

# haison

INVESTOR ADVISORY & MANAGEMENT SERVICES



**BANGLADESH: A NEW HORIZON FOR  
JAPANESE INVESTMENTS**

# BANGLADESH: THE NEXT GREAT JAPANESE INVESTOR DESTINATION

160 million population – 7<sup>th</sup> largest country

- Ethnically & Religiously Homogenous
- Highest Population density = 144,000 sq km

■Recently Lower Middle Income Country (MIC)

- Per capita income - US\$ 1314
- 6+% GDP last 5 years
- MIC = 20121

■High-growth Middle-class Consumer Market

Large, High-quality, young, cost-competitive Workforce

- 75million - 8<sup>th</sup> largest workforce
- 2m youth enter yearly





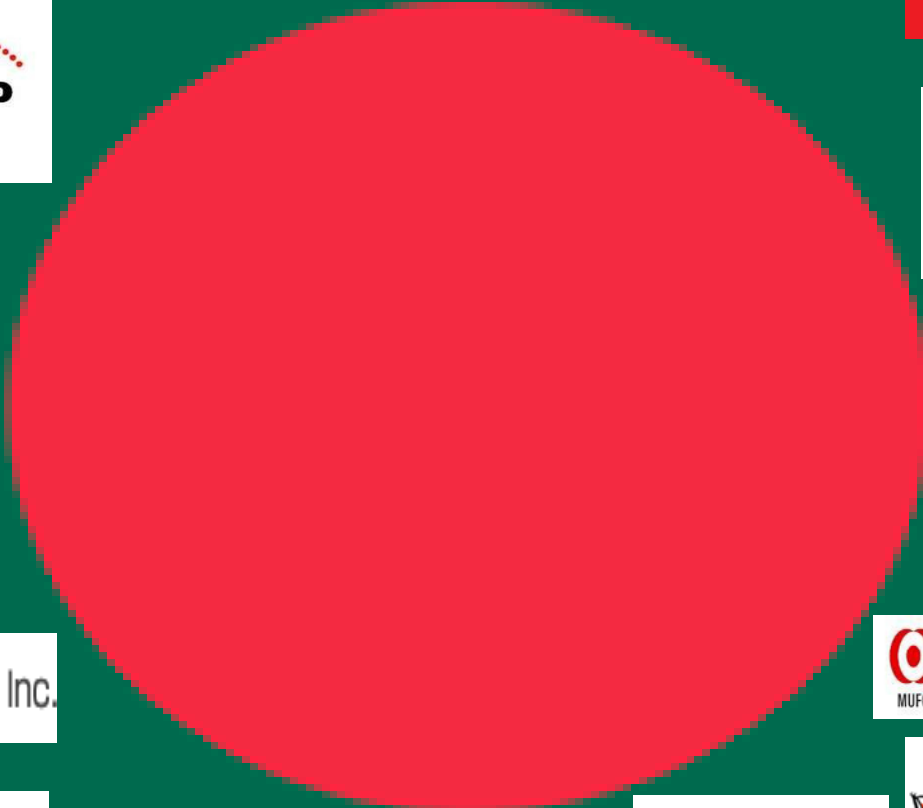
# JAPANESE INVESTMENT IN BANGLADESH: PRESENT & FUTURE



**Marubeni**  
Power Systems



**UNI  
QLO**



# BANGLADESH: A SUNRISE INVESTMENT MARKET

- Land & Sea Economic Corridor / Gateway to South Asia and ASEAN Markets
  - South Asia – 1.6 billion
  - China – 1.2 billion
  - ASEAN – 608 million
- US\$ 9 Billion Japanese Investment
- Goldman Sachs – ‘Next 11’ after BRICS
- JP MORGAN – ‘Frontier 5’ Market
- Apparel Industry growth -- McKinsey report
  - 2015: US\$ 30 billion
  - 2021: US\$ 50 billion
- South Asian Regional Connectivity / Transit



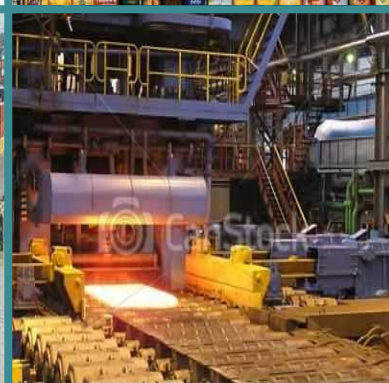
Goldman Sachs

JPMorgan

McKinsey & Company

# INVESTMENT GROWTH SECTORS

- APPAREL
- FOOTWEAR
- AGRO-FOODS / AGRO-PROCESSING
- FMCG
- ENERGY
- ROADS & HIGHWAYS
- PORTS & LOGISTICS
- STEEL



# KEY CHANGES TO BANGLADESH'S PRO-INVESTOR POLICY

- **Corporate Tax lowered to 35%** (from 37.5%)
- **Tax on listed Companies lowered to 35%** (from 37.5%)
- **Special Economic Zones (SEZ) Policy**
  - Earmarked 19 SEZ across country
  - 2 Japanese SEZs
  - 1 private SEZ for Apparel industry
- **Both Governments favor Japanese 'China +1' Investment Policy in Bangladesh**
- **BOI - online Investor services**
- **Investor Service procedure simplification**



# STARTING-UP YOUR BUSINESS IN BANGLADESH

## ▪ DIFFERENT MODES OF DOING BUSINESS

- Incorporate new /subsidiary
- Branch/Liaison/Representative office

## ▪ COMPARISON OF DIFFERENT MODES OF BUSINESS

## ▪ COMPANY INCORPORATION (Registration w/ RJSC)

## ▪ POST INCORPORATION COMPLIANCES

- Trade License
- TIN Certificate

## ▪ BOARD OF INVESTMENT(BOI) REGISTRATION

### POST OPERATIONAL FORMALITIES

- VAT Registration Certificate
- Membership of Trade Association
- Gas/Electricity/Telephone/Water & Sewerage Connection
- Obtain IRC,ERC and IP
- Export Requirement
- Bonded Ware House License
- Environment Clearance Certificate
- Fire License



# STARTING-UP YOUR BUSINESS IN BANGLADESH

## ▪ BRANCH/LIAISON/REPRESENTATIVE OFFICE PERMISSION

- Work Permit for Expatriate Staff
  - ❖ Work Permit for Industrial Project
  - ❖ Work Permit for Commercial enterprise

## ▪ VISA FOR THE EXPATRIATE STAFF

### Types of visa related to business.

- PI visa
- E visa
- EI visa
- B visa

## ▪ Visa Recommendation

## ▪ Visa on Arrival

## ▪ Important Issues Related to Visa





# BANKING & CAPITAL TRANSFER

- Opening of Bank Account by a Foreign Investor
- Bringing Cash by a Foreign Investor
- Transfer of Capital and Capital Gain
- Remittance of Royalty, Technical Know-how and other Technical Assistance Fee
- Transferring Profit & Dividend Accruing to Foreign Investor
- Repatriation of Savings, Retirement Benefits and Salary of Foreigners Employed in Bangladesh
- Remittance of Proceeds from Liquidation of Industrial Undertaking

## BORROWING FROM BANKS/FINANCIAL INSTITUTIONS

- Borrowing from Local Source
- Borrowing from Abroad



# PRO-INVESTOR TAX INCENTIVES

## INVESTOR TAX FACILITIES

- Eligible Sectors for Tax Holiday
- Tax Exemption on newly established industrial undertakings
- Tax Exemption for newly established physical infrastructure Facilities
- Tax Exemption for Investment in Power Sector
- Eligible Infrastructure Sectors for Tax Holiday
- Double Taxation Agreement with Japan



# LABOR LAWS

## ▪ 47 LABOR LAWS IN FORCE

## ▪ MAJOR LABOR LAWS:

- Worker's Compensation Act
- Payment of Wage Act.
- Maternity Benefit Acts.
- Employment of Labor
- Shops and Establishment Act
- Factories Act.
- Industrial Relations Ordinance

## ▪ EMPLOYMENT CONDITIONS

## ▪ SETTLEMENT OF LABOR DISPUTES

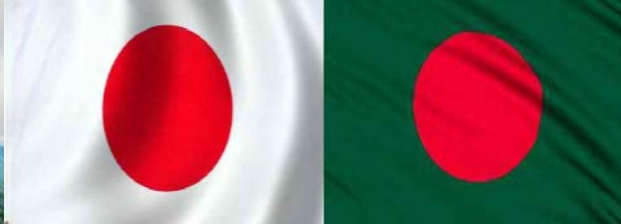
## ▪ LABOR UNIONS

## ▪ INVESTMENT IN EPZ

## JAPAN INVESTMENT ADVISORY CONSORTIUM

- JETRO + Embassy of Japan, Bangladesh
- Assistance & guidance to existing & prospective Japanese Investors
- Includes senior investment specialists, legal experts, tax consultant and accountant.





Thank  
You

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