



BANGLADESH – TURKEY: PROSPECTS, OPPORTUNITIES & CHALLENGES

28 JANUARY 2020
CONSULATE GENERAL OF BANGLADESH, ISTANBUL

BANGLADESH AN EMERGING ECONOMY ...

**Bangladesh moving
towards a Middle
Income Country (MIC)**

**Vision to graduate as
a Developed Country -
by 2041**

**Per Capita (nominal)
GDP: US\$ 1,909**

**GDP growth: 8.13%
[FY 2018-19]**

**Government plans to
sustain 8% GDP
growth - by 2021**



Area
147,570 sq. km.

Population
160+ MILLION

**Strategic location of Bangladesh
between China and India (two emerging
economies) provides opportunity for
further growth**

**2nd largest apparel exporting country
globally**

4th largest rice producing country

3rd largest fish producing country

**28th largest fruit producing country (7th
in mango, 8th in guava)**

BANGLADESH GLOBAL RATINGS, PROJECTIONS

MOODY'S // STANDARD & POOR // FITCH

**Bangladesh has stable economic
outlook**

PricewaterhouseCoopers

**Predicts Bangladesh to be
the 28th largest economy
by 2030**

JP MORGAN

1 of the Frontier 5

HSBC

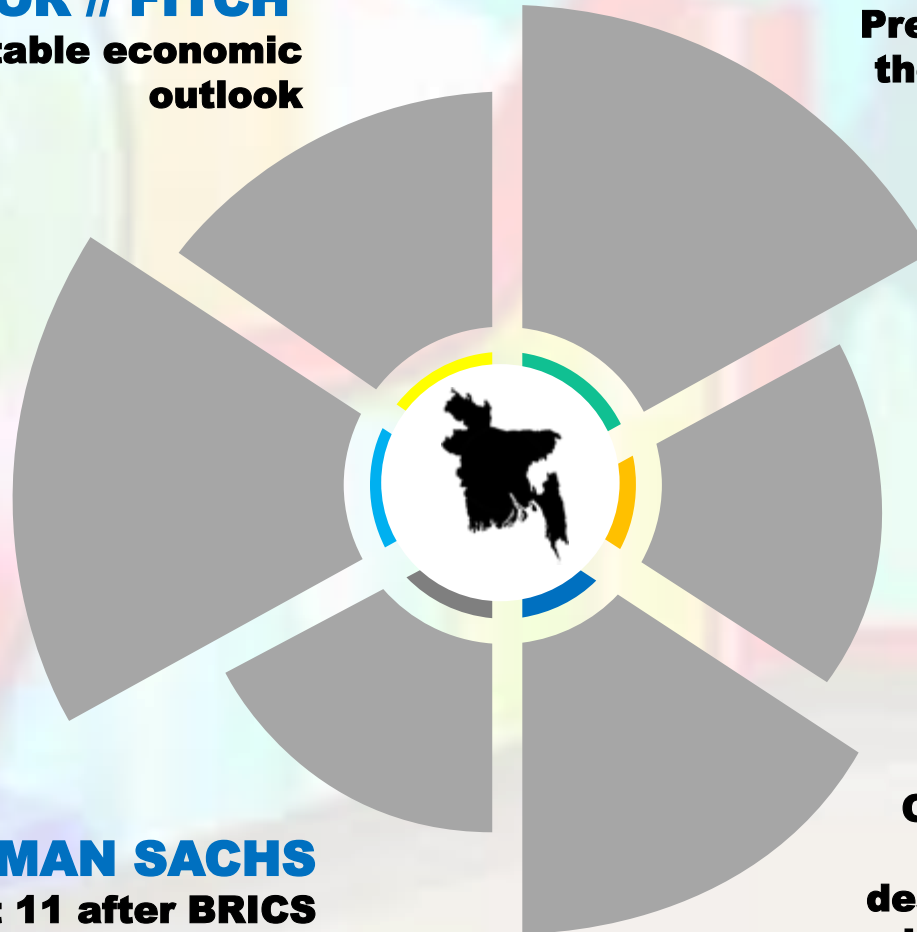
**Bangladesh is likely
to become 26th
largest economy by
2030 in the world in
terms of GDP**

GOLDMAN SACHS

Next 11 after BRICS

AT KEARNEY

**GSLI 2017: 21st most
attractive off shoring
destination in the world
and 9th best-outsourcing
hub in Asia**



EXPORT OF BANGLADESH

TOTAL EXPORT : USD 40.53 BILLION (2018-19)

TOP 10 EXPORT PRODUCTS

1. Readymade garments (84%)
2. Leather & leather manufactures (3.3%)
3. Jute products (2.9%)
4. Fish, shrimps, prawns (1.8%)
5. Home textile (1.7%)
6. Bicycle (1.4%)
7. Raw jute (0.6%)
8. Terry towel (0.5%)
9. Pharmaceuticals products (0.3%)
10. Petroleum & petroleum products (0.1%)
11. Handicrafts, tea, fertilizer & others (3.4%)

TOP 10 EXPORT DESTINATIONS

1. United States of America (16.4%)
2. Germany (15.3%)
3. United Kingdom (10.9%)
4. France (6.1%)
5. Spain (5.8%)
6. Italy (4.6%)
7. Canada (3.1%)
8. Belgium (2.8%)
9. China (2.7%)
10. Japan (2.7%)
11. Other countries (29.6%)

IMPORT OF BANGLADESH

TOTAL IMPORT: USD 53 BILLION (2018-19)

TOP 10 IMPORT PRODUCTS

1. Textiles & textile articles (20.6%)
2. Machinery & mechanical appliances, electrical equipment and such articles (17.7%)
3. Mineral products (12.2%)
4. Vegetable products (10.7%)
5. Base metals & articles of base metal (7.8%)
6. Products of the chemical or allied industries (7.7%)
7. Vehicles, aircraft, vessels and associated transport equipment (6.4%)
8. Plastics & rubber articles (4.4%)
9. Prepared foodstuffs, beverages, spirits, vinegar, tobacco & manufactured tobacco (3.9%)
10. Animal or vegetable fats, oils & their cleavage products, prepared edible fats, animal & vegetable waxes (3.6%)
11. Optical, medical apparatus, precious metals, wood & miscellaneous manufactured products others (5.0%)

TOP 10 IMPORT SOURCES

1. China (23.8%)
2. India (17.5%)
3. Singapore (5.5%)
4. Japan (3.4%)
5. Indonesia (3.6%)
6. United States of America (3.5%)
7. Brazil (2.9%)
8. Malaysia (2.9%)
9. Republic of Korea (2.6%)
10. Thailand (2.4%)
11. Other countries (31.9%)

MARKET ACCESS FACILITIES

A. GENERALIZED SYSTEM OF PREFERENCES (GSP) FACILITIES FOR BANGLADESH:

European Union (28 countries), Australia, Belarus, Canada, Lichtenstein, Japan, New Zealand, Norway, Russia Federation and Switzerland (total 37 countries)

B. DUTY FREE – QUOTA FREE (DFQF) COVERAGE IN GSP SCHEMES OF DEVELOPED COUNTRIES:

Australia (100%), New Zealand (100%), Norway (100%), Switzerland (100%), Canada (98.6%), European Union (99%), Japan (97.9%), Iceland (91.8%), Russian Federation (38.1%)

C. THE WTO AGREEMENT ON TRADE-RELATED ASPECT OF INTELLECTUAL PROPERTY RIGHTS (TRIPS):

Waiver for pharmaceuticals products until 2033

BANGLADESH – TURKEY BILATERAL TRADE, ECONOMIC & INVESTMENT RELATIONS

A. EXPORT TO TURKEY: USD 484 MILLION

Main commodities: Jute yarns & twine, knitwear, woven garments, leather, ceramics etc.

B. IMPORT FROM TURKEY: USD 373 MILLION

Main commodities: Iron & steel construction material, cotton, milk & milk products, machines & their components, textile machinery, generators etc.

C. BILATERAL ECONOMIC COOPERATION MECHANISM:

- i. Joint Economic Commission Meeting (JEC)
- ii. Bilateral Investment Treaty (BIT)
- iii. Double Taxation Avoidance Treaty (DTT)
- ii. The signing of Free Trade Agreement is on agenda
- iii. Business Council

D. TURKISH INVESTMENT IN BANGLADESH: USD 1.41 MILLION

E. RECENT SUCCESSES: **Aygaz, Arcelik**

POTENTIAL PRODUCTS FOR BILATERAL BUSINESS GROWTH

POTENTIAL EXPORTABLES FROM BANGLADESH TO TURKEY:

- a. Readymade garments (particularly, denim products)
- b. Pharmaceuticals
- c. Leather and leather manufactures
- d. Jute and jute goods
- e. Home textile
- f. Processed food
- g. Fish, shrimps & prawns
- i. Handicrafts
- j. Recycled plastic
- k. Bio fertilizer etc.

POTENTIAL EXPORTABLES FROM TURKEY TO BANGLADESH :

- a. Machineries, textile/agriculture machinery
- b. Gem, precious metals
- c. Plastic, plastic articles
- d. Mineral fuels, LPG, textile chemical
- e. Processed petroleum oils
- f. Automobile parts
- g. Insulated wire/cable
- g. Carpets/ floor covering clothe
- h. Defense equipment
- i. Dry food/fruits/Nuts
- j. Decorative products etc.

INVESTMENT OPPORTUNITIES IN BANGLADESH

INVESTMENT CLIMATE:

- a. Foreign investment in Bangladesh is secured by law against nationalization and expropriation.
- b. Local and Foreign investment is given equal treatment. 100% foreign equity is allowed along with unrestricted exit.
- d. All industrial sectors are open for foreign investors for investment except 4 reserve sectors for the government
- e. Risk factors for FDI are the minimum in Bangladesh
- f. Bangladesh never posted negative economic growth during the past 30 years
- g. Large middle class & demographic dividend (65% working age population)
- h. Bangladesh is a signatory to ICSID, UNCITRAL, OPIC, MIGA, WAIPA, WIPO and WTO.

BILATERAL INVESTMENT TREATIES (BITS) SIGNED WITH 31 COUNTRIES:

Austria, DPR Korea , Thailand, Belgium, Republic of Korea, UK, Canada, Malaysia, USA, China. Pakistan Uzbekistan, France, Poland, Vietnam, Germany, Romania, Singapore, Indonesia, Switzerland, Denmark, Iran, The Netherlands, India, Italy, The Philippines, UAE, Japan, Turkey, Belarus

DOUBLE TAXATION TREATIES (DTTS) WITH 28 COUNTRIES:

Canada, Poland, Norway, China, Romania, Turkey, Denmark, Singapore, Vietnam, France, Republic of Korea, Philippines, Germany, Sri Lanka, Indonesia, India, Sweden, Switzerland, Italy, Thailand, Oman, Japan, The Netherlands, Malaysia, UK

INVESTMENT OPPORTUNITIES IN BANGLADESH

In this growing Bangladesh, investment opportunities are unbounded, diverse and long-term

Infrastructure
Communication,
Energy, Power,
Ports, Economic
Zones

Manufacturing
Competitive
Manufacturing
supporting global
value chains

**Competitive
Services**
IT & ITES,
BPOs Logistics,
Health

Skills
Education,
Training, HR
development

- 100% FDI
- Joint Ventures
- Partnerships
- PPPs
- Non-equity modes
(Technology transfer, licensing
Franchising, Contracting etc)
- Foreign Lending

INVESTMENT OPPORTUNITIES IN BANGLADESH: Exclusive Economic Zone (EEZ)

66 among 100 private and public economic zones are underway comprising 77000 acres of fully serviced land

Incentives for Developer:

- a. Income Tax exemption for 12 years
- b. VAT Exemption on electricity
- c. VAT Exemption on local purchase excluding petroleum products
- d. Exemption from custom/excise duties
- e. Exemption of stamp duty and registration fees for land registration
- f. Exemption of stamp duty for registration of loan/credit document
- g. Exemption from dividend tax

Government EZ: 59

Private EZ: 29

G2G EZ: 05 (China, India)

PPP EZ: 02

Special Tourism Park: 03

Incentives for Unit Investors:

- a. Income Tax exemption for 10 years
- b. Duty free import of raw materials etc.
- c. Economic Zone declared as custom bonded area
- d. Exemption from dividend tax, duty on export, VAT exemption on utilities
- e. Full repatriation of capital and dividend and no ceiling of FDI
- f. Re-investment of remittable dividend to be treated as new foreign investment
- g. Resident visa for investment of US\$75,000 or more and citizenship for investment of US\$ 10,00,000 or more

FOREIGN INVESTMENT SCENARIO IN BANGLADESH (As on end of June 2018)

TOP 10 FOREIGN DIRECT INVESTORS

- 1. United States of America (22.67%)**
- 2. United Kingdom (9.35%)**
- 3. Hong Kong (7.56%)**
- 4. South Korea (7.33%)**
- 5. Singapore (6.10%)**
- 6. China (5.65%)**
- 7. Australia (5.40%)**
- 8. Netherlands (4.98%)**
- 9. Malaysia (4.46%)**
- 10. India (3.42%)**

TOP 10 FDI-INFLOW SECTORS

- 1. Gas & petroleum (23.10%)**
- 2. Textile & Weaving (19.8%)**
- 3. Banking (13.01%)**
- 4. Power (11.67%)**
- 5. Telecommunication (8.35%)**
- 6. Food (2.78%)**
- 7. Agriculture & fishing (1.84%)**
- 8. Leather & leather products (1.84%)**
- 9. Trading (1.76%)**
- 10. Cement (1.62%)**

Total Foreign Direct Investment: USD 15.8 billion

POTENTIAL SECTOR IN BANGLADESH FOR TURKISH INVESTMENT

1. Renewable energy, power, LPG
2. Automobile
3. Jute products
4. Shipbuilding
5. Electronic equipment
6. Construction (Private/PPP)
7. Food processing
8. Light Engineering
9. Leather, plastic products
10. Waste Product Management

BANGLADESH – TURKEY: STRENGTHS & CHALLENGES

Strengths

1. Historical, cultural and religious affinity
2. Mutual love and respect
3. Asian values and mentality
4. Strategical complementarity
5. Shared perspectives in international platform and issues
6. Synchronized economic interests and opportunities

Challenges

1. Gap of understanding on societal and political structures
2. Connectivity paradox
3. Inadequate study on comparative advantages and potentials
4. Banking sector ties
5. Visa issues

BRAND BANGLADESH: FEW SUCCESSES



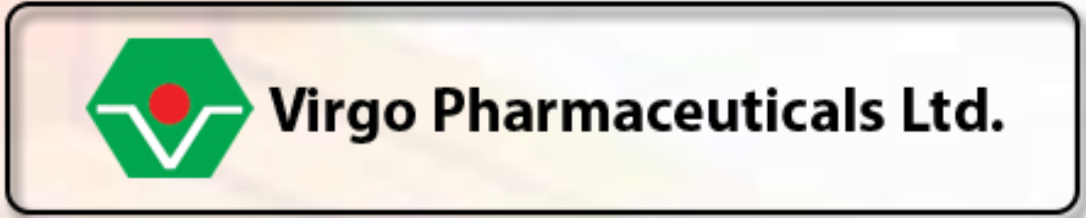
WALTON



**BRITISH AMERICAN
TOBACCO**



Unilever



THANK YOU!!

