



Why and What Canadian Business should view in Bangladesh

The Federation of Bangladesh Chambers of Commerce & Industry

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President, FBCCI
Toronto, August 2019



We recall with due reverence, the
architect of modern Bangladesh,
Father of the nation

**Bangabandhu Sheikh Mujibur
Rahman**

for sacrificing his life for the freedom,
equitable growth, and well being of
the people.



"As we (Bangladesh) strive to materialize the goals of 'Vision 2021' and 'Vision 2041', I request the international investors and entrepreneurs to partner with us in investment, trade, profit sharing and prosperity,". - **H.E Sheikh Hasina**, Hon'ble Prime Minister of the Govt. of Bangladesh.

Since 2008, Hon'ble Prime Minister of the Govt. of Bangladesh H.E. Sheikh Hasina's economic Vision 2021 and Vision 2041 to transform Bangladesh from LDC to middle income to develop nation has demonstrated remarkable progress and we are on a proven trajectory towards sustainable development. Poverty reduction, zero tolerance on acts of terror, focus on growth in exports & foreign reserve, liberal investment policies are some of our governance strategies that are now being benchmarked as, “how to develop a LDC towards developing country within ten years in a democracy”.

Socio-Economic Development of Bangladesh 2008-2018



With a Pro-Business Govt. of Bangladesh implementing Vision 2021 and working for Vision 2041 Bangladesh is gradually moving towards the vision of an advanced prosperous digital economy.



As one of the most investment friendly countries in the region, along with rapid development of 100 Planned Economic Zones, the focus is to create an industrial ecosystem; facilitating employment and growth opportunities.



As poverty continues to decline, improvement in purchasing power parity, women empowerment and a young population is paving the way for a thriving Bangladesh



In the power sector; Electricity Generation Capacity has increased from 4500MW in 2009 to **21,169MW** in 2019 with focus on energy efficiency and development of renewable clean energy.

Socio-Economic Development of Bangladesh 2009-2019

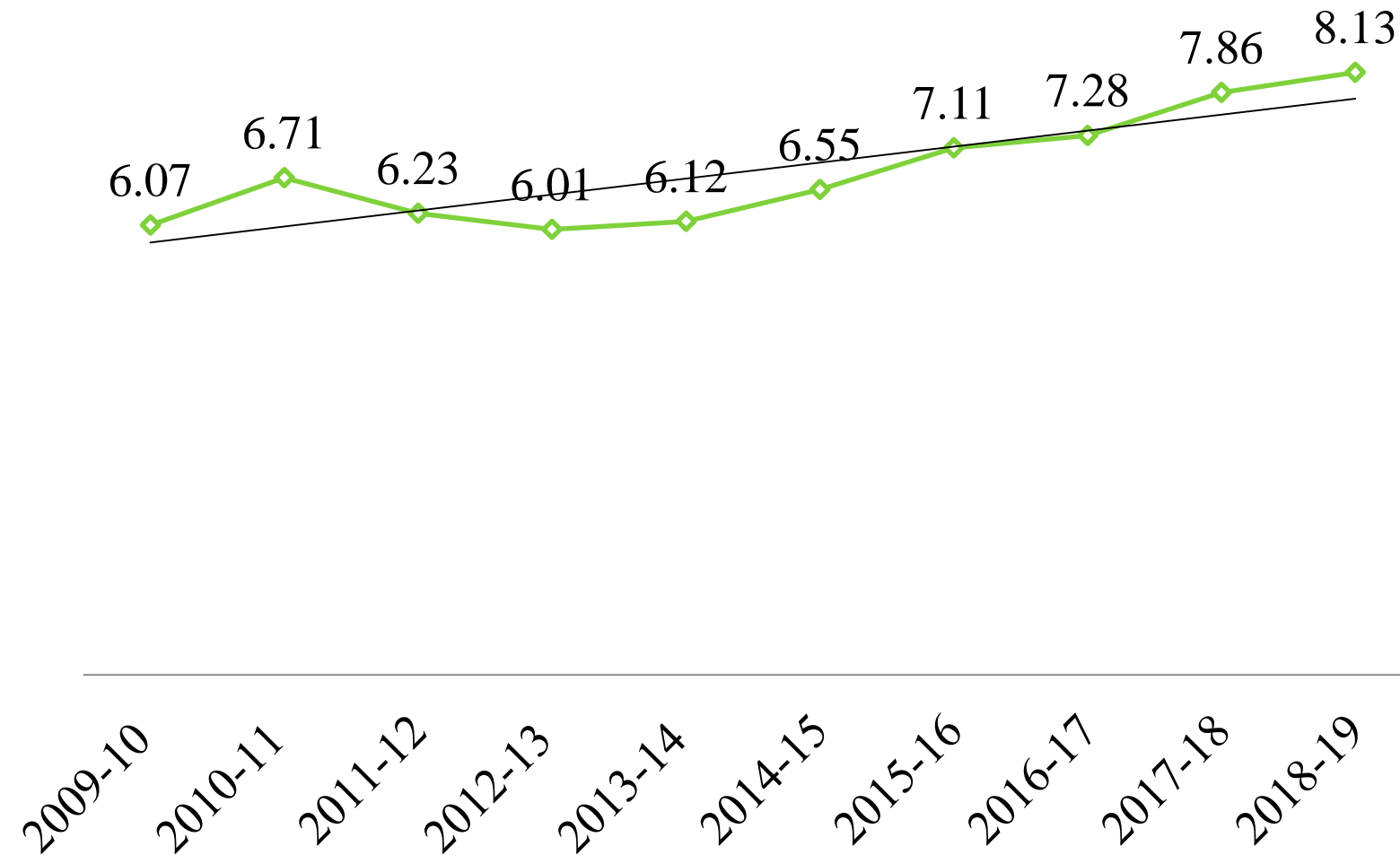
B a n g l a d e s h

T o d a y

- Bangladesh is transforming into a tech and knowledge based economy with over 7% GDP growth in the last 3 years and over 6% GDP growth in the last decade. In FY 2019 reaching a higher trajectory of 8.13% growth.
- We are now the 31st economy in the world as per the GDP (PPP) and 43rd largest economy in the world considering nominal GDP.
- **Rating agencies like Moody's, Standard & Poor, Fitch has maintained positive rating for stable macro-economy and credit position.**
- According to Price Waterhouse Coopers-Bangladesh will be the top 3 fastest growing economies by 2030, along with India and Vietnam. 23rd largest economy by 2050. An HSBC report on future growth projections, Bangladesh could become 26th largest economy by 2030.
- IMF forecasted Bangladesh to be among the three fastest growing economies in the world, and Standard Chartered reported that the country's per capita income will grow nearly four times throughout the 2020s.
- Goldman Sachs put Bangladesh in the "Next 11" countries to watch after BRICS & JP Morgan included Bangladesh in 'Frontier Five

GDP Growth

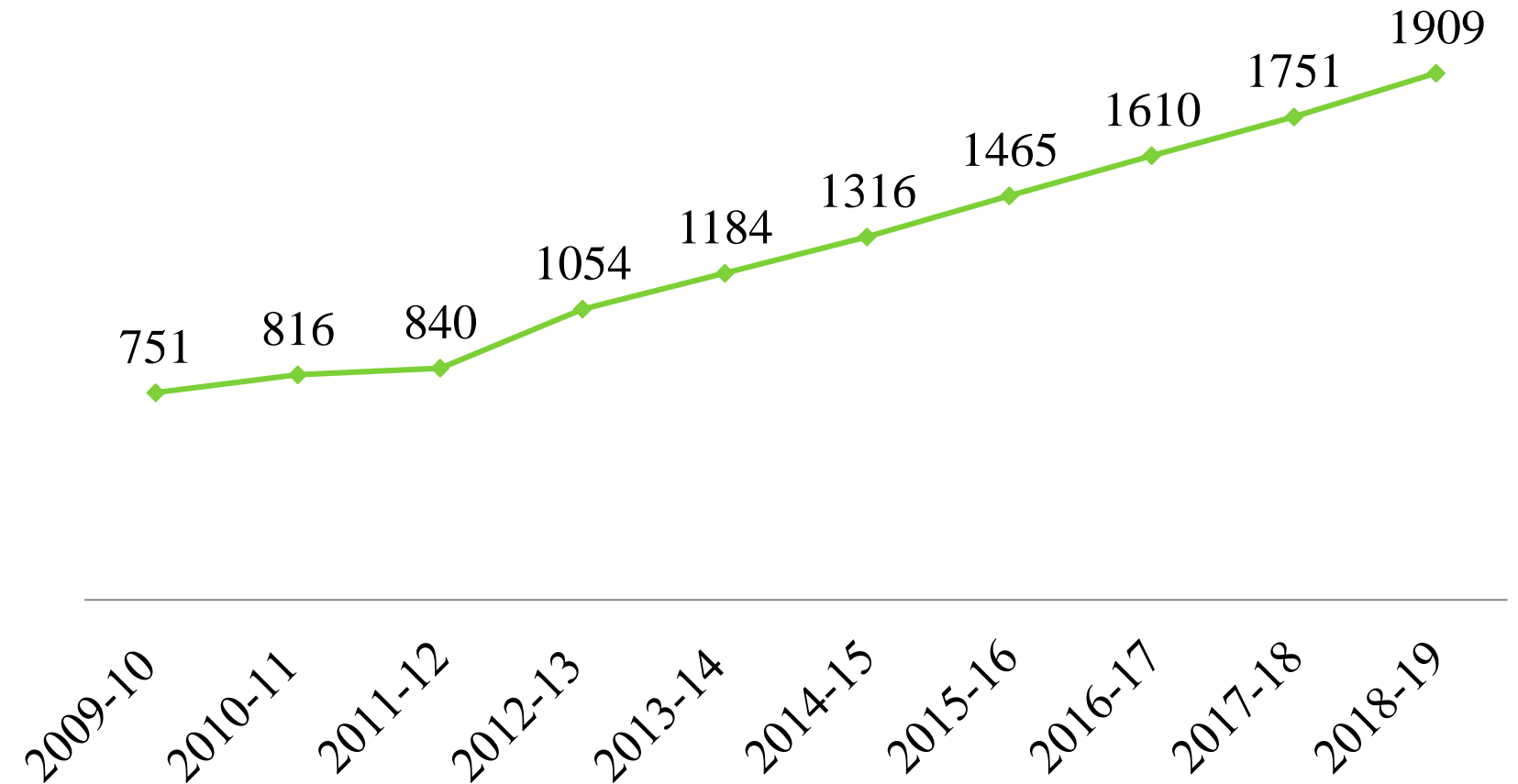
GDP Growth (%) (at constant price)



In the last decade; the GDP Growth rate has increased from below 6% to over 7% and reached 8.13% in FY 2019.

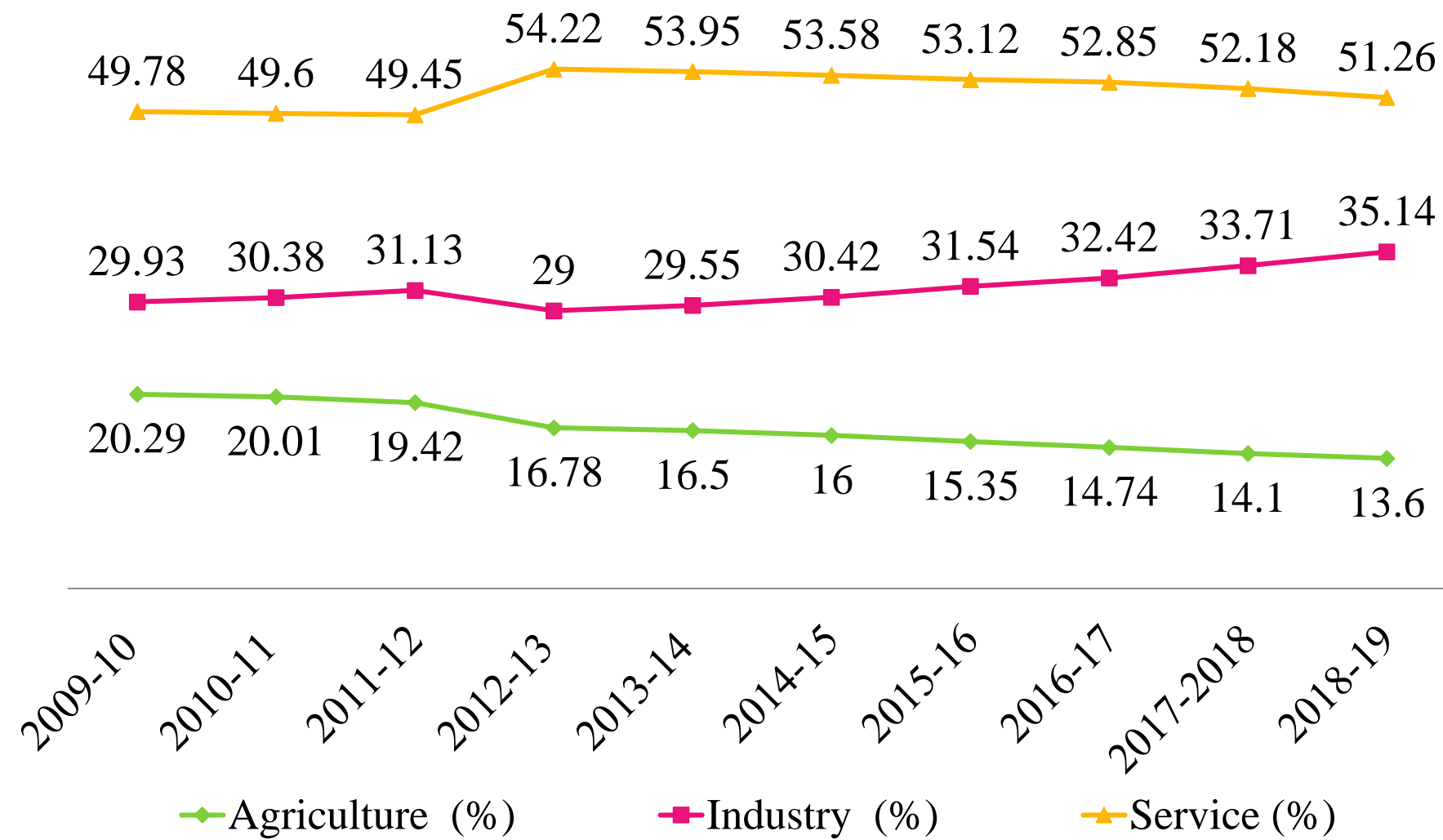
Income Threshold

GNI per capita at Current Market Price (US\$)



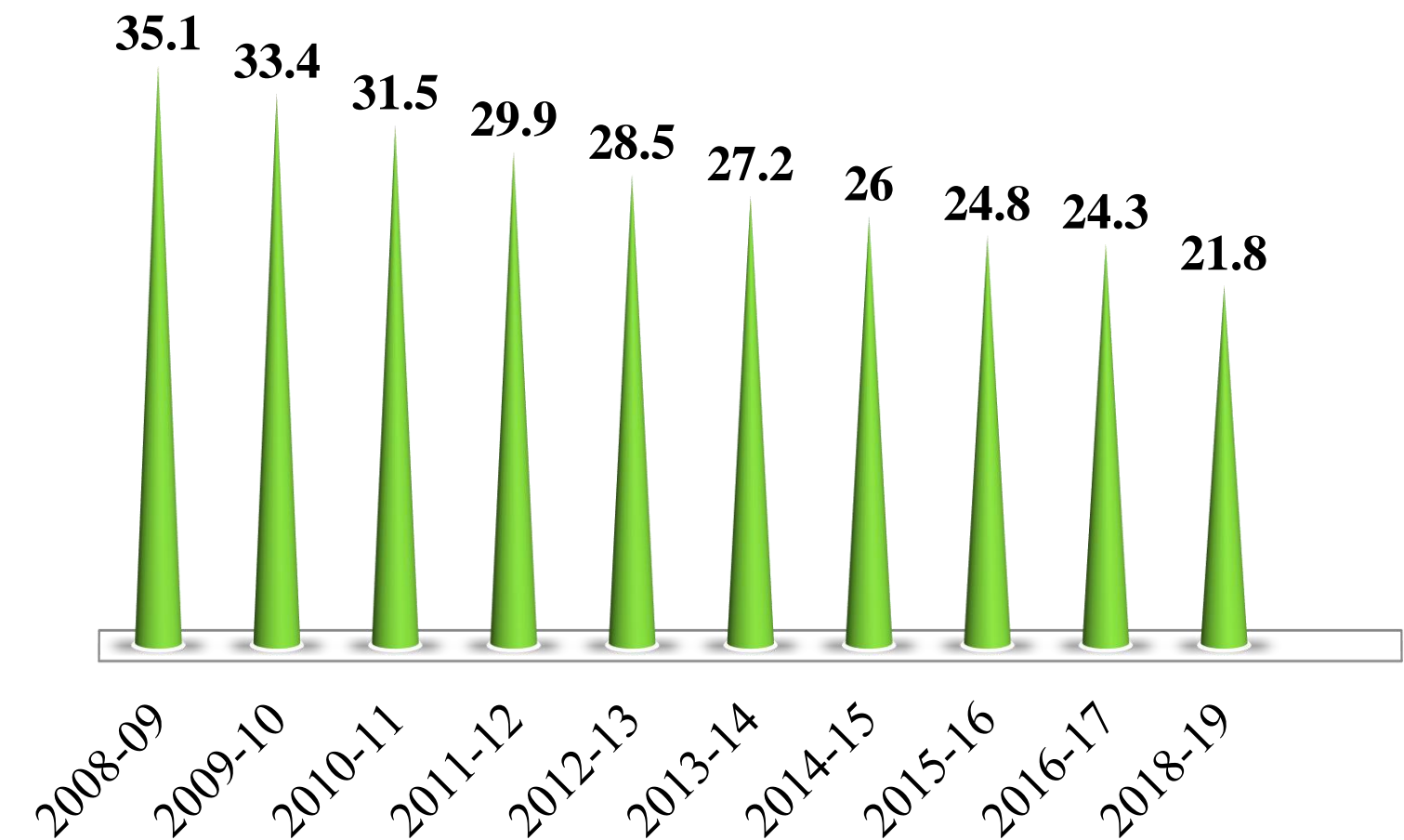
The GNI per capita of the country increased from US\$ 676 to US\$ 1752 and is estimated to reach US\$ 1909 by FY 2019, confirming the eligibility to graduate from an LDC into a MIC.

Sector Wise Contribution

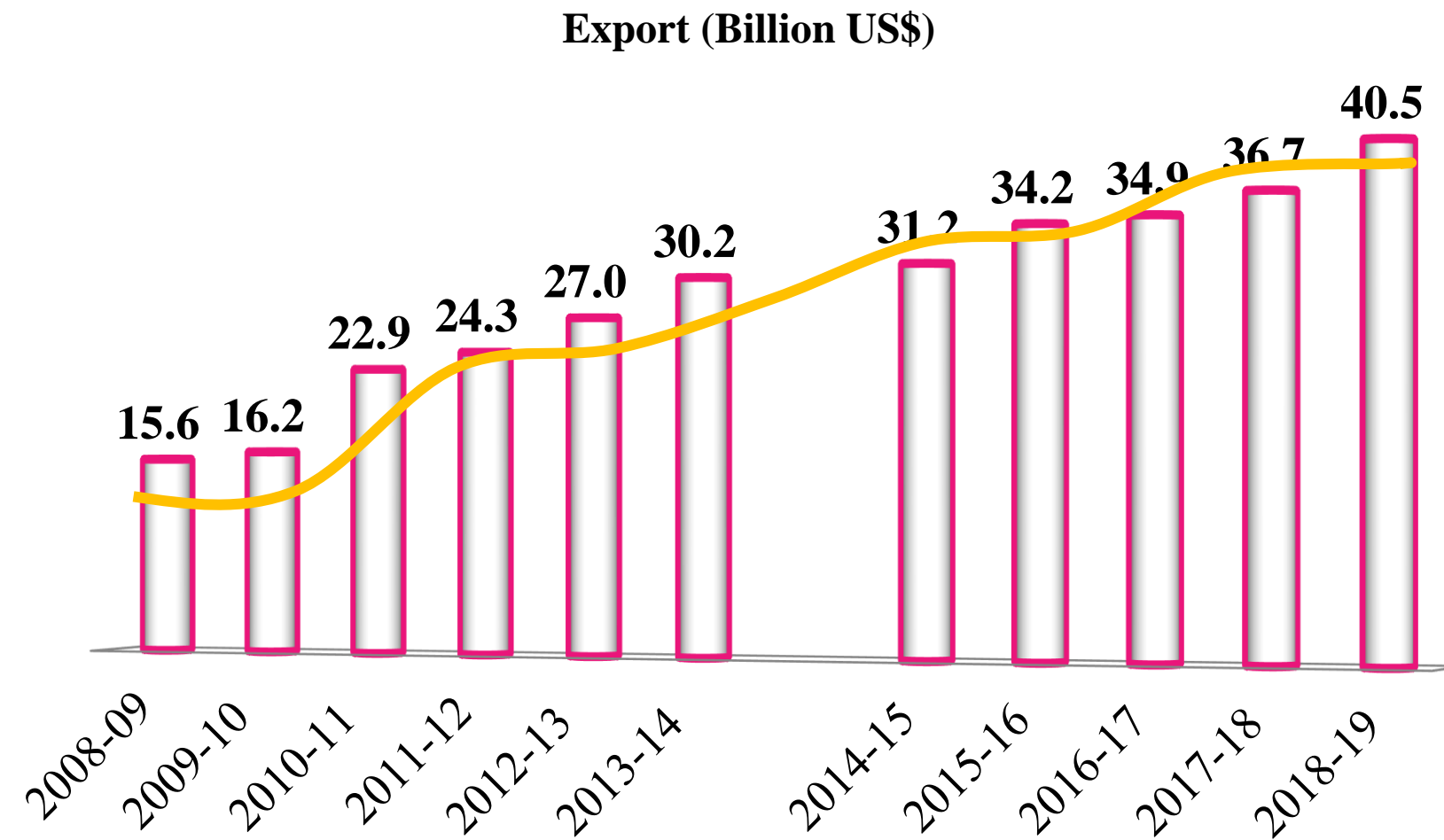


The economy is transitioning from an agriculture based economy towards a more industrialized and knowledge based economy with emphasis on research and innovation.

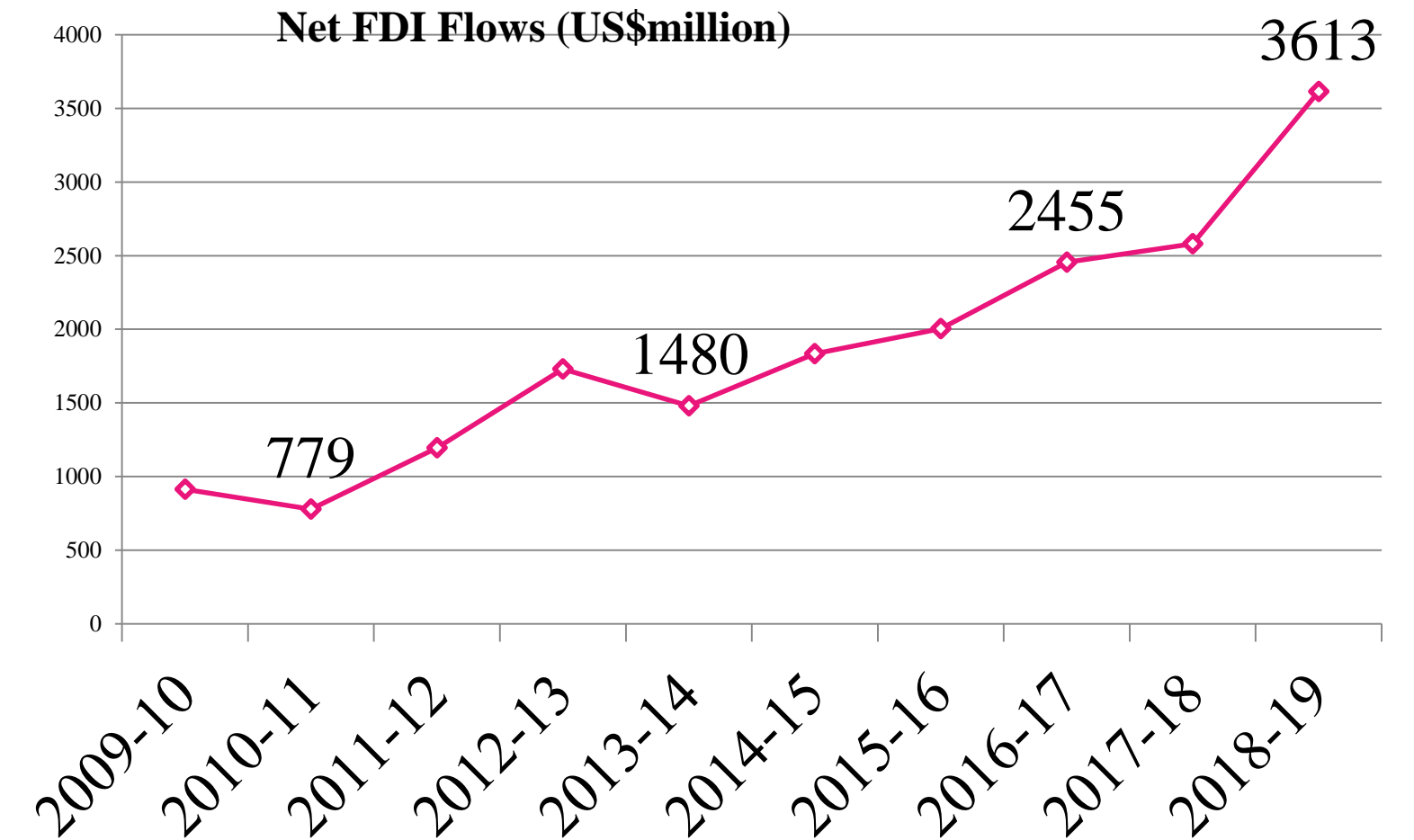
Poverty Rate (%)



With strong rural development and an entrepreneurial culture; poverty rate has decreased from 35% in 2008 to around 21.8% in 2019.

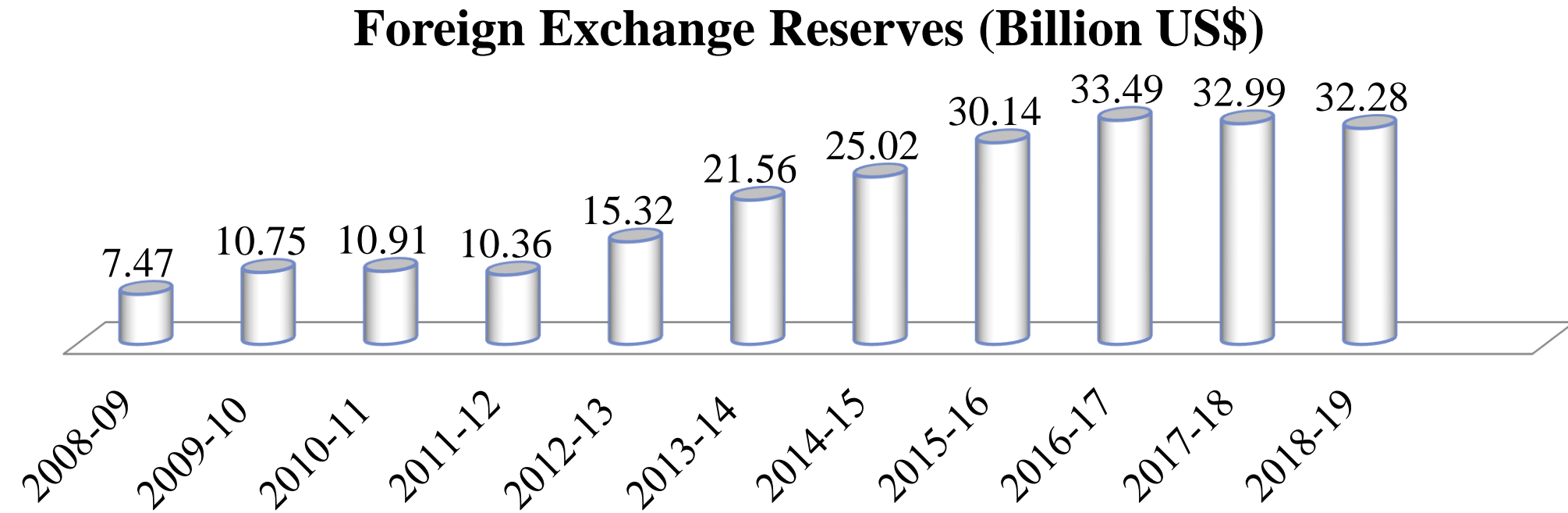


A decade back export was below US\$ 16 billion which has more than doubled to US\$40.53 billion in FY 2019 with an annual growth of 10.55%. Export target for FY 2020 is set at US\$45b.5bn for goods and US\$8.5bn for service.

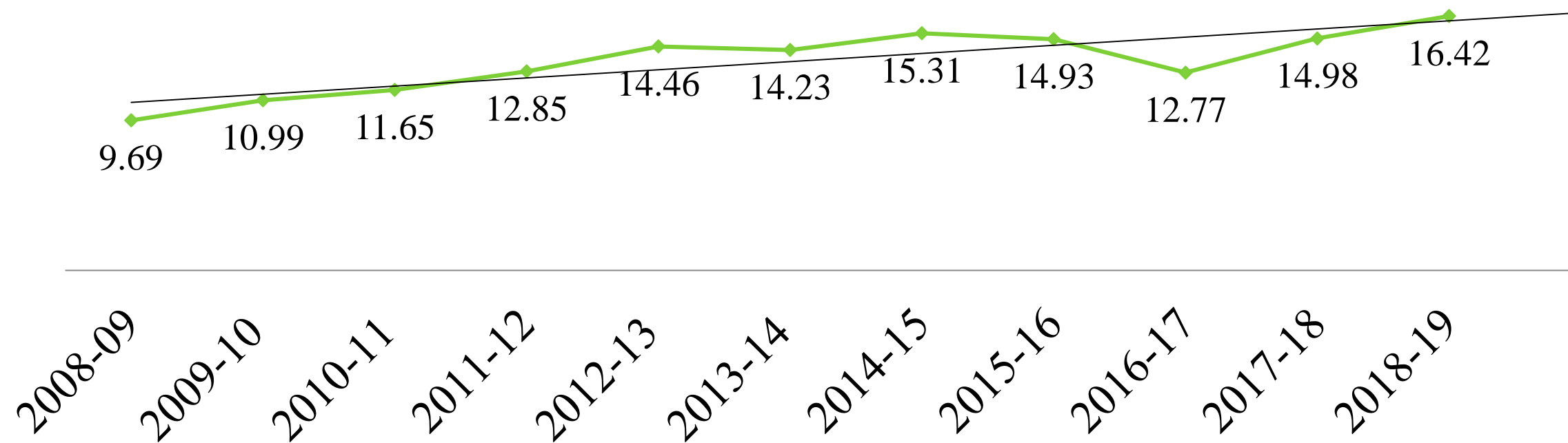


With liberal investment policy framework and environment and macro-economic stability, the net FDI increased by 363% from 2008-2019 reaching US\$3.61billion in FY 2019.

The Foreign Exchange Reserves has improved drastically from US\$7bn to about US\$32.28bn as of August 2019.

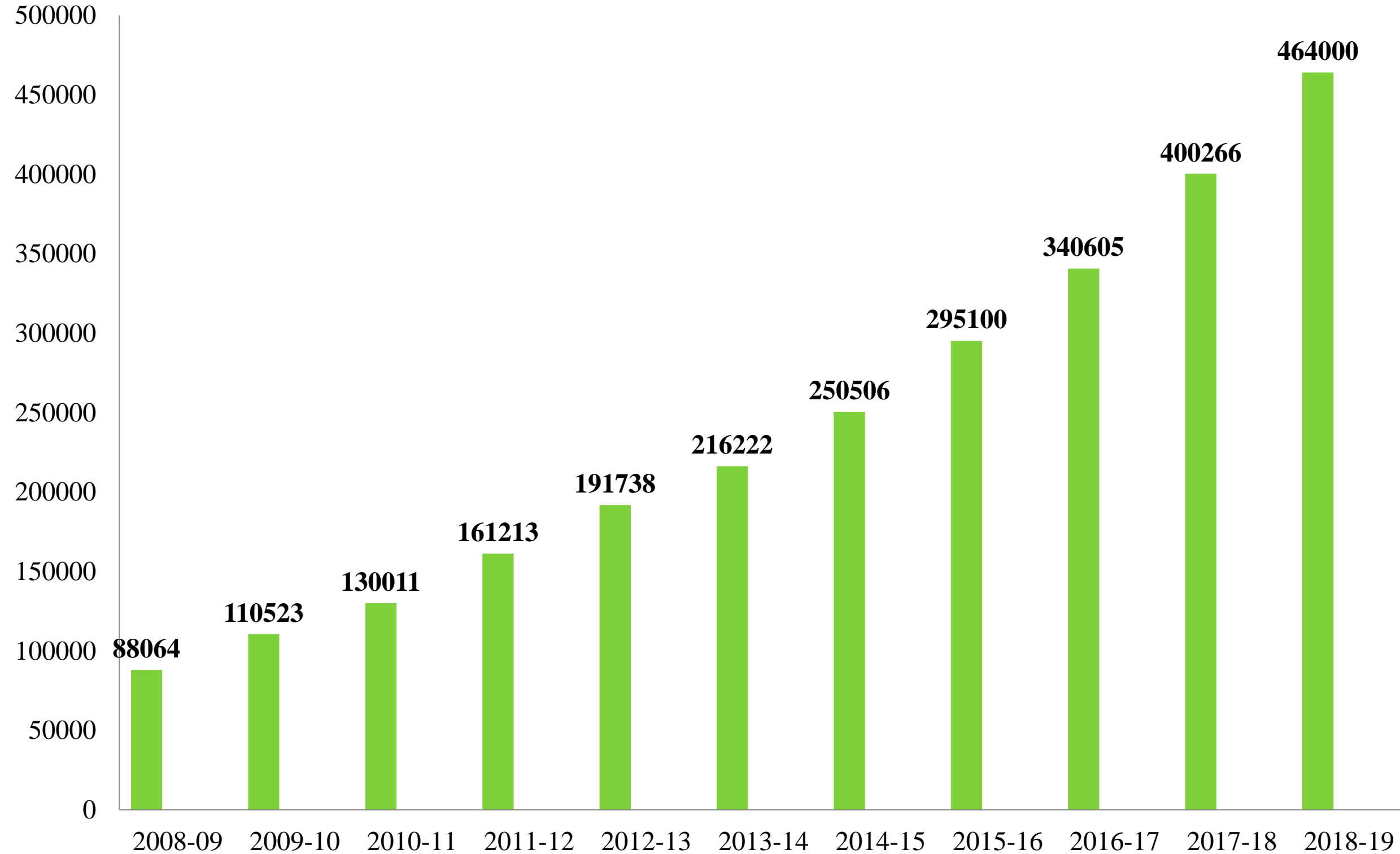


Workers' Remittances (Billion US\$)



The level of remittance has increased since 2008 with the highest record of remittance inflow in FY 2019 at US\$16.42 bn.

National Budget (CR Tk.)



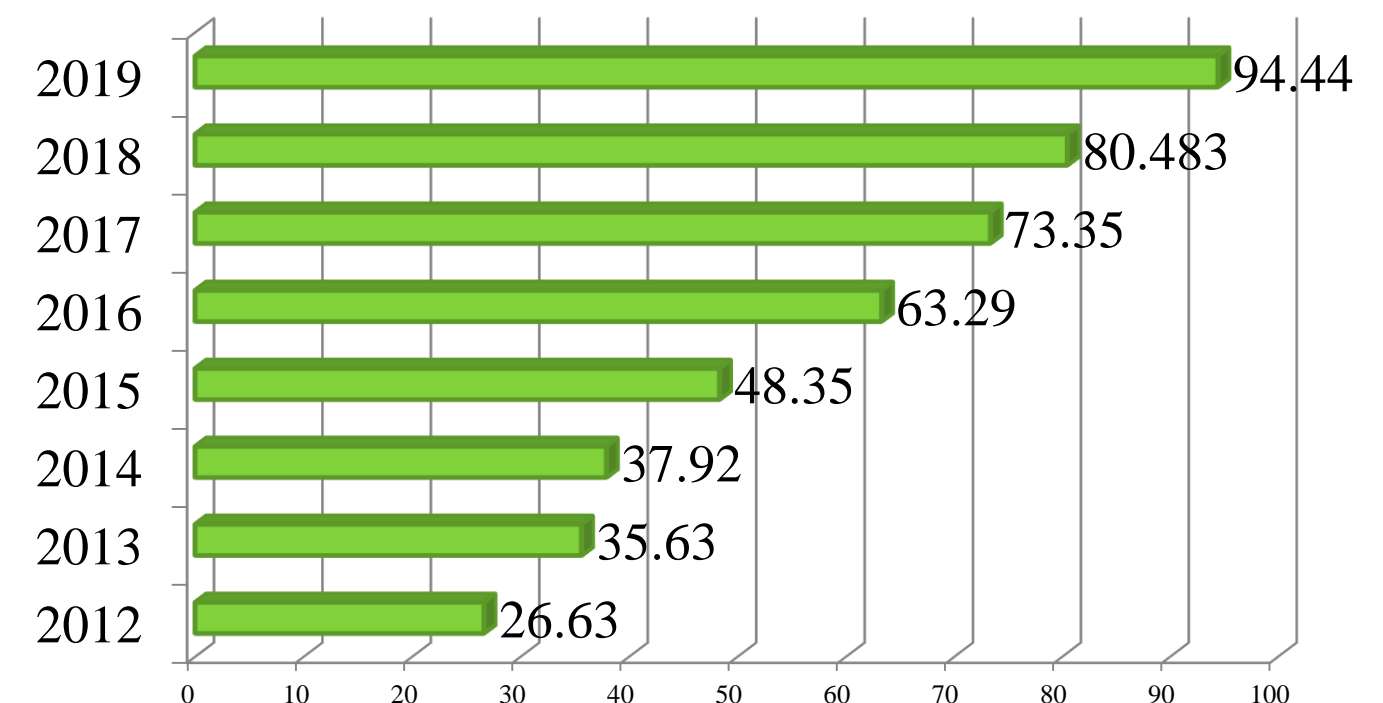
The recently declared budget was worth 4 lakh 64 thousand crore which was just 89000 crore in 2008. Since 1972, our budget has increased by 600%.

ICT Development

- With the launch of the Bangabandhu Satellite-1; Bangladesh's first communication satellite in 2018 has positioned Bangladesh in the bandwagon of the 4th industrial revolution becoming the 4th in South Asia and 57th Globally. (Preparation to launch a 2nd and 3rd satellite.)
- 5G Plans under the Vision of Building a Digital Bangladesh;
- 40% of Govt. Services have been digitalized under the vision of Digital Bangladesh; 60% of the population now have access to the internet with 92 million users and 95% of the population are connected through a mobile.
- Bangladesh's universal fiber optic connectivity projects are underway, to connect the grass route unions of the country with high speed broadband internet.



Internet Users (million)



Mega Development Projects in Bangladesh

Top 10 priority projects are underway covering power and energy, roads & communication including:

- Padma Bridge,
- Rooppur Nuclear Power project,
- Paira Sea Port,
- the coal fired power projects of Matarbari and Rampal,
- Metro Rail and LNG terminal

7 of the 10 are being implemented at a cost of around US\$40bn with a view to creating an enabling investment environment and developing an efficient industrial eco-system.



Sectoral Scan: RMG

- The RMG Sector is the largest export sector of Bangladesh with US\$34.4bn Export in FY 2018-19.
- US\$50 bn by 2021 RMG Export Target
- Employs about 3 lakh women
- 7 out of 10 top ranking RMG manufacturing units in the world are located in Bangladesh.
- Room for expansion in the Up-Market Designer Labels and Textile Innovation.



Economic Strengths



Leather and footwear- Brands like Esprit, Tamaris, Armani and Hugo Boss are being manufactured in Bangladesh Export for the FY18 was \$1.38 bn



Food products; Agri and Frozen fish- Export for the FY18 was \$1.18 bn



Ceramics-Export for the FY18 \$51.94mn



Jute goods- 205 Mills, Export for the FY-18: \$1.03 bn;



Pharmaceuticals-Exported to about 110 countries worth \$103.46mn in FY18



ICT- FY 18 (July-March)- Export was US\$ 384.28mn (US\$5bn export target by 2021)
In 2008 export was only 50mn.

Bangladesh LDC Graduation: Another Step Forward

- ❑ Bangladesh has officially received the confirmation UN's Committee for Development Policy (CDP) about attaining the three graduation criteria to consider for graduation from the group of least developed countries to a developing one.
- ❑ Bangladesh is only country in the world to meet all the three criteria for LDC Graduation at the qualification stage.
- ❑ From the business community we firmly believe that this will transform the current trading relationship

UN's Graduation Criteria	Qualifying Score	Bangladesh's Score
GNI Per capita	\$1,242 or above	US\$1,909 (FY 18-19)
Human Asset Index (HAI):	66 or above	72.9
Economic Vulnerability Index (EVI)	32 or below	24.8

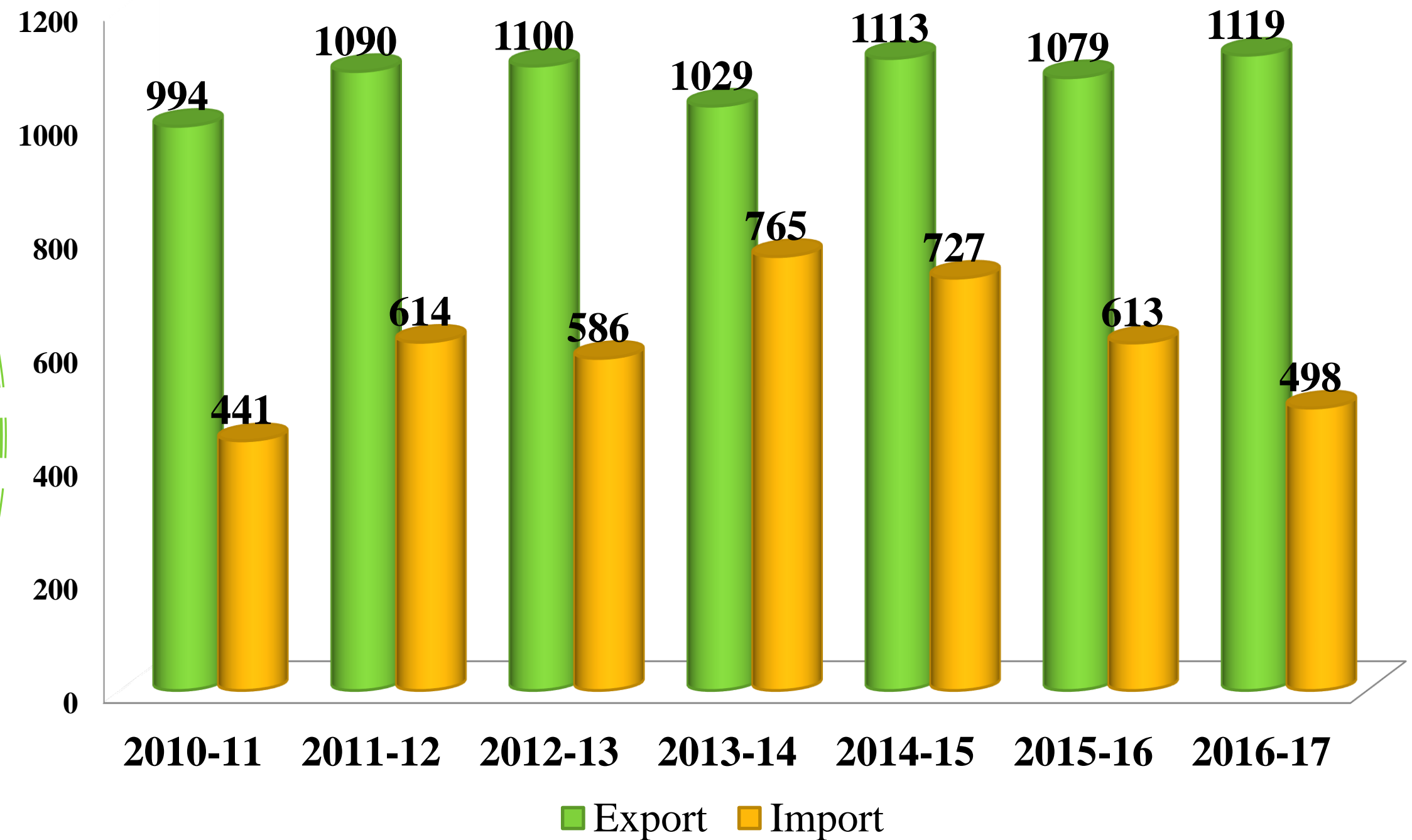
Bangladesh Canada Relations

- Our long proven relations with Canada since 1972 have been marked by dynamic partnership. Bangladesh views Canada as a key development partner sharing a number of multilateral interests in the WTO, support for international peacekeeping and as members of the United Nations and the Commonwealth.
- Current assistance program of Canada includes gender equality and empowerment of women and girls, health, skills training and support to the ready-made garment sector. These development priorities are in line with Canada's Feminist International Assistance Policy.
- Bilateral Trade is growing on a positive note and Several flagship Canadian companies from the aerospace, information and communication technology sectors are actively looking into investment. The potential however, for substantial trade and investments have yet to materialize.

Bilateral Trade Flows

Export (US\$ billion)

Bangladesh and Canada's trade flows remain much below potential, characterized by concentration of exports of apparel and import of agro products (pulses and wheat).



Future Strategic Cooperation

- **Joint High tech research, development and innovation** including service sector cooperation, sectoral scan, sectoral mapping and execution of best practices.
- **Knowledge transfer to transition from 3rdIR to 4thIR-** including service sector cooperation in ICT, nanotechnology, robotics, IOT, cyber security, AI, quantum computing, quantum internet among others.
- **Business process re-engineering of MSMEs**, fisheries and agriculture.
- **Joint collaboration for demand driven technical skills development/ TVET** program for agro, manufacturing, Industry, service & quaternary economy, academia skill gap assessment and joint venture on blue economy.
- **Knowledge transfer for developing STEAM** (Science, Technology, Engineering, Arts, Mathematics) education curriculum, teaching modules and teacher's training.
- **Energy Sector Cooperation-** Bangladesh a growing energy market could benefit from investment cooperation. In addition the blue energy economy remains largely untapped which could be of interest to Canada.

Vision 2041 - FBCCI ICON (Proposed)



FBCCI Vision 2041

In line with our national vision 2041 and the 8th Five Year Plan with a view to achieving the SDGs and getting on the bandwidth of the 4th Industrial Revolution; FBCCI has taken some medium and long term initiatives to create an ecosystem of Public Private Partnership which is highly prioritized by the Govt. of Bangladesh.

- **Establishment of “FBCCI Institute for Technical Vocation Education and Training”** to conduct demand driven skillset for a diversified economic human resource.
- **FBCCI Economic Institute for Economic Policy Planning and Design;** is set to provide Economic Policy Planning and Design; on Trade and Economic issues with an emphasis on behavioral economics through scientific methodology of global standards. FBCCI Economic Policy Institute’s knowledge partner is Jacobs& Cordova, the global authority on policy planning and design.
- **FBCCI University-** with a emphasis on the delivery of STEAM (Science, Technology, Engineering, Arts, Mathematics) focused advanced academic programs; taking an interdisciplinary approach, and creating a skill set for better addressing the interest of innovation and 4th industrial revolution necessary for our transitioning economy.
- **FBCCI Arbitration center** -is being set up for commercial ADR to help the businessmen to settle their disputes (domestic and international) with a vision to create a trade facilitation eco-system and to minimize cost and time period in dispute resolution.

Thank you