



# Bangladesh

**Main Changes and Development in Investment Policy and  
Regulatory Framework during 2016-2017**

**Nabhash Chandra Mandal**  
**Executive Member**

**Bangladesh Investment Development Authority**  
**(BIDA)**

# Economy of Bangladesh Today

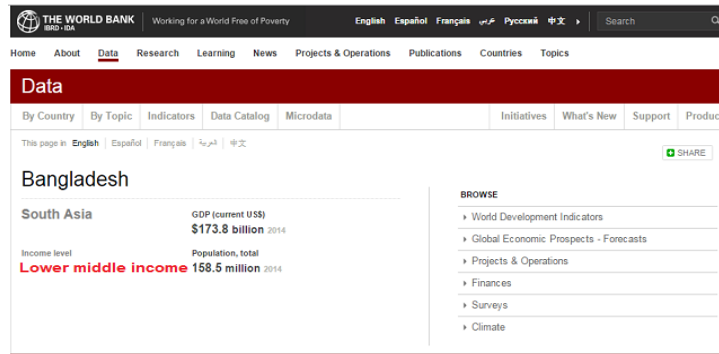
**107** in WEF Global Competitiveness Index and **85** in Logistics Performance Index of WB

The World's

**44<sup>th</sup>**

**Largest Economy  
Ranked by World  
Bank**

**Bangladesh is Now Lower-Middle Income  
Country - World Bank**



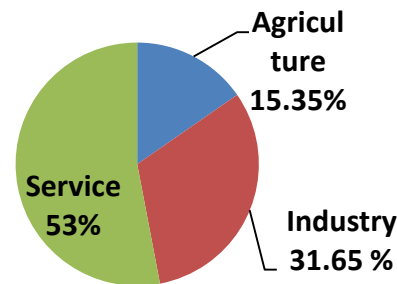
**2<sup>nd</sup>** in RMG Export after CHINA



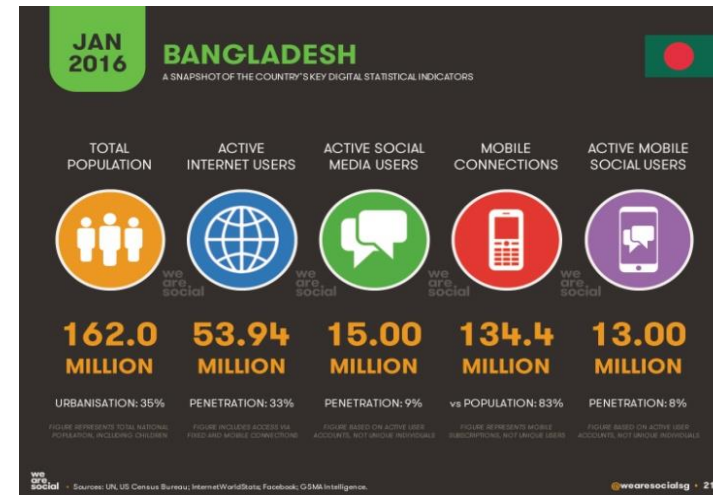
## Economic Indicators (2016 Est)

<b>GDP Growth Rate (Last 10 years)</b>	<b>6% - 7%</b>
<b>GDP Size</b>	<b>\$224Billion</b>
<b>GDP Growth</b>	<b>7.24 %</b>
<b>Per Capita GDP</b>	<b>\$1602</b>
<b>Share of Investment to GDP</b>	<b>30.3%</b>
<b>Share of Industry Sector to GDP</b>	<b>31%</b>
<b>Remittance to GDP ratio</b>	<b>6.74%</b>

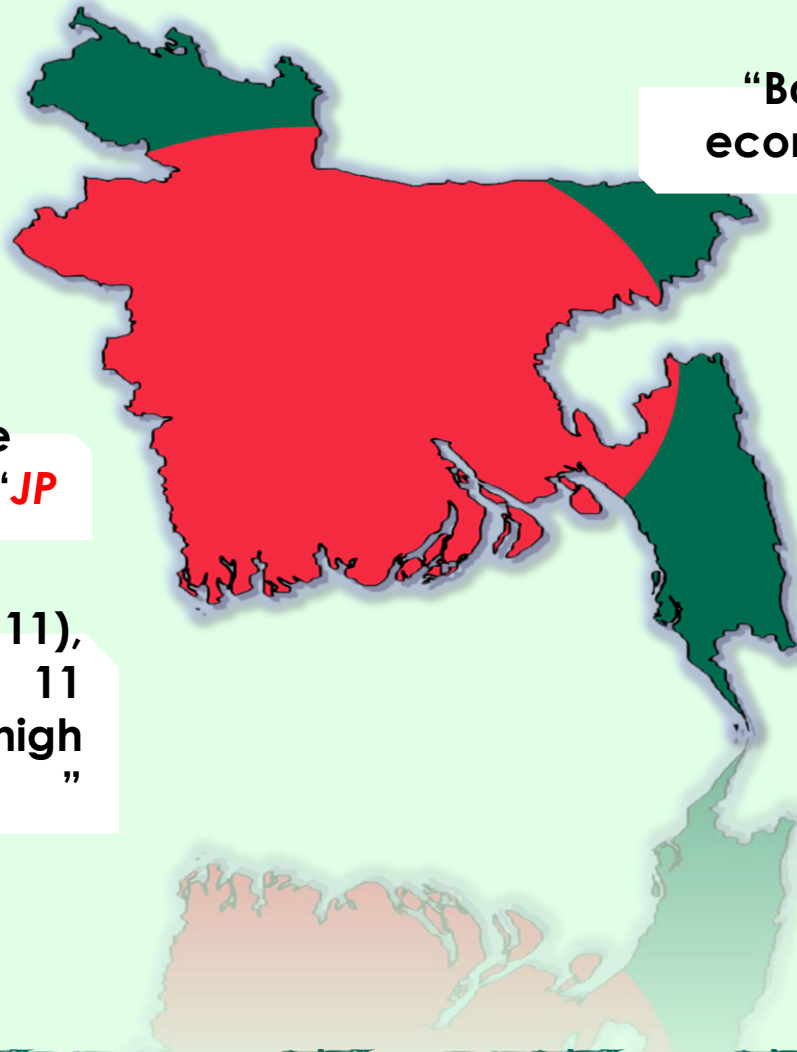
## GDP Share



## Country's Key Digital Statistical Indicators



# How Does World See **Bangladesh**?



“Bangladesh the Next China” **Mckinsey & Company**

“Bangladesh will be the 12th economic power of the world in 2050” **UBS.**

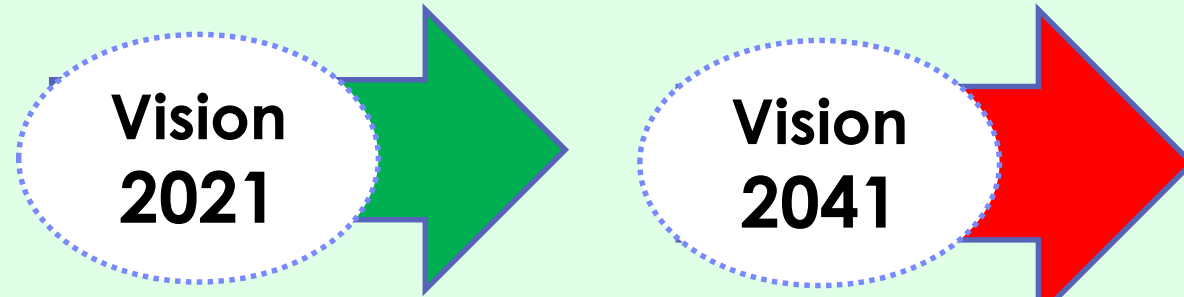
“Bangladesh one of the Frontier five economies-” **JP Morgan**

“Low cost and high return Manufacturing destination in Asia” **JETRO**

“The Next Eleven (N-11), Bangladesh one of 11 nations, have high economic potential”  
**Goldman Sachs**

“28<sup>th</sup> & 23<sup>rd</sup> largest economy of World by 2030 & by 2041” **PwC**

# Economic Vision of Bangladesh



GDP Value	\$335 billion	\$2580 billion
GDP Growth	8% (Av. 7.4%)	8%
Per Capita Income	\$ 2000	\$ 12600
Investment to GDP	34.4%	36%
Share of Industry to GDP	34%	40%
FDI	\$9.56 billion	\$153 billion
Export earning	\$70 billion	\$350 billion
Infra Investment	\$100 billion	\$1150 billion
Economic Status	Middle Income	High Income

# Growth: A Consistent Performance Amid Global Shocks

## GDP at constant prices

	Projections					
	2013	2014	2015	2016 (E)	2017	2018
<b>World</b>	2.4	2.6	2.4	2.4	2.8	3.0
<b>Advanced Economies</b>	1.1	1.7	1.8	1.7	1.9	1.9
USA	1.5	2.4	2.4	1.9	2.2	2.1
Euro Area	-0.3	0.9	1.6	1.6	1.6	1.5
Japan	1.4	-0.1	0.6	0.5	0.5	0.7
Emerging & Dev. Economies	4.7	4.2	3.4	3.5	4.4	4.7
<b>Emerging &amp; Developing Asia</b>	<b>6.8</b>	<b>6.8</b>	<b>6.6</b>	<b>6.3</b>	<b>6.2</b>	
China	7.7	7.3	6.9	6.7	6.5	6.3
India	6.6	7.2	7.6	7.6	7.7	7.7
<b>Bangladesh</b>	<b>6.0</b>	<b>6.1</b>	<b>6.5</b>	<b>7.05</b>	<b>7.2</b>	<b>7.4</b>

Source: *Global Economic Prospects* (June 2016), World Bank

# Growth of Bangladesh (2016-17)

Parameters	What we were (2015-16)	As of now (2016-17 )
Per capita (USD )	1465 (FY 2015-16)	1602 (FY 2016-17) In terms of purchasing power parity: US\$ 3790
Population under the poverty line	24.8% (2015-16)	23.2% (FY 2016-17)
Literacy Rate	63.6% (2015-16)	71% (2016-17 )
Female Literacy Rate	67%(2015-16)	77% (2016-17 )
GDP growth	7.11% (FY 2015-16)	7.24% (2016-17 )
Export (USD )	34.26 bn (FY 2015-16)	34.85 bn (2016-17)
FDI (USD )	2003 mill. (FY 2015-16)	2455 million (FY2017)
Forex Reserve (US\$)	30.17 bn (FY 2015-16)	33.41 bn (June'2017)
Electricity Gen. Capacity(with captive)	14,565 MW (2015-16) (Mx. Gen. 9036 MW)	15,755 MW (2016-17) (Mx. Gen. 9479 MW)

**To become an Upper Middle Income Country by 2021 we need to move faster...**

# Economic Performance - growth

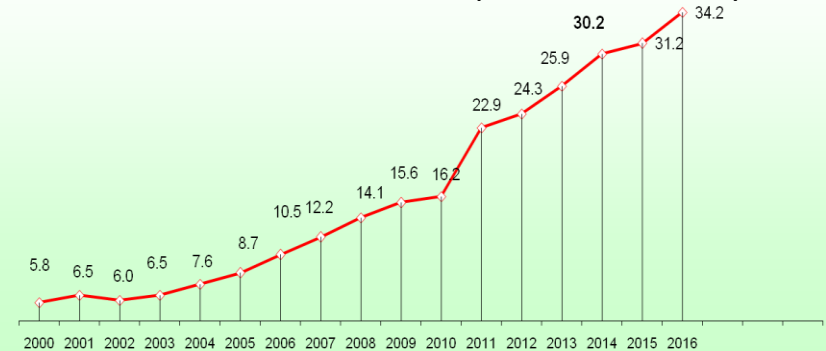
## Bangladesh economic growth (%)

“...constant unbroken GDP growth...”



## Bangladesh Export growth (%)

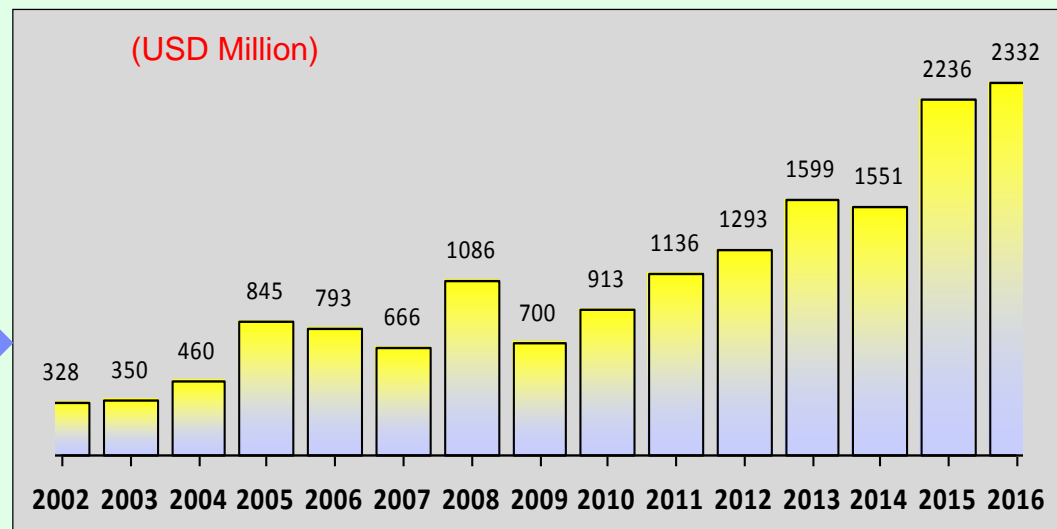
“... Export driven growth in manufacturing...”  
(USD Million)



Source: Ministry of Finance & EPB

\*Export US\$ billion

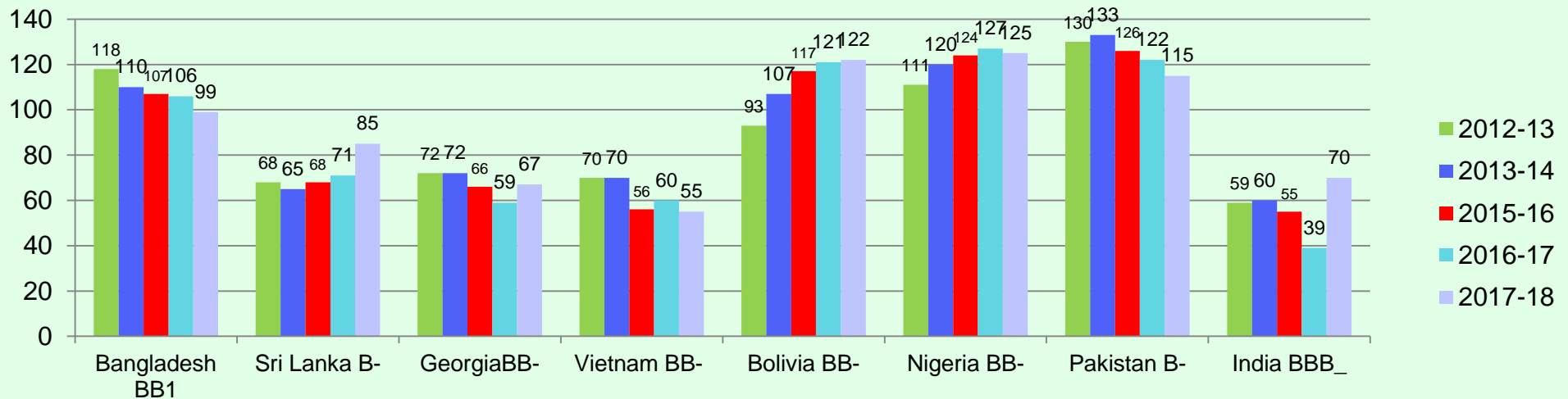
## FDI Inflow (2002-2016)



Source: Enterprise Survey, Bangladesh Bank

# Socio-Economic Improvements Move Bangladesh Up the Competitiveness Ladder

Bangladesh is moving up in its competitiveness ranking compared to similarly-rated peers  
**Global Competitiveness Index (GCI), Rank (140 countries)**

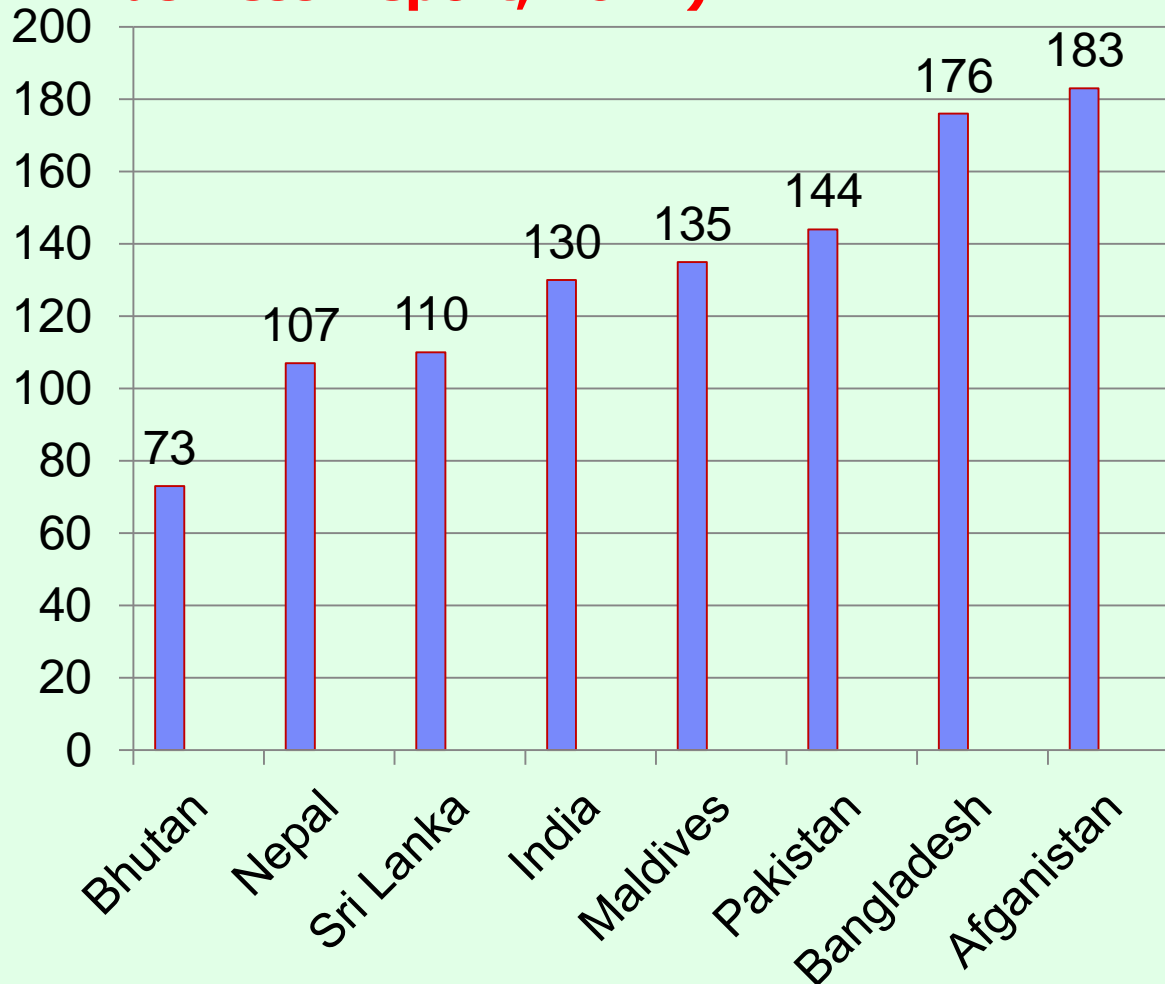


- **Bangladesh positively stands out within the region in terms of competitiveness trend, having moved up the ranks by 7 steps in just a year alone – a remarkable achievement**
- **Broad-based progress in competitiveness affirms the government’s success in pressing ahead with structural reforms and critical investments required to advance sustainable economic growth for the future.**
- **Bangladesh attained many elements of MDG well before the target which measures up favorably in socio-economic factors such as health and primary education, and is recognized for the positive endowment of its large market size**



# Investment Climate

## South Asia in Doing Business (Ranking by World Bank Doing Business Report, 2017):



**Among the 10 indicators of doing business Bangladesh stands 176 out of 189 countries & lower performance in the region:**

**Getting electricity (187), credit (157) & enforcing contracts (189).**

# BIDA and its Responsibility

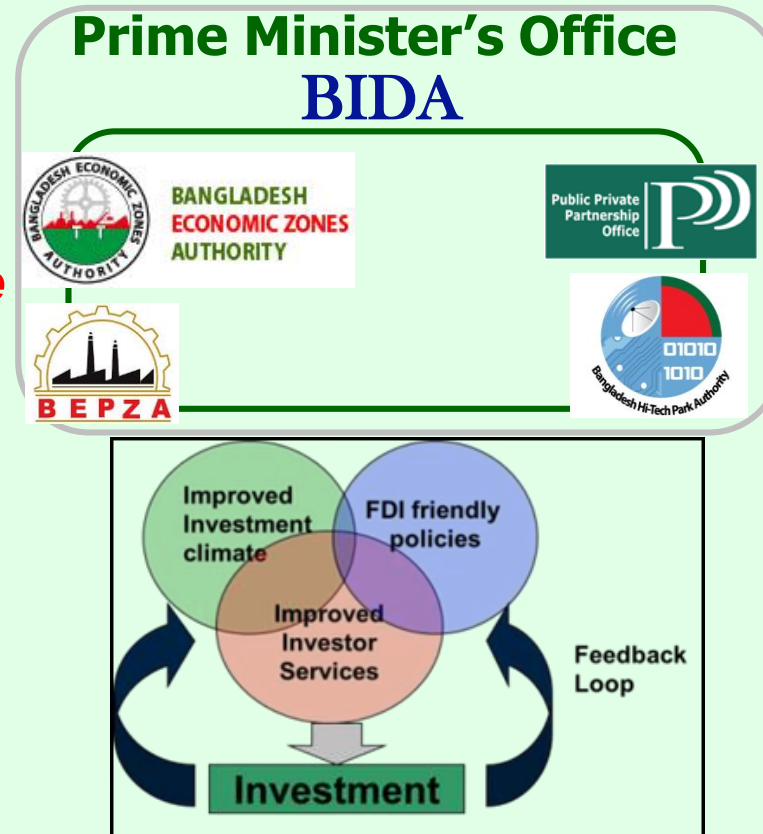
Bangladesh Investment Development Authority (BIDA) was created under *Bangladesh Investment Development Authority Act 2016* to:

**“encourage investment in the industry in private sector and to promote necessary facilities and assistance in the establishment of industries”.**

The act mandated BIDA as an organization for promoting and facilitating private sector investment.

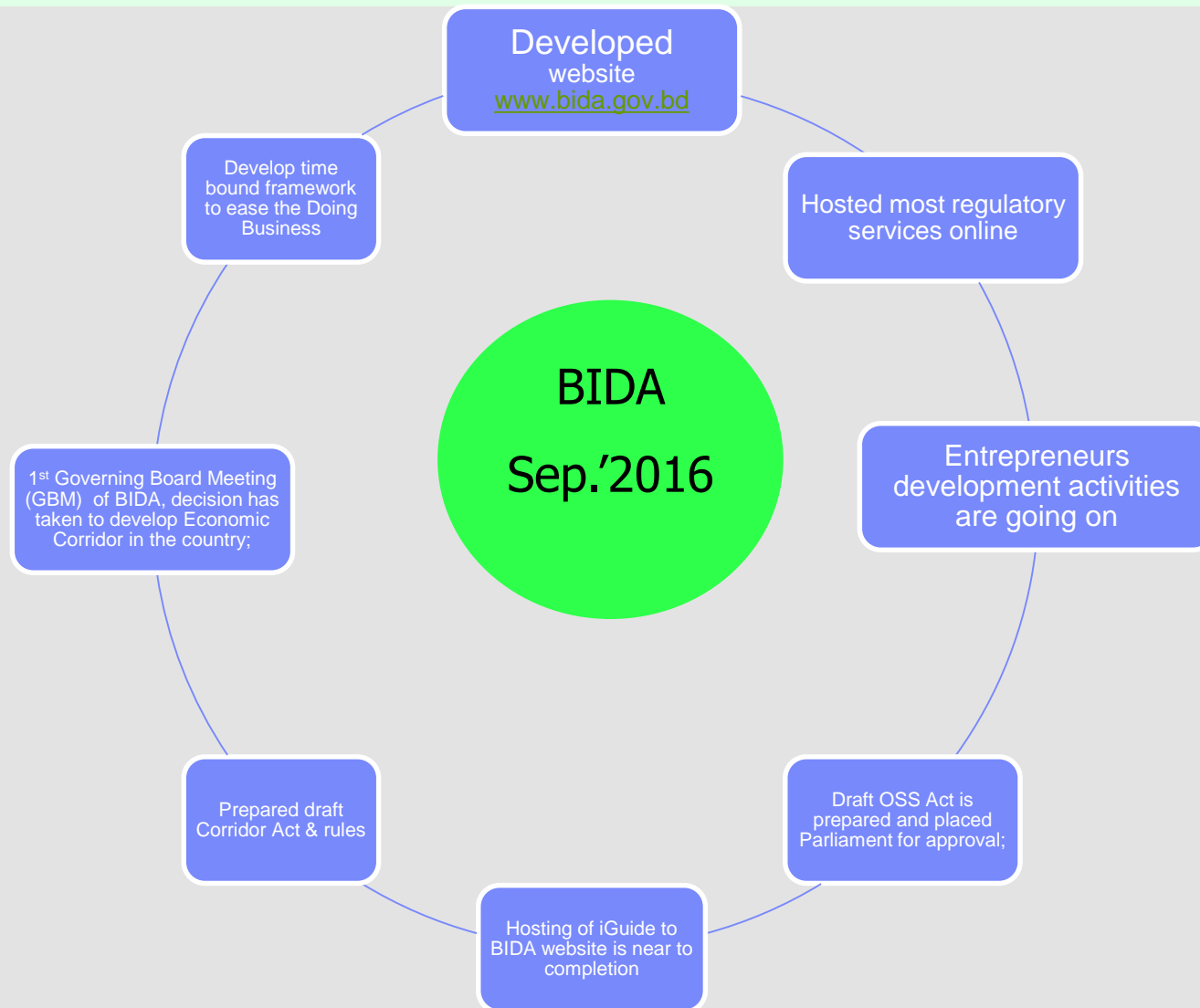
**BIDA's Functions are broadly categorized into :**

1. Investment promotion;
2. Investment Facilitation (approval, recommendations and aftercare)
3. Policy Advocacy
4. Ensure inclusive investment
5. Creating entrepreneurs and creating necessary skill to complement local industry needs.



- Facilitate private investment to make Bangladesh MIC by 2021 and developed country by 2041
- Ensure most congenial business climate

# BIDA Initiatives



# Targets & Achievements of Doing Business (Indicator wise)

Indicators	Action	Targets
Starting Business	Online client service & National Level OSS New VAT Law is completed	March 2018 Enact by June'19
Dealing with Construction Permits	Simplification of approval process, time bound SOP, rules amendment	March 2018 December 2018
Getting Electricity	Time frame for connection (7-28 days), Online tracking system	March 2018
Registering Property	Reengineering process of digitalization of land records & associated documents	December 2018
Paying Taxes	Simplification of Tax related forms One stop payment mechanism of transection	June 2018
Trading Across Boarder	Process reengineering of documents Establish electronic system	June 2018
Getting Credit	Introduce efficient credit Bureau Credit data dissemination	June 2018

# BEZA: Missions to Achieve



**Develop 100 EZs  
in the next 15  
years**



**Create 10 million  
employment  
opportunities**



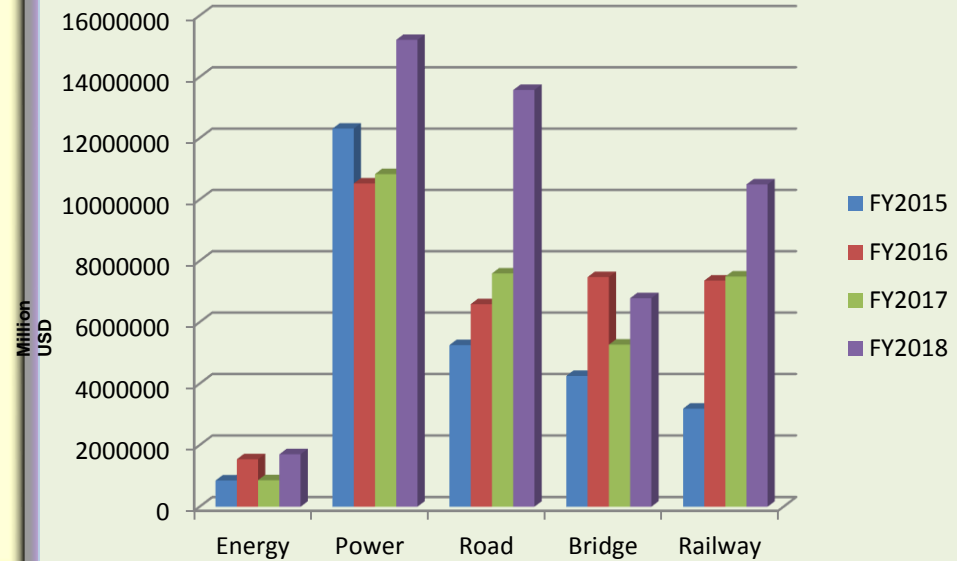
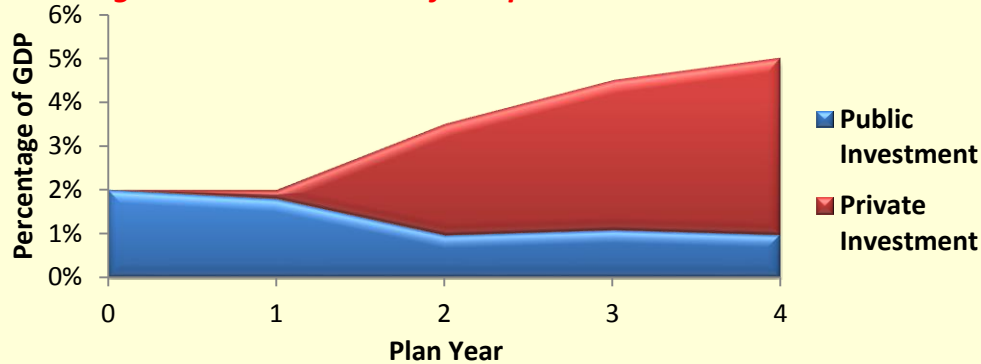
**Foster  
industrialization  
by increasing  
additional export  
of USD 40 billion**



# Prioritization of Infrastructure Investment

## Seventh 5 Year Plan Infrastructure Target

> Increase investment to 6% of GDP  
 > Target 77.3% investment from private sector



*“Investment in infrastructure is critical to addressing the constraints to promote private sector led growth and unlock a higher trajectory of growth for Bangladesh”*

*“The highest priority in budgetary allocations has been accorded to development of infrastructure ... with a steady increase in resource allocations over the period”*



**One third of Government budget is allocated to Infrastructure**

To ensure sustainable infrastructure and Innovation in line with SDG 9 Bangladesh estimates **USD100 Billion Investment** by 2021 and **USD1150 Billion** by 2041.

# Success in Delivering Infrastructure: Transport

## Road



- 702 km of new road constructed between 2011 and 2017
- 4529 km of roads widened and strengthened

## Bridge



- 70218 meter of new bridge constructed between 2009-2017
- 15 Major bridges constructed enabling hinterland trades and connectivity

## Rail



- 236.87 km of new railway tracks constructed from 2011 to 2017
- Passenger kilometre increased from 7.3m (2010) to 8.9m (2017)

## Port



- Turn around time reduced from 6.9 days (2011) to 4.9 days (2013)
- Container throughput per ship day increased from 373 (2011) to 490 (2013)

## Multimodal and integrated infrastructure System

- Construction of road and rail overpasses and flyovers
- Introduction of multimodal transport system commuter train service
- Urban land and water waterways rehabilitation



Hathirjheel – Begunbari Development  
(Completed January 2013)



Mayor Mohammad Hanif Flyover  
(Completed October 2013)

# Public Private Partnership (PPP) Authority



## Sectors Covered under PPP Policy

- Roads and highways
- Mass-transit
- Railways
- Ports
- Airports
- Electricity
- Tourism
- Irrigation and agricultural services
- Industrial estates
- Water supply and distribution
- Wastewater management
- Waste management
- Information and communications technology
- Land reclamation and dredging
- Oil and gas downstream production
- Mineral resources
- Health
- Education
- Public facilities, social infrastructure and other social services
- Other urban, municipal and rural projects



# Thank You

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