



Bangladesh

The Best Kept Secret in Asia

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Economic indicators of the past decade suggest growth for the country



164_{Mn}

Population
2019

27.9

Median Age
2019

U\$1,855

GDP Per Capita
2019

U\$299_{Bn}

GDP
FY 2018-19

~6.5%

GDP Growth Rate
Average (2010-19)

U\$3.61_{Bn}

FDI
Average (2010-19)

U\$33.6_{Bn}

Total Exports
FY 2019-20

U\$27_{Bn}

RMG Exports
FY 2019-20

~ 6%

Inflation
FY 2019-20

40_{Bn}

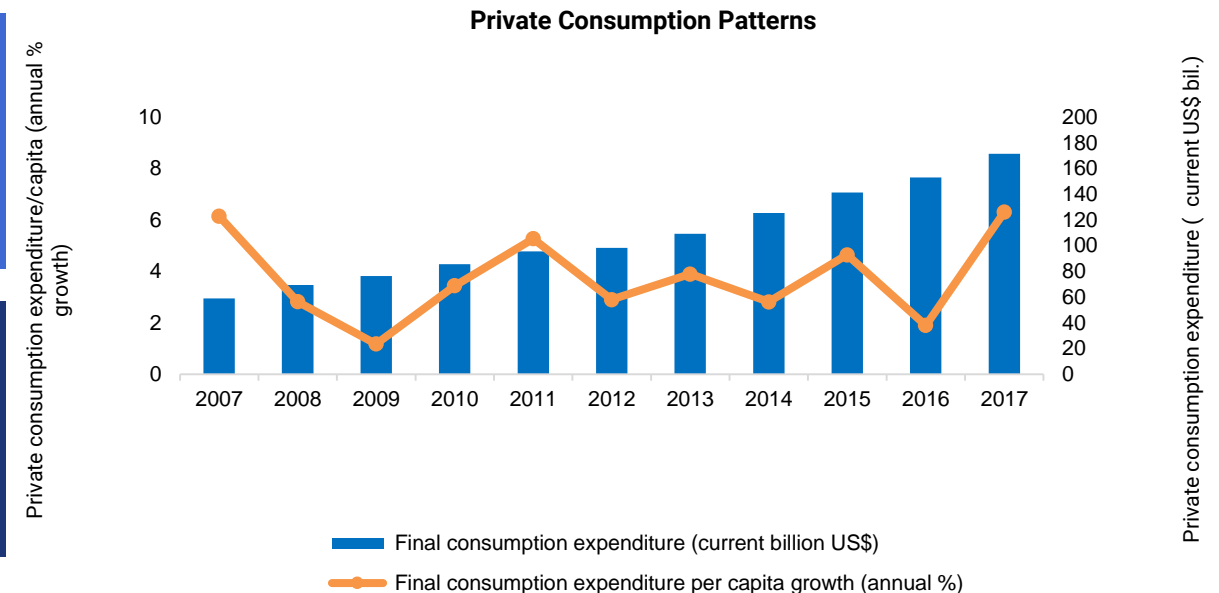
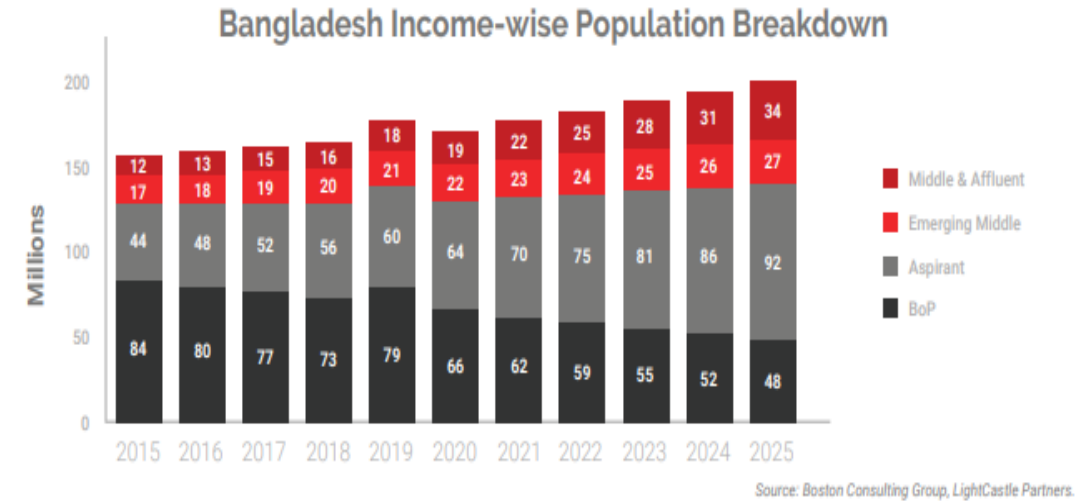
FX Reserve October
2020

36%

Debt to GDP ratio
2018-19

94_{Mn}

Mobile Internet Users
May 2020

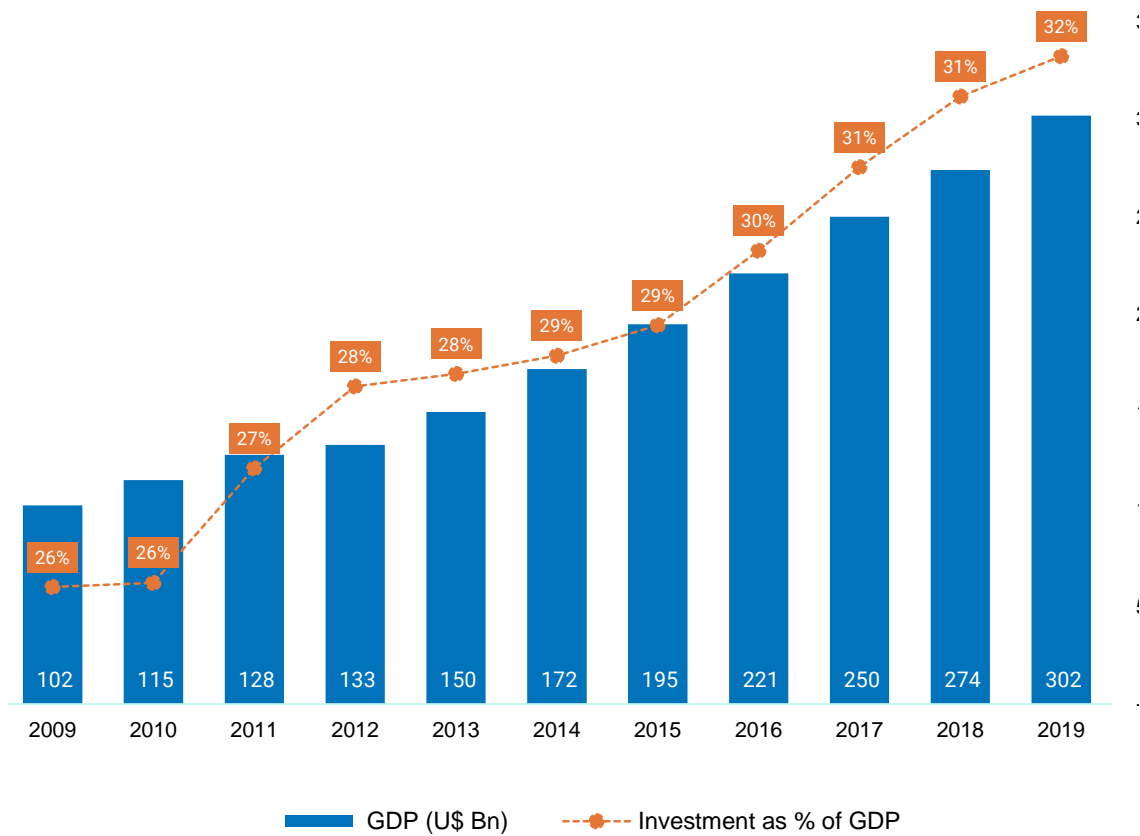


Investment in the country has grown ~4X over the last decade

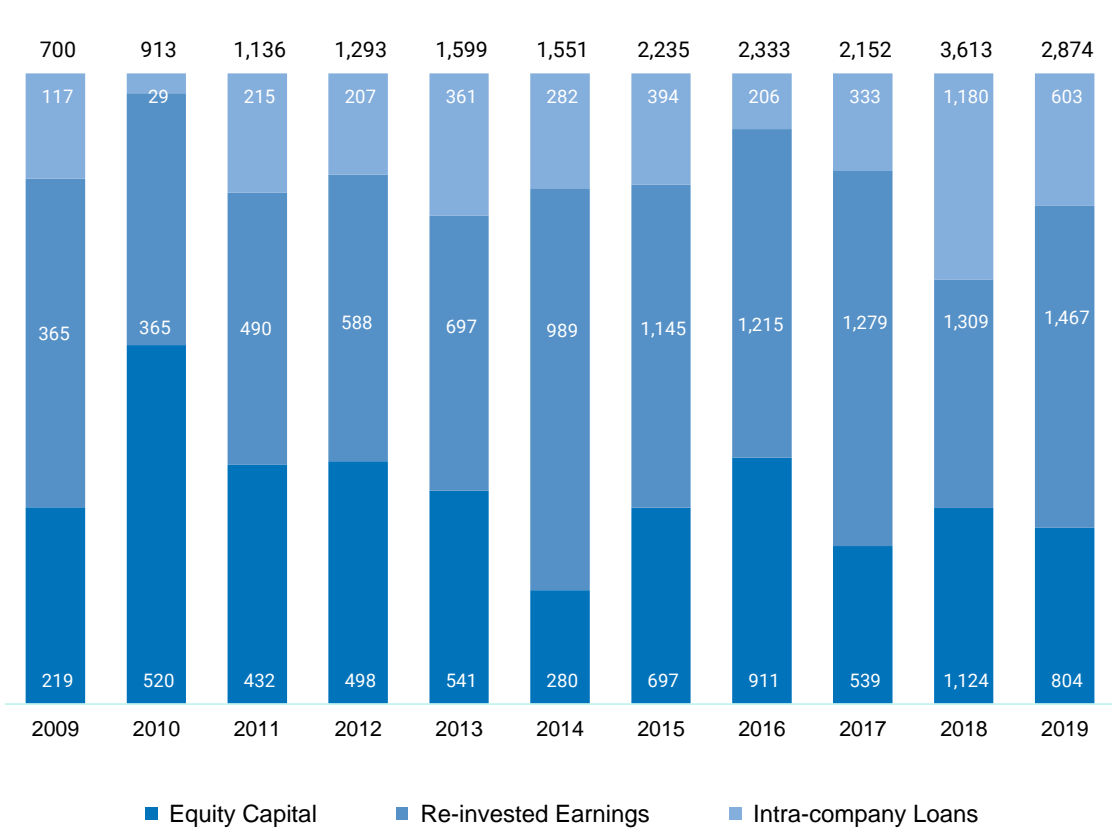


Alongside steady economic growth, the investment to GDP ratio of Bangladesh has grown to **32% (U\$ 96Bn)** in FY 2018-19 from **26% (U\$ 26Bn)** in 2009-10.

Investment as % of nominal Annual GDP of Bangladesh



FDI Breakdown by Component (U\$ Mn)



Source: Bangladesh Bank, World Bank & LightCastle Analysis

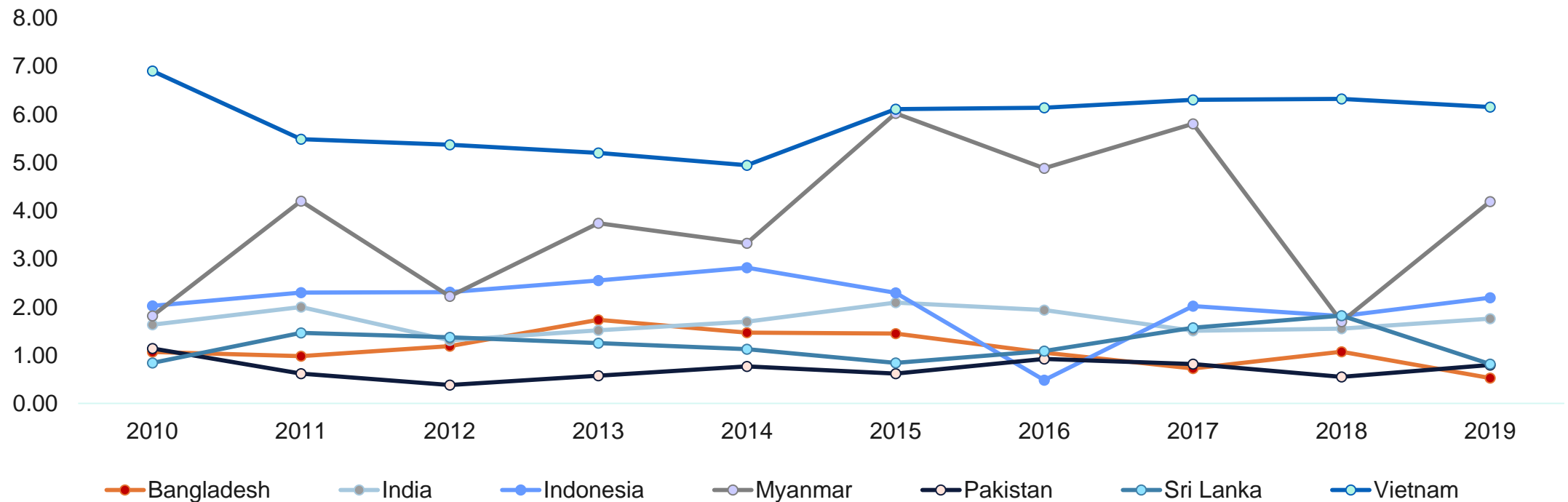
Foreign Direct Investment

Comparison with regional peers



Despite the excellent progress, the country's Foreign Direct Investment (FDI) in CY 2019 stood at a mere **3%** (**US\$ 2.87Bn**) of the country's total investment. With policymakers devising policies to attract FDIs, investments are expected to increase in the new decade

Comparison with Regional Peers: FDI as % of GDP



Source: UNCTAD World Investment Report, World Bank Data

Promising sectors for the new decade

findings from the ecosystem



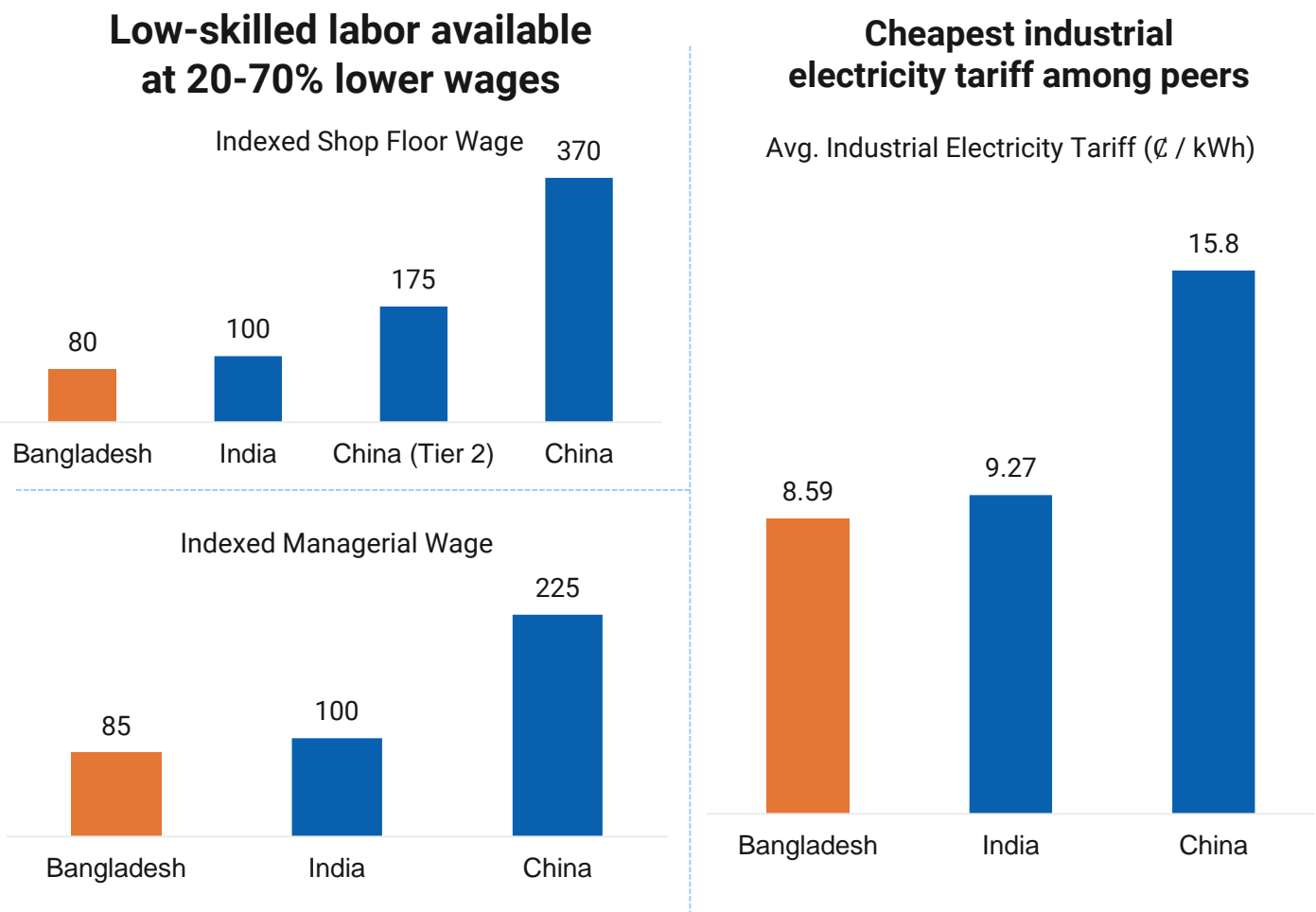
Promising Sectors Derived from Business Confidence Index Study

Fiscal Year 2016 - 17	Fiscal Year 2017 - 18	Fiscal Year 2019 - 20
Power & Energy	▲ ICT & ITES	▲ Pharmaceuticals
ICT & ITES	▲ Agro-Processing	● Agro-Processing
RMG	▲ Pharmaceuticals	▼ ICT & ITES
Pharmaceuticals	▼ Power & Energy	▲ Logistics
Leather Goods (Footwear)	● Leather Goods (Footwear)	▲ Digital Financial Services

- LightCastle Partners annually conducts '**LightCastle Business Confidence Index**' – a study for gauging the business sentiments of private sector leaders across myriad sectors, having a notable contribution to the country's economy.
- This year's study was conducted based on in-depth interviews with **59 business leaders** from March 2020 to April 2020.

 Increased
  Unchanged
  Decreased

Higher labor supply and cheaper power tariff than peer countries



Industry growth factors emanating from high labor supply

Large Labor Pool

- Labor force: **56.2 Mn**
- Employment in apparel sector: **5 Mn**

Price Attractiveness

- Lower wages compared to competitors
- Wages in China have risen

High quality for low & lower-mid apparel

Bangladeshi factories are well-known for supplying good quality and large order sizes

Doing Business Index



Govt. has taken an initiative to become double digit by 2025

Ranking in 2020



The World Bank Group's Doing Business 2020 study ranked Bangladesh **168th** in the global ease of doing business rankings this year from 176th in the previous year.

The government of Bangladesh has undertaken a number of initiatives to improve the ranking :

- **Setting up a new business became less expensive** with the **reduction of registration and name clearance fees** and removal of the **certifying fee for digital certificates**.
- In Dhaka, obtaining an **electrical connection** was made more **efficient** as the city invested in **digitization and human capital**. At the same time, the country reduced the amount of the security deposit required for a new connection.
- **Access to credit information was improved** thanks to expanded coverage by the credit information bureau. This reform delivered Bangladesh's most significant improvement.
- Bangladesh Investment Authority (BIDA) has introduced an **One Stop Service Center** to assist foreign investors.

Active Steps to Improve Ease of Doing Business Rankings

- Such steps have led an increase in Doing Business Rankings – in **2019, Bangladesh improved its rankings by 8 places from the previous year, finishing at 168th**
- Actions include **Bangladesh Investment Development Authority (BIDA)'s One-Stop Service, Infrastructure investments, the building of Economic and Export Processing Zones, etc.**
- Therefore it is expected that Bangladesh, will significantly improve ease of doing business rankings over the coming years

BIDA's One Stop Service – Available Online Services

- BIDA Registration
- Chattogram Development Authority (CDA)
- Company Registration
- Office Permission
- Outward Remittance Approval
- Tax Identification Number
- Visa Recommendation
- Work Permit

Infrastructure Investments



Matarbari Deep Sea port



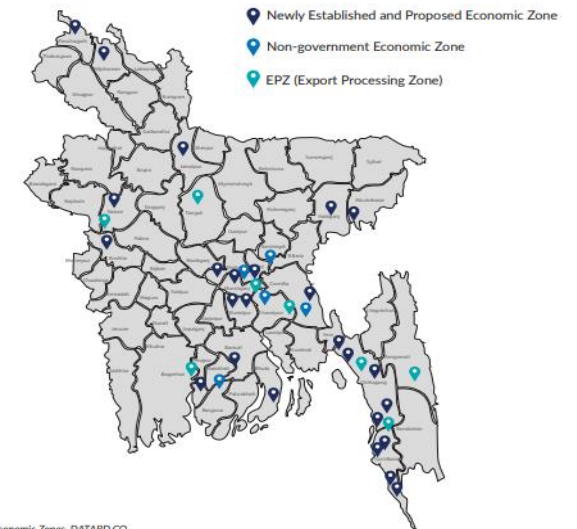
Padma Bridge



Dhaka Metro Rail

Economic and Export Processing Zones

Special economic zones in Bangladesh



Source: Economic Zones, DATA BD.CO

Increase Focus Towards Creating Global Brand Perception



Creating global brand perception

Systemically promote **Brand Bangladesh** by emulating successful competitors

Capitalize on **Government incentives and tax subsidy** for value addition in country

Target Investors and Stakeholders including global brands to instill trust among international investors.



Reforming the Market Entry Process

Strategic partnerships across platforms can play vital role in gaining international coverage

Create advocates from globally acclaimed **Bangladeshis / influential NRBs** to reach out to prospective investors and create positive association

Promote BIDA's 'one stop solution' service

Thank You!

