLight engineering incl. automobiles
	Textile & Clothing	Home TextilesTextiles industry	Readymade garments industryHigh value added RMG
##56	Agribusiness & Food processing	 Agro-based/processing Jute & Jute goods Flower cultivation Commercial plantation 	 Silkworm & Silk Industry Furniture & Handicrafts Integrated shrimp cultivation Frozen Food & Horticulture
	Pharma & Chemicals	PharmaceuticalsHerbal medicinesPlastics & Ceramics	Leather & leather goodsTextile Dye & chemicalsBasic chemicals
	Healthcare & Others	Health careFootwear	 Jewelry and diamond cutting polishing Cosmetics and toiletries

Reserved Sectors: Arms & ammunitions, Nuclear Power, security printing and minting, afforestation and mechanize extraction within the boundary of reserved forest

FDI prioritised for accelerating economic growth

Investor protection

Fiscal Incentives (taxes)

Fiscal Incentives (Subsidies)

Non-fiscal support

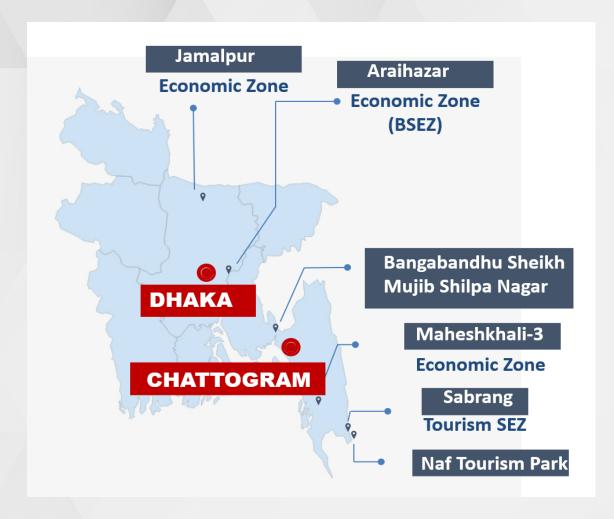
- Unrestricted entry and exit
- Secured by law against nationalisation
- ✓ Full repatriation of invested capital/profit/dividend
- ✓ 100% foreign equity allowed

- Reduced income tax for 5-10 years for designated sectors, or up to 10 Years for investment in economic zones
- Tax Exemption on export income and interest paid for foreign loan
- Reduced Import Duty
- Bonded Warehouse
 License for exportoriented industries

- Cash incentive for export oriented industries
- Export development fund
- Streamlined work permit approval process for skilled employment
- Prompt immigration

BIT with 33 countries DTT with 35 countries including Japan

Economic Zones (EZs)



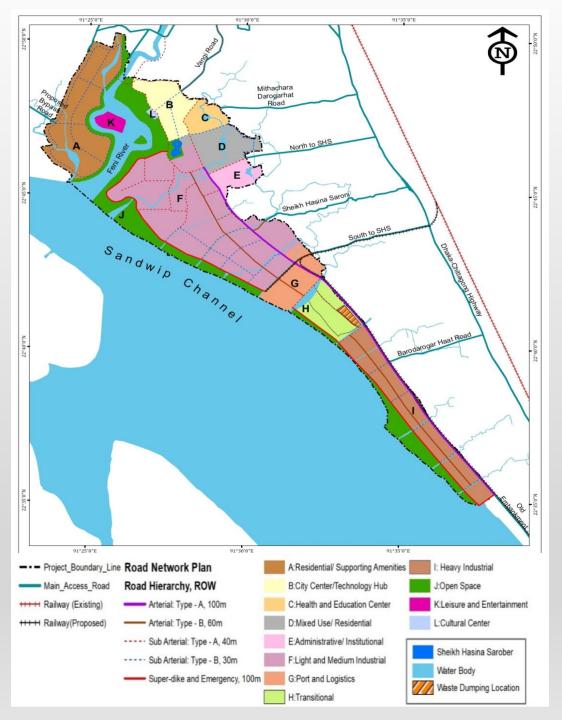
68 Government & 29 Private EZ, 4 G2G and 2 PPP EZ

- Tax Exemption 100% off: 1st 3 years
- 80%-20% off: 4th 10th year
- Tax Exemption on
 - Dividends during exemption period
 - Capital gains for 10 years
 - Royalties and Technical Assistance fees
 - Salaries of expatriates for 3 years
- VAT exemption on Electricity, Gas and Water
- Import Tariff Exemption and Duty Drawback facilities on import of Machinery, Equipment, Construction Materials and Raw Materials
- Medium/ Long Term Foreign Borrowing facilities
- Operation of **F/C Accounts**
- Bonded Warehouse facilities

Bangabandhu Sheikh Mujib Shilpa Nagar

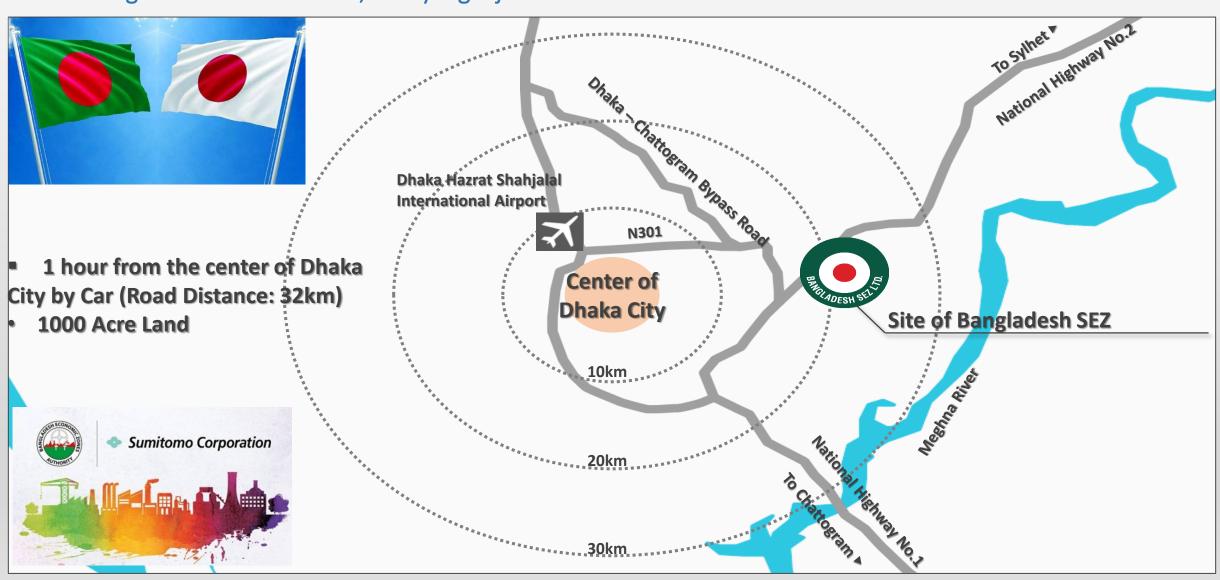
Master Plan

Precinct	Name	Size in Acres	Size in %
Α	Residential/Supporting Amenities	4606.57	13.63
В	City Centre/Technology Hub	1682.91	4.98
С	Health and Education Centre	837.35	2.48
D	Mixed Use/Residential	1778.59	5.26
Е	Administrative/Institutional	880.68	2.61
F	Light and Medium Industrial	10043.12	29.71
G	Port and Logistics	1802.29	5.33
Н	Transitional	1778.75	5.26
1	Heavy Industrial	3956.35	11.70
J	Open Space	6030.42	17.84
K	Leisure and Entertainment	350.89	1.04
L	Cultural Center	56.85	0.17
	Total Area	33804.76	100.00



Japanese Economic Zone (G2G)

Bangladesh SEZ -Araihazar, Narayanganj















Project Clearance

Land **Allotment**

Visa **Assistance**

Visa Recommendation **Export Permit**













Local Sales Permit

Local Purchase Permit

Permit

Sample Export Permit

Import Permit



OSS Portal



Land Use Plan



Trade License



Work **Permit**

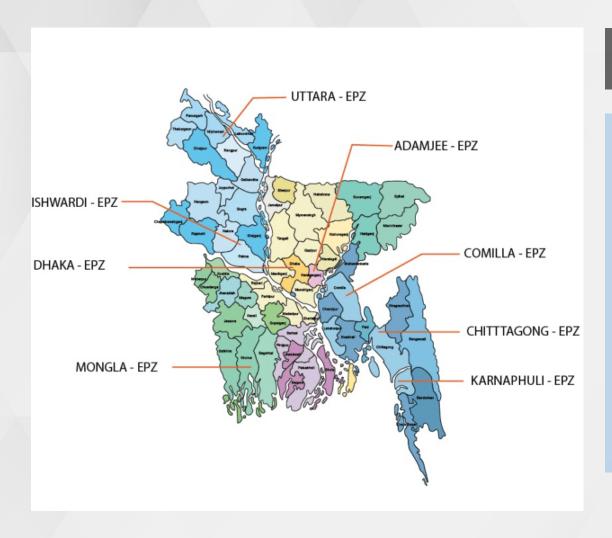


Commercial Operation



Environmental Clearance

Export Processing Zones (EPZs)



8 Export Processing Zones in operation 3 more under underway

- **Tax Exemption** between 5-7 years depending on geographic location
- Tax Exemption on Dividends during exemption period
- Import Tariff Exemption and Duty Drawback facilities on import of Capital Machinery, Equipment, Construction
 Materials and Raw Materials
- Medium/ Long Term Foreign Borrowing facilities
- Operation of F/C Accounts
- Bonded Warehouse facilties

Type of Investment & Number of Industries



Types of Enterprises	Category	Enterprises in Operation	Under Implementation	Total	%
Foreign Ownership(100%)	Α	266	45	311	54%
Joint Venture	В	60	14	74	13%
Local Venture (100%)	С	142	45	187	33%
Total	-	468	107	572	100%

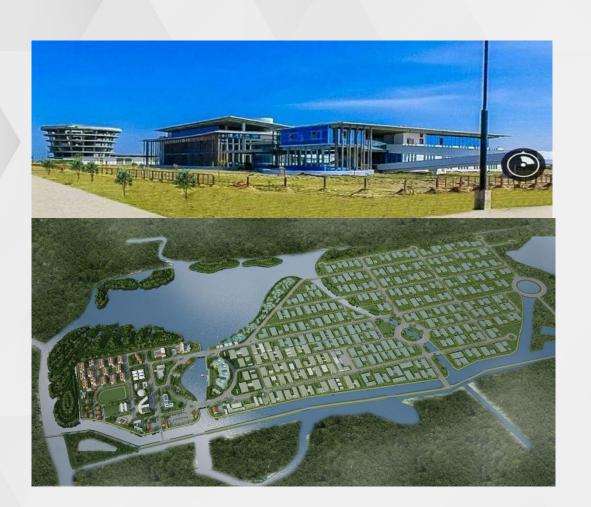
Product Wise Enterprise



SI	Product	Enterprise (Nos.)
1	Garments	136
2	Garment Accessories	91
3	Textile	36
4	Knitting & other Textile Products	28
5	Footwear & Leather goods	27
6	Electronics & Electrical goods	20
9	Tent	14
10	Plastic goods	13
7	Terry towel	9
8	Metal Products	9
11	Agro Products	8
12	Chemical	8

SI	Product	Enterprise (Nos.)
13	Service Oriented Industries	7
14	Caps	6
15	Furniture	4
16	Paper Products	3
17	Bags & Luggage	2
18	Toys	2
19	Power Industry	2
20	Ropes	2
21	Sports goods	1
22	Fishing Reel & Golf Equipment	1
23	Miscellaneous (Comb, Brush, Bracelet, Cosmetic Bag, Medal etc)	44

Hi-Tech Parks:



3 Hi-Tech Parks ready for investors Over 90 hi-tech, software park and incubation centers underway

- Tax Exemption upto 12 years for developers and 10 years for investors
- Tax Exemption on
 - Dividends during exemption period
 - Capital gains for 10 years
 - Royalties and Technical Assistance fees
 - Salaries of expatriates for 3 years
- VAT exemption on goods produced
- Import Tariff Exemption on import of machinery and construction
- Medium/ Long Term Foreign Borrowing facilities
- Operation of F/C Accounts
- Bonded Warehouse facilties

Prospective sectors for investors:





Agribusiness: Achieving Next Level Growth

- Agribusiness market US\$ 6 billion, will be US\$ 8 billion by 2023.
- Agro-processing market US\$ 3.5 billion, growing 8%.
- Jute market US\$ 1.2 billion growth rate 6.5%.
- Seed market, US\$ 500 million, growing at 6%.
- Farm mechanization market US\$1.35 billion (machines/spare parts/services); 50%-70% subsidy is available.
- Top countries with FDI stock in Agribusiness: Thailand (160 Mn), Singapore (68.96 Mn) and UK (67.08 Mn)
- 50% of income derived from export is exempted from tax
- 15-100% tax exemption depending on crops
- 5-20% export subsidies/cash incentives



























IT & ITeS: Building Smart Bangladesh

- fastest growing digital economies,
- 50% smartphone penetration; market share of locally-manufactured smartphones to cross 80% in 2022.
- 109 million registered MFS clients.
- 4th in affordable internet service in South Asia and 18th globally. 5th in terms of internet usage in Asia.
- Bangladesh has 700,000 online workers, 2nd largest pool 16% of the world's share
- IT/ITeS market size is \$200 million (domestic) and \$800 million (export) employing 125,000 in BPO, Software manufacturing and E-commerce etc. IT/ITeS market set to double in next 5 years.
- E-commerce market will reach US\$ 5 billion by 2023.
- Daily product deliveries amount to 1.6 million -- 5 times higher than before
- By 2028, 92 Hi-Tech Park, Software Park and IT training and incubation centers will be in place

Fiscal incentives

- Tax holiday for software development, telecommunication transmission, ITeS until 30th June 2024
- 10-year tax holiday for producers of computer hardware (if COD before 30 Jun 2030)
- 5-10 year tax exempt for automation and robotics design/Nanotechnology (if COD before June 30, 2024)

Export/cash incentives

10% export subsidy is available for the export of Software, ITeS, and hardware.



RMG & Textile: Weave the Way Forward

- world's 2nd largest RMG exporter, exporting worth US\$ 31 billion to 167 countries.
- Highest number of green factories, with 150 LEED-certified factories and another 500 in pipeline for certification.
- Sale all over the world including US, Germany, UK, Japan, Spain, France, rtc.
- 3500 Active Clothing Factories, 433 Yarn Manufacturing Mills, 827 Fabric Manufacturing Mills, 251 Dyeing-Printing-Finishing Mills.
- 99% accessories are sourced locally.
- We need Investments in man made fibers, high-end products, design development, innovation and end-to-end digital manufacturing and recycling. Also in backward linkage industries

Incentives

- Green building certification RMG will pay 10% income tax.
- Get 2% with existing 4% cash incentives, for exporting RMG products to Eurozone.
- RMG manufacturers get additional 1% special cash incentive for exporting their products.



Health services: Affordable Wellbeing

- estimated at USD 10 billion, expected to grow to USD 14 billion by 2023.
- 100 medical colleges with enrolment capacity of over 10,000.
- We spend \$3.5 billion annually to access quality health services in India, Malaysia, Thailand and Singapore.
- 10-year corporate tax exemption for general & specialized hospitals established outside Dhaka, Narayanganj, Gazipur & Chattogram

Medical devices: Affordable Wellbeing

• Domestic market is valued at USD 442 million in June 2020 and will reach USD 820 million in 2025, growing at a CAGR of 13%.

Health & Medical devices: *Incentives*

- 10-year tax exemption for:
 - ✓ General & specialized hospitals outside major cities
 - ✓ Institutes providing technical training to healthcare-related skills development
- 50% tax exemption for income derived from export
- No VAT imposition on export of goods
- 10% cash incentive on export value



Automobile & parts:

- Domestic market size: \$14 billion. Average growth of 21% in last 5 years
- SUV sales growing at 28% per annum
- Commercial vehicle market size \$7.2 billion
- Share of hybrid vehicles rose from 15% to 30% between 2017 and 2019
- Low penetration ratio: 2.5 passenger cars for every 1,000 people
- 53,000 four-wheelers registered in 2021
- Bangladesh's automotive parts market is 95% import-dependent
- Market size is at USD 160 million with an annual growth rate of 10% to 12%
- High potential for EV cars
- Potential items are engine, alternator, radiator, air conditioner, suspension, brake pads, spoiler, rim, tyre, trim package, body components etc.

Automobile/automobile parts components manufacturing entities that are established between July 1, 2019 and June 30, 2024 are eligible for phased or partial tax exemption for 5 to 10 years depending on the location of their businesses.

Conditions: Paid-up capital of not less than BDT 2 million on the date of beginning of commercial production

Bangladesh Investment Climate Improvement Program (BICIP):

ensuring reform in process and service delivery

In continuation of **EODB** reforms, **BICIP** – a home grown, organic model is developed to ensure reform in process and service delivery:

Goals:

- consistent with socio-economic situation of Bangladesh;
- aligned with the vision 2041.
- compatible with MIC status and post-LDC status
- will cover whole country
- 50 reforms in first 50 weeks; 100 reforms in first 3 years.
- minimum 10% increase in investment registrations every year.
- 1. Business Entry, Exit, and Technology Adoption
- 2. Industrial Infrastructure and Logistics
- 3. Cross Border Trade and Business

Indicators:

- 4. Commercial Dispute Resolution and Labor Regulations
- 5. Tax Regime
- 6. Financial and Non-financial incentives
- 7. Access to Finance





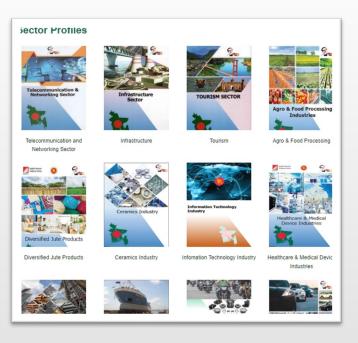


BIDA supports the entry and growth of businesses

	Promotional activities		Facilitation services
•	First 'point of contact' guidance on starting business in Bangladesh	•	Registration of new industries
•	Responding to investment-related queries	•	Facilitation for getting work permission
•	Investment guidance and advice in sectors	•	Support for importing machineries and raw materials
•	Facilitating potential foreign investors to match with local investors	•	Support for obtaining external financing
•	Organize visits, meetings with various govt. and private offices	•	Facilitation of setting up commercial offices
•	Support in forming statutes policies and regulations	•	Addressees Issues relating to individual companies on their smooth operation

Promotional activities: Publications: handbook, Sector profiles:

- BIDA Handbook
- Investment guide for Bangladesh
- 27 Sector profiles for investors guidance
- FAQ for the investors
- Study investment strategy in Covid 19 and survey
- Taxation for investors and exit strategy for foreign investors
- Communication strategy
- Detailed sector report on the Medical Sector











Roadmap to Investment in Bangladesh

Setting up of Industry

- Opening a Bank Account
- Company Formation and incorporation
- Trade License from Local Govt. Bodies
- Obtain TIN, VAT Certificate from NBR
- Land purchase or lease
- Application for BIDA Registration
- Import of Machinery Open Letter of Credit (LC) or as Equity Investment
- Industrial ad-hoc IRC from CCI&E being recommended by BIDA for raw material and spare parts
- DOE Clearance
- License from Department of explosives

Setting up of Commercial Offices

- Submit application for approval to bida.fov.bd
- Obtain TIN, VAT Certificate from NBR
- Opening a Bank Account

Documentation Required

- Company's decision for opening of office in Bangladesh
- Proposed organogram of the office
- Detail activities of the principal company & activities to be performed in Bangladesh
- Name and nationality of the Directors/owners of the principal company
- Memorandum and Articles of Association of the principal company
- Certificate of Incorporation
- Audited Accounts of the last financial year of the principal company

23 Incorporated companies

Public limited company



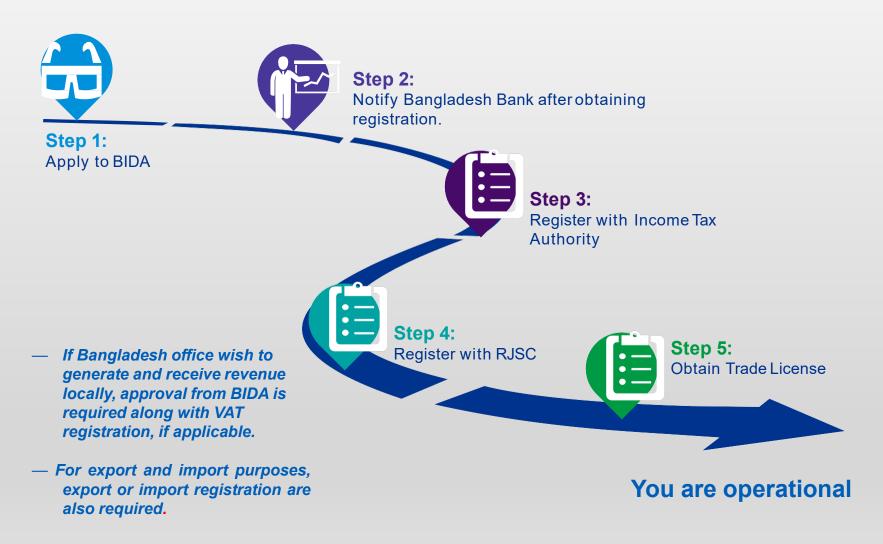
- The minimum number of members of a Public Limited Company is minimum (using minimum in the beginning sounds better) 7 and the maximum number is limited by share according to share capital described in Memorandum of Association. The liability of a member is limited by his/her share capital.
- The special significance of a Public Limited Company is that such a company is permitted to offer shares and securities to the public. The shares of this company can be transferred without any restriction.
- Public Limited Companies are regulated by the Bangladesh Securities and Exchange Commission (BSEC).

Private limited company



- The number of members of a Private Limited Company is limited and this limit is minimum 2 and maximum 50. The liability of a member is limited by his/her share capital.
- It cannot invite the public to subscribe for its shares or debentures. The liabilities of the members is limited by their share capital.
- Private Limited Companies are not primarily regulated by the BSEC, but certain regulations of BSEC still apply.

Steps to setting up a registered office



2Steps for incorporating a company



Contactless and e-payment enabled online G2B services

Optimizing G2G and G2B services through automation, integration, and re-engineering of processes



- BIDA hosts country's online One Stop Service (OSS)
- 58 time-bound investor services available currently
- BIDA is working to integrate all investor services
- BIDA's Foreign Industry Wing processed 100% of applications within SLA







BIDA is driving digitization of investor services across the government

41 services by 11 a	gencies on One Stop S	ervice (OSS) 👍 https://bio	daquickserv.org/
1) Visa Recommendation (New)	13) Project Registration (New)	25) Site Clearance (Orange A)	37) TOR Approval
2) Visa Recommendation (Amendment)	14) Remittance Services (New)	26) Site Clearance (Orange B)	38) ZERO Discharge Approval
3) Visa On arrival	15) 1st Ad-hoc IRC	27) Site Clearance (RED)	39) Import Registration Certificate (IRC)
4) Visa On arrival (Amendment)	16) Name Clearance	28) Environment Clearance (Green)	40) New Electricity Connection
5) Work Permit (New)	17) Company Registration (Local)	29) Environment Clearance (Orange A)	41) New Electricity Connection
6) Work Permit (Extension)	18) Brach Office/ Liaison Office	30) Environment Clearance (Orange B)	
7) Work Permit (Amendment)	19) e-TIN (Company)	31) Environment Clearance (RED)	
8) Work Permit (Cancellation)	20) Online Payment	32) Environment Clearance Renewal (Green)	154 business-related services of more than 40
9) Office Permission (New)	21) NID Verification	33) Environment Clearance Renewal (Orange A)	agencies and working to provide all those services
10) Office Permission (Extension)	22) Security Clearance Issuance	34) Environment Clearance Renewal (Orange B)	from the OSS portal.
11) Office Permission (Cancellation)	23) Land Use Clearance	35) Environment Clearance Renewal (RED)	
12) Office Permission (Amendment)	24) Site Clearance (Green)	36) EIA Approval	

One Stop Service (OSS): Online Service Delivery: 24X7 (since 2019)

Agency	Services	No of services given
BIDA	Registration, Office Permission, IRC, Visa, Recommendation, Work Permit issue	78097
Security Services Division	Security Clearance	17230
National Board of Revenue	TIN Registration,	85
Registrar of Joint Stock Companies and Firms	Name Clearance, Company Registration	53
CCI&E	IRC	22
Dhaka North City Corporation	Trade License	5
Dhaka South City Corporation	Trade License	6
Chattogram City Corporation	Trade License	1
Chattogram Development Authority	Trade License	3
Department of Environment	Environmental Clearance Certificate	Bangladesh Investment

Japan Bangladesh relations



Investment relations of Japan with Bangladesh

- 50 years of diplomatic relationship
- Bangladesh Japan Bilateral Investment Treaty was signed in 10th November 1998 and ratified on 25th August 1999
- Bangladesh Japan Agreement on Double Taxation Treaty signed on February 28, 1991
- 340 investment Projects amounting 1727.965 million USD from Japan are registered with BIDA.

Investment trends from Japan (in Million USD)

Year	FDI Inflow	FDI Stock
2011	46.55	445.86
2012	30.08	392.40
2013	94.37	342.77
2014	96.30	327.69
2015	45.37	332.74
2016	48.26	318.69
2017	30.93	326.62
2018	58.40	369.40
2019	72.33	384.76
2020	35.06	418.16
2021	91.05	487.37

FDI Stock of Japan in Bangladesh Dec, 2021

(In million USD)

Sector	Value
Gas & Petroleum	26.09
Textile and Wearing	51.77
Banking	2.22
Telecommunication	0.00
Power	26.66
Food	6.88
Trading	15.42
Agriculture and Fishing	-1.61
Metal & Machinery Products	4.44
Insurance	13.70
Leather & Leather Products	11.69
Chemicals and Pharmaceuticals	12.05
Construction	58.54
Other Sector	263.96
Total FDI Stock	487.37

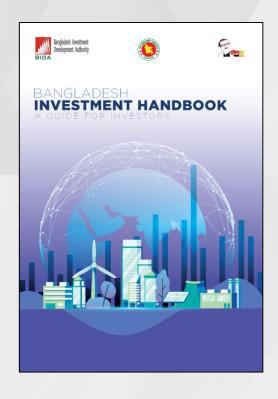
Japan Registered Investment in BIDA

Share-Equity wise Joint venture/100% Foreign Investment Projects Registered with Bangladesh Investment Development
Authority upto December-2020

JAPAN	No. of Unit	Proposed Investment (TK.	Proposed Investment (USD	Proposed Employment
		In million)	In million)	
100% Foreign Investment	49	6,015.359	103.243	9,077
Joint venture Investment	269	67,050.585	1,328.995	52,585
TOTAL	318	73,065.944	1,432.238	61,662

Sector wise Joint venture/100% Foreign Investment Projects Registered with Bangladesh Investment Development Authority upto December-2020

Name of the Sector	No. of Unit	Proposed Investment (TK.	Proposed Investment (USD	Proposed Employment
		In million)	In million)	
Agro-Based	27	2701.642	45.802	20199
Food And Allied	19	691.522	10.257	972
Textile	63	10670.576	225.034	12695
Printing, Publishing & Packaging	4	359.700	5.111	256
Tannery & Leather Products	19	667.814	10.884	2304
Chemical	26	27704.335	614.466	6073
Glass & Ceramics	1	36.940	0.642	50
Engineering	61	10603.916	176.013	5665
Service	96	19561.607	343.154	13301
Misc	2	67.892	0.875	147
ТОТА	L 318	73,065.944	1432.238	61,662





Bangladesh Investment Handbook

https://www.bida.gov.bd/publications

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