



G.KIBRIA & CO.
Chartered Accountants



Doing Business in Bangladesh



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Bangladesh ("The country of Bengal"), officially the People's Republic of Bangladesh is a country in South Asia. It shares land borders with India and Myanmar (Burma). Nepal, Bhutan and China are located near Bangladesh but do not share a border with it. The country's maritime territory in the Bay of Bengal is roughly equal to the size of its land area. Dhaka is its capital and largest city, followed by Chittagong, which has the country's largest port. Bangladesh forms the largest and easternmost part of the Bengal region.

Bangladeshis include people from a range of ethnic groups and religions. Bengalis, who speak the official Bengali language, make up 98% of the population. The politically dominant Bengali Muslims make the nation the world's one of the largest Muslim-majority country.



Most of Bangladesh is covered by the Bengal delta, the largest delta on Earth. The country has 700 rivers and 8,046 km (5,000 miles) of inland waterways. Highlands with evergreen forests are found in the northeastern and southeastern regions of the country. Bangladesh has many islands and a coral reef. The longest unbroken sea beach, Cox's Bazar Beach is located here. It is home to the Sundarbans, the largest mangrove forest in the world.



In the decade since 2004, Bangladesh averaged a GDP growth of 6.5%, that has been largely driven by its exports of readymade garments, remittances and the domestic agricultural sector. The country has pursued export-oriented industrialization, with its key export sectors include textiles, shipbuilding, fish and seafood, jute and leather goods. It has also developed self-sufficient industries in pharmaceuticals, steel and food processing. Bangladesh's telecommunication industry has witnessed rapid growth over the years, receiving high investment from foreign companies. Bangladesh also has substantial reserves of natural gas and is Asia's one of the largest gas producer. Offshore exploration activities are increasing in its maritime territory in the Bay of Bengal. It also has large deposits of limestone. The government promotes the Digital Bangladesh scheme as part of its efforts to develop the country's growing information technology sector.



Bangladesh is strategically important for the economies of Northeast India, Nepal and Bhutan, as Bangladeshi seaports provide maritime access for these landlocked regions and countries. China also views Bangladesh as a potential gateway for its landlocked southwest, including Tibet, Sichuan and Yunnan.

Bangladesh is a member of the D-8 Organization for Economic Cooperation, the South Asian Association for Regional Cooperation, the International Monetary Fund, the World Bank, the World Trade Organization and the Asian Infrastructure Investment Bank. And Bangladesh is one of the largest contributors to United Nations peacekeeping forces.

Economy of Bangladesh at a glance:

Economy of Bangladesh	
Official Name	The People's Republic of Bangladesh
Political System	Parliamentary democracy
Major Cities	Dhaka Chittagong Khulna Rajshahi Sylhet Barisal Rangpur
Capital Name	Dhaka
Time Zone	GMT + 6 hours
Currency	Taka₳ (BDT)
Fiscal year	1 July – 30 June
Trade organizations	SAFTA, BIMSTEC, WTO, AIIB, IMF, Commonwealth of Nations, World Bank
Statistics	
GDP	\$273 billion (nominal; 2018) \$751 billion (PPP; 2018)
GDP rank	44th (nominal) / 32nd (PPP)
GDP growth	7.28% (2017)
GDP per capita	\$1,610 (nominal; FY2016-17) \$4,204 (PPP; 2017)
GDP per capita rank	150th (nominal) / 139th (PPP)
GDP by sector	agriculture: 14.7% industry: 29.32% services: 56.50% (FY2016-17)
Inflation (CPI)	5.44% (FY2017)
Labour force	81.95 million (2015)
Labour force by occupation	agriculture: 40%, industry: 30%, services: 30% (2013)
Unemployment	4.18% (FY2015-16)

Main industries	Textile Pharmaceutical products Electronics Shipbuilding Automotive Bicycle Leather Jute Glass Paper Plastic Food and beverages Cement Tea Rice Natural gas and crude petroleum Iron and steel
External	
Exports	\$34.02 billion (FY2016-17)
Export goods	Garments Knitwear Agricultural products Frozen food (fish and seafood) Jute and jute goods Leather
Main export partners	European Union 54.5% United States 19.3% Canada 3.3% Japan 3.0% China 2.3% Other 17.5%
Imports	\$43.49 billion (FY 2016–17)
Import goods	Cotton Machinery and equipment Chemicals Iron and steel Foodstuffs
Main import partners	China 21.5% India 12.2% Singapore 9.2% European Union 6.2% Hong Kong 5.5% Other 45.3%
Foreign reserves	\$33.02 billion (June 2017)

People of Bangladesh

Employment Rates

Bangladesh has a total population of 157 million people out of which the labour force covers 78 million workers.

Job creation is challenged by a steady labour force growth of 2.2 percent during the last decade, meaning 1.7 million more entered the labour market.

BILS was established in 1995 with the support & active participation of 13 National Trade Union Federations. The organization is the only labour research institution of Bangladesh. It develops the capacity of the trade union movement & brings trade unions with different political views together in concrete co-operation for i.e. formulation of policy development, inputs and recommendations.

The health social protection Coverage

Few contributory social protection schemes exist in Bangladesh, and most forms of social protection are through non-contributory social assistance. The health social protection coverage is only 1.4 percent of the population while the proportion of pensionable age receiving an old age pension is 40 percent. Formal sector workers currently enjoy some social protection, but informal sector workers and casual workers do not have access to such benefits.

Improving Education and Skills

Bangladesh has 31 public universities, 54 private universities, 60 teacher training colleges and 1,143 technical and vocational institutions.

Typical of the sub-continent, vocational training and professional qualifications are highly respected. Thousands of Bangladeshis who have wide work experience abroad add to the national reservoir of skill.

English Widely Spoken

The national language is a Bengali or 'Bangla'. Yet our second language, English is widely spoken, understood and written.

More than 90% of staff at management level is fluent in English.

Transportation-Network

The transport sector of Bangladesh consists of a variety of modes. As the country is essentially a flat plain all three modes of surface transport, i.e. road, railway and water, are widely used in carrying both passengers and cargo. The airline network is also extensive and effective.

What does owning a truly ideal location mean? Being at the heart of where things happen. And Bangladesh is literally there. An ideal geographic location with enviable weather in the center of the Americas guarded by the Atlantic and Pacific Oceans. Nowadays, we stand as the most popular near shore location for companies from the U.S as well as a strategic offshore setting for European companies in the dollar zone. We even have the same time zone as the U.S Central Standard Time (GMT + 6), providing great convenience for doing business.

We've devoted resources to provide a solid utilities infrastructure that goes from having a powerful, redundant and reliable energy supply network (from renewable energies such as geothermal heat, biomass, eolic and hydroelectric), to promoting the creation of strategically located industrial parks and business centers.

We are boosting a major improvement for the country's main seaports and airports, highways and telecom infrastructure.

Utilities Infrastructure Overview

Ports

Seaports

Chittagong, Mongla and Patuakhali.

Inland river ports:

Dhaka, Chandpur, Barisal, Khulna, Baghabari, Sharishabari, Narayanganj, Bhairab Bazar Ashuganj.

International airports:

Dhaka, Chittagong and Sylhet.

Domestic airports

Chittagong, Jessore, Sylhet, Cox's Bazar, Syedpur, Rajshahi and Barisal.

Land ports:

Benapole, Teknaf, Banglabandha, Sonamasjid, Hilli, Darshana, Birol, Burimari, Tamabil Haluaghat, Akhaura, Bibirbazar and Bhomra.

Transportation

Road

In Bangladesh, among the various modes of transport road transport system has been playing a significant role in transporting passengers and goods. The Roads and Highways Department (RHD) manage several categories of road.

RHD has total length of 20,948 Km road under its control. RHD also control a total number of 4,659 bridges and 6,122 culverts. RHD are currently operating about 161 ferry boats in 81 crossings (13 on national highways, 11 on regional highways and 57 on feeder roads) on its road network throughout the country. As of January 2010, Local Government Engineering Department (LGED) has so far constructed a total of 133,514 km (64,691 km dirt road and 68,823 km paved roads) upazila and union roads and 971,498 bridges/culverts. The 4.8 km long Bangladesh Bridge, which was opened to traffic in 1998, is the eleventh longest in the world. It has established a strategic link between the East and the West of Bangladesh. It is generating multifaceted benefits to the people and promoting inter-regional trade. Apart from quick movement of goods and passenger traffic, it is facilitating transmission of electricity and natural gas and has integrated the telecommunication links.

Air

The Civil Aviation Authority is a public sector entity entrusted to construct maintain and supervise airports and regulate air traffic. The national flag carrier Biman flies to 26 international and eight domestic destinations.

There are now 13 operational airports and Short Take-off and Landing (STOL) ports in Bangladesh. These are Dhaka, Barisal, Chittagong, Comilla, Cox's Bazar, Ishurdi, Jessore, Rajshahi, Syedpur, Sylhet

and Thakurgaon. Of these, the airports at Dhaka, Chittagong and Sylhet serve international routes. Air cargo and STOL services have been handed over to the private sector by the government. Bangladesh can be reached by air from any part of the world.

Several international carriers fly to and from Dhaka. Biman, Bangladesh airlines connects Dhaka with 27 major cities of the world, which are: Abu Dhabi, Amsterdam, Athens, Bangkok, Bombay, Calcutta, Doha, Dubai, Jeddah, Karachi, Kathmandu, Kuala Lumpur, London, Muscat, Dhahran, Baghdad, Kuwait, Yangon, Rome, Tripoli, Tokyo, Singapore, Bahrain, Frankfurt, Ho Chi Minh City, Hong Kong, Jakarta, Sarjah, Seoul, Riyadh and Delhi.

Rail

The Bangladesh Railway provides an efficient service to places of interest such as Chittagong, Sylhet, Khulna, Mymensingh, Bogra, Rajshahi, Dinajpur starting from Dhaka. The inter-city Express Service is available to and from important cities at cheap fares.

About 32% of the total area of Bangladesh is effectively covered by railways. Bangladesh Railway had a total network of 2,835.04 km (Broad Gauge 659.33 km, Dual Gauge 374.83 km and Meter Gauge-1,800.88 km) and a total of 440 stations at the end of the year 2008-2009. Train services between Dhaka-Kolkata have been commenced on 14 April 2008 in order to establish communication between Bangladesh and India. After inclusion of railway track over the Jamuna Bridge, railway link between east and west zone has been established.

Waterways

The entire coast along the Bay of Bengal is 710 km long. There are two major ports in the country. Chittagong, the oldest port, has been an entry-port for at least 1,000 years. The Mongla port in Khulna region serves the western part of Bangladesh.

Country made crafts are the most widely used carriers on the rivers. These carry passengers and merchandise on a large scale. The landscape of Bangladesh is dominated by about 250 major rivers which flow essentially north-south. The alluvial flood plain formed by these rivers covers most of the country. Wherever there is a river and a village, a launch or steamer will ply for trade. Bangladesh Inland Water Transport Authority (BIWTA) has been established by the government for maintenance of navigability of ports and channels while the state-owned BIWTC provides passenger and cargo services in inland waterways and coastal areas of the country.

Workforce

Bangladesh offers an abundant supply of disciplined, easily trainable and low-cost work force suitable for any labor-intensive industry. Of late, there is an increasing supply of professionals, technologists and other middle and low level skilled workers. They receive technical training from universities, college, technical training centers, polytechnic institutions etc. The expenditure incurred by an employer to train his employee is exempted from income tax.

Employment Conditions

The minimum age for workers in Bangladesh is 16 years in factories and establishments. Contracts are made in the form of a letter of offer. Workers may also be engaged on verbal agreements. In government organizations and in some private organizations as well, a probationary period exists for skilled or semi-skilled workers varying between three month's to one year. During this period either party may serve one month's notice for termination from or giving up to the job. In the private sector, the dignity of labor is

ensured in accordance with the principles enunciated in the International Labour Organization (ILO) convention and recommendations.

Labor Force

According to the survey Report on monitoring and employment survey-2009, the labor force increased from 49.5m in 2006 to 53.7m in 2009. The growth rate has been 2.7% a year. 62.7% of the population are of age 15 years and over and out of them 59.3% are economically active and 40.7% are economically not active.

Labor Laws

In Bangladesh the following major labor laws are now in operation:

- Labor Acts 2006
- Private Road Transport Labor Welfare Fund Law 2005
- Labor Welfare Foundation Law 2006
- Minimum Wages Board Laws

The main labor policies are:

- Child Labor Policy
- Domestic Worker Protection and Welfare Policy 2010

Note: For more detailed please visit Ministry of Labour and Employment, GOB

Working Hours

Workers in the public or private sector typically work eight and a half hours daily (including half an hour for meal or prayer), or 48 hours per week. Friday and Saturday are typically the weekly holidays.

Export Processing Zones

Export Processing Zones (EPZs) are export oriented industrial enclaves which provide the infrastructures, the facilities, administrative and support services for a wide variety of enterprises. Bangladesh's highly successful EPZs in Dhaka and Chittagong are now complemented by new EPZ developments and other valuable real estate developments around the country.

The Bangladesh Export Processing Zones Authority (BEPZA) is the official organ of the government to promote, attract and facilitate foreign investment in the Export Processing Zones. The primary objective of an EPZ is to provide special areas where potential investors would find congenial investment climate free from cumbersome procedures. Businesses from 32 countries have so far invested in the existing zones.

There are currently eight zones :

EPZ-Adamjee
EPZ-Chittagong
EPZ-Comilla
EPZ-Dhaka

EPZ-Ishwardi

EPZ-Karnaphuli

EPZ-Mongla

EPZ-Uttara

If you are interested in setting up your business in an EPZ, the Board of Investment will be pleased to advise you and introduce you to BEPZA. More information: BEPZA

Year Wise Investment

Year	Cumulative (Million US \$)
2010-11	2117.71
2011-12	2456.96
2012-13	2785.49
2013-14	3188.05
2014-15	3594.43
2015-16	3998.78
2016-17	4341.26

Year Wise Employment

Year	Cumulative (No.)
2010-11	212164
2010-11	94259
2011-12	340021
2012-13	84694
2012-13	289314
2013-14	389017
2014-15	420101
2015-16	453652
2016-17	479181

Year Wise Export

Year	Cumulative (Million US \$)
2009-10	21737.26
2010-11	25434.89
2011-12	29645.66
2012-13	34502.35
2013-14	40027.692
2014-15	46141.159
2015-16	52817.47
2016-17	59366.84

High Priority Potential Industrial Sectors

Agro-business Sector

Investment Areas

- Agro-input sectors like seed, fertilizer, Pesticide, irrigation & Farm Machinery
- Post-Harvest infrastructure
- Food processing like eligible oil, rice, sugarcane, potato, fruits & vegetables & spices

Special Incentives

- 100% foreign equity is allowed (Except for defense, nuclear energy, currency and forest plantations)
- Tax incentives for 5-7 years based on location and industry dependent
- Cash Incentives: electricity consumption special rebate of 20% to agro-processing sector
- Tariff-free access to European union
- Cash incentives and export subsidies for selected export products ranging from 5% to 20%
- Loan disbursement target in agriculture is USD 2 Billion
- Entrepreneurs Equipment Fund is allowed agro-sector
- More than 47.5% of population dependent on agriculture for livelihood
- A great adventure begins by finding the right guide

Garments and Textiles

The phenomenal growth in the readymade garment (RMG) sector in the last decade created many new factories and employment opportunities. Having enjoyed more than 70% of total investments in the manufacturing sector during the first half of the 1990s, RMG and knitwear now account for about 4,825 factories and a workforce of 3.1 m -80% of which are women. This sector now employs over 50% of the industrial workforce and accounts for 79% of the total export earnings of the country. The growing trend in the textile and the garments sector means that Bangladesh is perfectly positioned to appeal to foreign investors.



Sector Highlights

- Cost and quality of products that are produced on time, reliably and very competitively with a highly skilled labor force.
- A unique regional location for expansion into key Eastern and other markets.

- Favored trading status with the EU and the USA.
- Clusters of companies providing a local supplier base with real depth in skilled labor, training and technical development facilities.

Investment Opportunities and Government Support

Enormous investment opportunities exist in this sector. In the RMG industry demand for fabric significantly exceeds local supply and so is currently being met by imports. Backward linkage is a significant trading opportunity and is supported by a government backed incentive: 15% cash subsidy of the fabric cost to exporters sourcing fabrics locally. Additionally the government has created a highly favorable policy framework for investment in these sectors offering investors the following choices:

- Establishment of new textile/RMG mill in the private sector
- Joint ventures with the existing textile/RMG mill
- Acquisition of public sector textile mills that are being privatized
- Indirect investment through financial services and/or leasing

Spinning

The government is committed to fostering a strong spinning sector within the economy to support the robust textile and garment industry that has developed. The government is therefore supporting spinners by providing lower tariffs for machinery spares and raw materials, cash incentives, reduced tax rate, and low-cost funding etc.



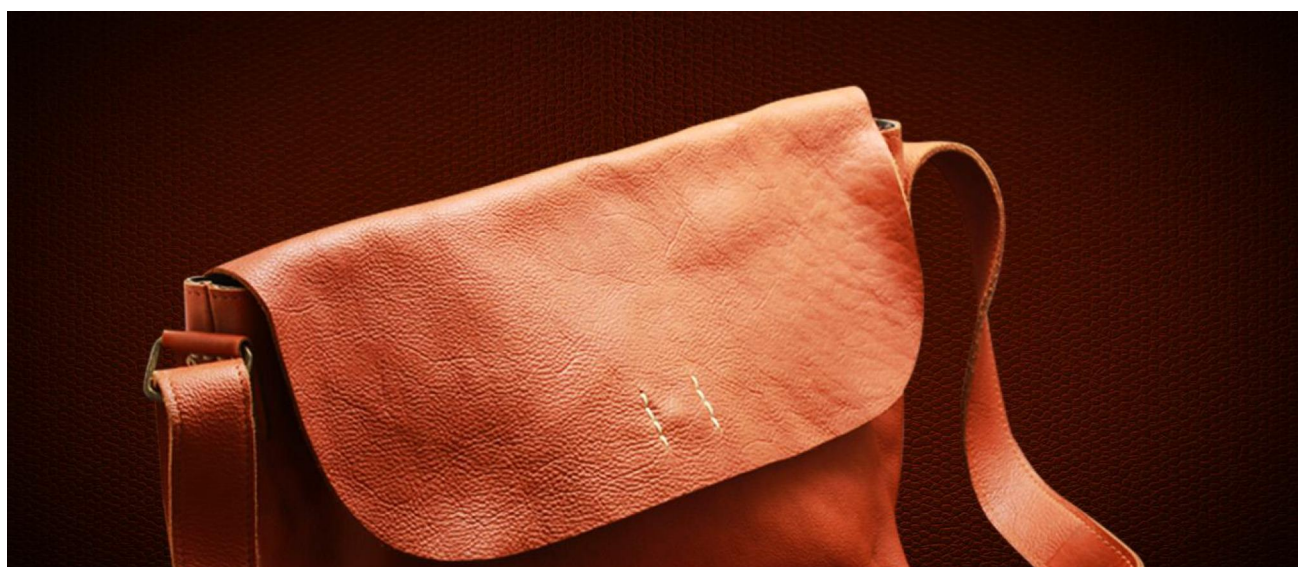
ICT Sector

Sector Highlights

- Over 800 IT companies are now thriving in the country and capturing a significant share in the international markets worldwide.
- Total estimated IT Industry Size is US\$ 120 Million (including export)
- Software contributes around 44% to the overall industry revenue, whereas ITES contributes around 56% to the overall industry revenue.
- Approx 30,000 professionals, majority IT and other graduates, are employed in the industry. In terms of creating high-quality employment software and IT service industry is surely one of the top graduate employment sectors in the country.
- Total investment in this sector is more than 50,000 crore and this sector is the largest contributor to FDI in Bangladesh.
- Online outsourcing, data entry and call center business are flourishing.
- In the next 5 years, 1% of the country's total GDP will come from the software and IT services sector.

Leather and Leather Goods Subsectors

Bangladesh has a long established tanning industry which produces around 2-3% of the world's leather from a ready supply of raw materials. The country is therefore an established and attractive location to source and outsource the manufacture of finished leather products. The leather industry is ideally suited to Bangladesh with its abundance of labor and natural resources at internationally competitive rates.



Sector Highlights

- Flourishing in this sector are finished leather and leather goods.
- Abundant, low-cost labor – ideal for labor intensive industry.
- Good quality domestic supply of raw materials, as by-products of the large livestock industry.
- Government support in the form of tax holidays, duty-free imports of raw materials and machinery for the export-oriented leather market, export incentives.
- Tariff and quota-free access to major markets such as the EU.

Industry Outlook and Investment Incentives

Bangladesh produces between 2% and 3% of the world's leather. Most of the livestock base for this production is domestic, which is estimated as comprising 1.8 % of the world's cattle stock and 3.7 % of the goat stock. The hides and skins (average annual output is 15m sq.m.) have a good international reputation.

Foreign direct investment in this sector along with the production of tanning chemicals appears to be highly rewarding due to this presence of basic raw materials for leather goods including shoes, a large pool of low cost, trainable labor, and a tariff concession facility to major importing countries under Generalized System of Preferences (GSP) coverage. Thus Bangladesh is an ideal offshore location for leather and leather products manufacturing with low cost but high quality.

The government is in the process of setting up a separate Leather Zone, relocating the existing industry sites to a well-organised environment. Exports include some ready-made garments, although that aspect is confined mainly to a small export trade in "Italian-make" garments for the US market. Footwear is more important in terms of value addition. This is the fast growing sector for leather products.

Electric Sector:

Sector Highlights

- Global Electrical and Electronic products are highly branded. Bangladesh is producing mostly for the domestic market.
- Bangladesh encourages private sector investment with 100% foreign ownership.
- Approx USD 9bn market demand while local production approx. USD 1bn
- More than 3000units are in operation, creating employment (direct and indirect) 1 million & 0.4 million
- Major Import substitution opportunity exists
- Middle-class consumers of Bangladesh consist population more than Malaysia, Singapore and Thailand.

Priority Potential Industrial Sectors

Plastic Sector

Sector Highlights

- The average growth rate of plastic production is more than 20% per year.
- 300 manufacturers, export plastic goods worth nearly USD 98.995 million in the FY 2015-2016.
- Currently, around 5000 companies are operating in this sector of which 98% of them are SME's.
- Direct & indirect employment to over 1.2 million people in Bangladesh
- Annual sales at around BDT 150 billion in the local market, in which household items account for nearly BDT 20 billion.
- The plastic sector constitutes 1.0 of total GDP
- Strong backward linkage sectors, such as light engineering sector in BD etc.
- Enabler of innovation of many products and technologies like packaging, textile, healthcare, construction, electronics, energy generation automotive.

Light Engineering Sector

The burgeoning domestic market and the prospect of significant cost reductions for companies sourcing components and finished goods for international markets makes Bangladesh a compelling choice for investors.

Sector Highlights

Thriving in this sector are machinery parts and consumer items.

- Increasingly affluent middle class creating demand for consumer durables.
- About 40,000 small scale light engineering enterprises existing over the country.
- Export-oriented production has experienced strong growth in past few years.
- Currently about 10,000 types of different items are manufactured for the local industry.
- As demand grows for engineering and electronic goods, so does demand for light engineering products.
- Government provides cash incentive facilities to exporters of value-added light engineering products.

Industry Situation

The light engineering industry in Bangladesh continues to grow each year. This labor-intensive sector produces a diverse range of items, including import substitute machinery spares, plant machineries, small tools, toys, consumer items and paper products for the domestic market. Most of these enterprises are located in and around Dhaka metropolis. Entrepreneurs from China, Japan and Korea have taken advantage of Bangladesh's cheap and easily trainable labor and its infrastructure facilities to manufacture products for the export market.

Ship Building Sector

Sector Highlights

- Number of Companies: 130
- Ships made in Bangladesh are 15% cheaper than even Chinese ships and are of the same quality
- The productivity of labors is good & average hourly labor charge in is only US\$ 1.00
- Global shipbuilding market size is US\$ 1,600 billion. 1% of the global order for only small ships market the amount will be worth US\$ 4 billion for Bangladesh
- Present capacity is 0.84% of global shipbuilding production
- Declared as “Thrust Sector” in a different policy.



Tourism Industry

Sector Highlights

- Tourist spots the country such as Cox’s Bazar, Kuakata, Kantajee Temple, Saint Martin’s Island, Sonargoan, Sylhet, Sundarbans, Ramsagor, and so on have attained huge number of tourist
- About half a billion USD was earned from the tourism sector in 2017.
- People of Bangladesh are very hospitable and tourist friendly.
- Unique archaeological sites, cultural heritage and eco-tourism products like the world’s largest mangrove forest, the Sundarbans, the world’s longest unbroken sea beach in Cox’s Bazar (120km), the oldest archaeological site in the Southern Himalayas-Paharpur and world’s largest terracotta temple – Kantaji Temple in Dinajpur, and spectacular monuments and mausoleums of language movement and liberation war of the country.

- The WTTC predicted that by 2023, travel and tourism will directly generate 2 million jobs and support an overall total of 4 million jobs, or 4.2 percent of the country's total employment.
- This would represent an annual growth rate in direct jobs of 2.9%.
- Bangladesh's world ranking in 2017 was 173 out of 185 (for diverse contribution to GDP).



Cox's Bazar Sea beach

Frozen foods

Frozen foods is the second largest export sector of the economy. The massive natural resources available in Bangladesh make this sector particularly promising for investors looking to supply in international as well as in domestic markets.

The Public sector corporation and the private organizations have setup about 148 numbers of shore based export oriented fish processing plants at Dhaka, Chittagong, Khulna, Jessore, Satkhira, Bagerhat, Cox's Bazar, Chandpur, Kishoregonj, Syihet and Patuakhali. These plants produces Fresh Water shell On (FWSO), Ser Water shell On (SWSO), Peeled and Deveined (P&D), Peeled and Undevined (PUD), shrimp products under the most hygienic and sanitary condition under the supervision, control and guidance of foreign trained handling & processing experts. At all levels, USFDA registrations and directives of the European Communities concerning the production and exportation of frozen foods are strictly followed.

Sector Highlights

Thriving in this sector are shrimp farming and fish production.

Farming

The government is promoting semi-intensive shrimp farming.

Business

Shrimp processing and export industry is largely dominated by the small business sector.

Co-operation

Government has developed initiatives of quality assurance for frozen foods in co-operation with exporters.

Exporters

15% cash incentive offered to shrimp export amount.

Exportable Products

The private organization and the public sector corporation offer the following products for export:

- Frozen shrimp & prawn
- Frozen fish
- Fresh & chilled fish
- Frozen fillets & steaks of fish, sharks shells skates & rays
- Shark fins & fish maws
- Salted & dehydrated fish
- Dry fish
- Live crabs & tortoises
- Fish meals & crushed
- Value added shrimp & fish products

Industry Situation

Following a period of strong investment in technology, processes and regulation the frozen foods sector has flourished and earned itself an excellent reputation with trading partners.

Exporters have earned credibility and trustworthiness in the global market and are committed to maintaining a competitive advantage in product quality. Continuing investment in technology, marketing and quality remain at the forefront of the industries' strategy to meet the challenges of international trade in price, quality, time and service.

Renewable Energy Sector

Sector Highlights

- Economic growth of 7% calls for the scalability of its power infrastructure to keep up with the demands of industry and increased urbanization.
- Currently, renewable energy makes up 2.5% of the total electricity generation
- The importance of an alternative source of energy in Bangladesh.
- Solar energy is the most prominent source of renewable energy
- Successfully implemented one of the biggest Solar Home System (SHS) projects
- Around 3 million SHSs have been successfully installed
- Hydro power, Micro, mini and pico hydro power plants can also be used

Ceramic Sector

Sector Highlights

- The global ceramics industry is worth more than \$10bn.
- Bangladesh produces a high-quality bone china.
- Bangladesh exported to about 55 countries, amounting to about USD 376 million in 2015-16
- The export destinations are EU, USA, Italy, Spain, France, New Zealand, the Netherlands, Australia, Sweden and the Middle East.
- 54 ceramic manufacturers are operating in Bangladesh, creating employment of 0.5million.
- Investment in this sector is worth USD 462 million with the possibility of expanding.
- Demand is USD 250 million & Bangladesh produced USD 233 million worth products in June, 2017.



Medical Equipment Sector

Sector Highlights

- The medical device market is projected to USD 243.6 million in 2018
- Hospitals in Bangladesh experienced up to 22.5% growth in patients in 2011
- The large medical equipment market of Bangladesh is almost import dependent
- Medical equipment manufacturing is a potential sector to invest and set up plants in Bangladesh
- Huge private hospitals in recent years represent the best opportunity for selling expensive high-end equipment and medical devices.
- Government builds hundreds of new healthcare facilities and upgrades existing facilities and equipment.

Health Care Sector

Sector Highlights

- Around Two Billion Dollars of the untapped Healthcare, the market is now in Bangladesh.
- Bangladesh spends around 2.04 billion US dollars abroad for medical treatment in a year. This amount is 1.94 percent of total GDP of Bangladesh.
- The demand of Health Care growing 21% annually.
- The demand for health care services is accelerating because of increasing purchasing power of the growing middle and upper middle classes.

Business Startup Process in Bangladesh

An entrepreneur has to follow nine specific procedures and legal steps to set up a business in Bangladesh. At the very first, the entrepreneur has to apply to Registrar of Joint Stock Companies and Firms (RJSC) for Name Clearance Certificate. After receiving the certificate, the next step is to pay stamp duty at a Designated Bank and again apply to RJSC for registration. Then the company makes seal and open a bank account and then apply for trade license to respective City Corporation or Municipal Corporations. After completing all those procedures, the entrepreneur has to approach to the National Board of Revenue (NBR) for receiving TIN Certificate and registering with the Customs, Excise, and VAT Commissionerate. Finally, the investor requires to apply to the Bangladesh Investment Development Authority (BIDA) for registration. The process at very high level looks like the following chart:

Procedure 01

Name Clearance Certificate for Company

The first step is to apply to Registrar of Joint Stock Companies and Firms (RJSC) for receiving name clearance certificate. This is a pre-requisite for registration of a new company (other than Foreign Company and Partnership firms) or a society or a trade organization. An applicant needs to apply via RJSC website. The RJSC office will check the database and issue name clearance if it does not closely match or resembles with any of the existing names. It will be valid for next 180 days. An applicant will have to apply for registration within this timeline.

Legal Basis of the Certificate: The Companies Act- 1994

Responsible Agency: Registrar of Joint Stock Companies and Firms (RJSC)

Process Step

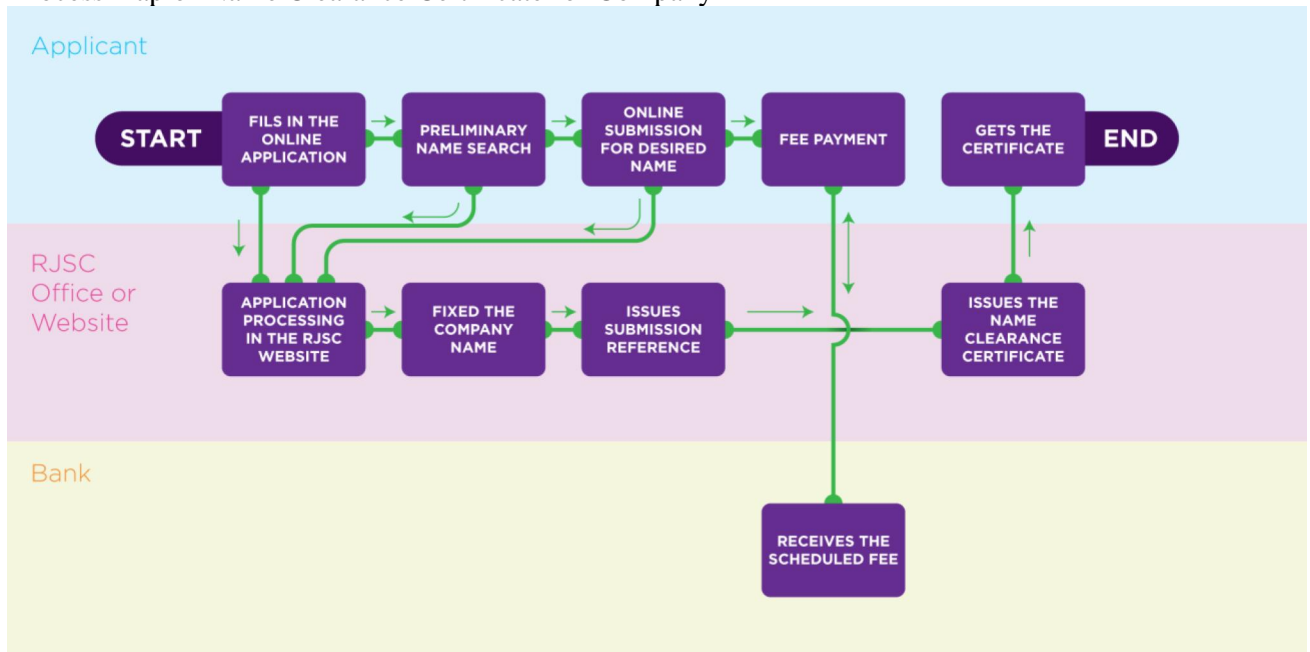
- Step 1: Applicant fills in the online application
- Step 2: Opening an E-account on RJSC website
- Step 3: Preliminary name search on RJSC website
- Step 4: Makes a payment of fees to designated Bank
- Step 5: Submits the money receipt
- Step 6: Obtain the name clearance certificate
- Step 6: Submitting the Registration Application
- Step 7: Depositing the required fee & receiving the payment slip from designated bank
- Step 8: Uploading document in online
- Step 9: Printing the uploaded documents and Submitting those documents & payment slip to RJSC office
- Step 10: Receiving a Certificate of Incorporation from the RJSC Office

Required Documents

1. Name clearance certificate
2. Memorandum and Articles of association
3. Filled in Form I: Declaration on Registration of Company
4. Filled in Form VI: Notice of Situation of Registered Office and of Any Change therein
5. Filled in Form IX: Consent of Director to act
6. Filled in Form X: List of Persons Consenting to be Directors
7. Filled in Form XII: Particulars of the Directors, Manager and Managing Agents and of any change therein Evidence of Name Clearance
8. Proof of payment (i.e. receipt from the designated bank) for Treasury Stamps

9. TIN Certificate of all Directors

Process map of Name Clearance Certificate for Company



Time Less than one day (online procedure)

Fee

BDT 600.00 for each of the proposed names
BDT 100.00 for each time extension application

Contact

Head Office of RJSC:
TCB Bhaban, 1 Kawran Bazar, Dhaka-1215, Bangladesh
TEL: 8189401, 8189403, FAX: 8189402
Email: rjsc@roc.gov.bd Website: www.roc.gov.bd

Procedure 02:

Pay Stamp Duty at a Designated Bank

Payment of stamp duty is made to the account of the Treasury at the BRAC Bank. According to the Stamp Act 1899 as amended on June 30th, 2012, for an authorized share capital of up to BDT 1,000,000, the total stamp duty fees are BDT 4,000. These include BDT 3,000 for affixing stamps on the Articles of Association, and BDT 1,000 for stamps on the Memorandum of Association. In addition, a certified copy of each document costs BDT 50.

Responsible Agency: Designated Bank

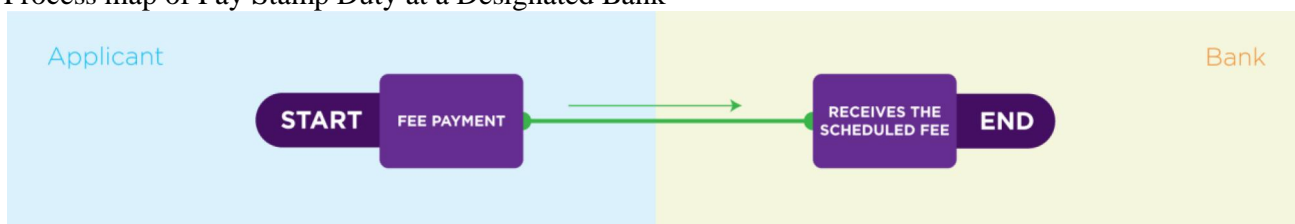
Process Step

Step 1: Payment of stamp duty is made to the account of the Treasury at the BRAC Bank

Required Documents

No document is required

Process map of Pay Stamp Duty at a Designated Bank



Time 1 day

Fee

BDT 3,000 for the Articles of Association + BDT 50 for a certified copy and
BDT 1,000 for the Memorandum of Association + BDT 50 for a certified copy

Contact

Designated Bank's Branch Office

Procedure 03:

Register at Registrar of Joint Stock Companies and Firms (RJSC)

The promoters of a new entity (having name clearance, where applicable) apply for registration with necessary documents, prescribed forms & schedules and fees, as appropriate to the entity type. The promoters prepares Memorandum/Articles of Association as appropriate to the entity type, submit the registration application through website and Pay the registration fee at the designated Bank. RJSC issues a Certificate of Incorporation upon satisfaction that the promoters obtained name clearance of the proposed entity prior to the registration application, submitted the registration application the Memorandum & Articles of Association & prescribed forms and provided applicable fees.

Legal Basis of the Registration: The Companies Act- 1994

Responsible Agency: Registrar of Joint Stock Companies and Firms (RJSC)

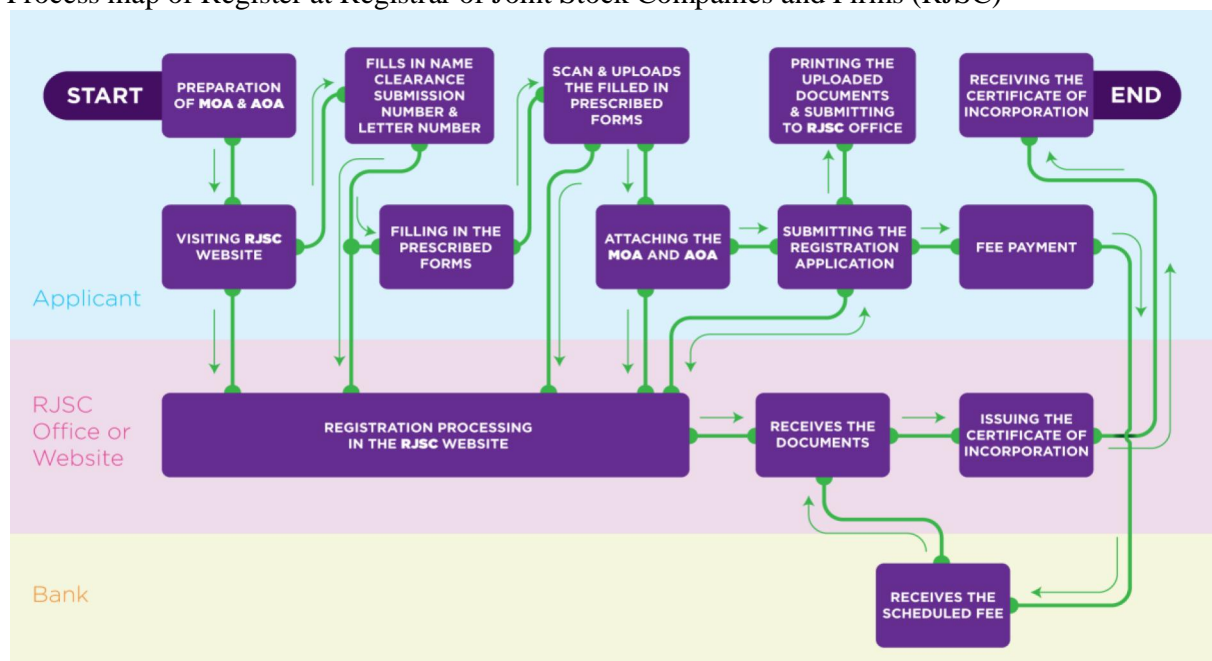
Process Step

- Step 1: Preparing Memorandum of Association (MOA) and Articles of Association (AOA) as appropriate to the entity type
- Step 2: Visiting RJSC website to apply for company registration
- Step 3: Filling in Name Clearance Submission number and letter number
- Step 4: Filling in the prescribed forms
- Step 5: Attaching the MOA and AOA
- Step 6: Submitting the Registration Application
- Step 7: Depositing the required fee & receiving the payment slip from designated bank
- Step 8: Uploading document in online
- Step 9: Printing the uploaded documents and Submitting those documents & payment slip to RJSC office
- Step 10: Receiving a Certificate of Incorporation from the RJSC Office

Required Documents

- 1. Name clearance certificate
- 2. Memorandum and Articles of association
- 3. Filled in Form I: Declaration on Registration of Company
- 4. Filled in Form VI: Notice of Situation of Registered Office and of Any Change therein
- 5. Filled in Form IX: Consent of Director to act
- 6. Filled in Form X: List of Persons Consenting to be Directors
- 7. Filled in Form XII: Particulars of the Directors, Manager and Managing Agents and of any change therein Evidence of Name Clearance
- 8. Proof of payment (i.e. receipt from the designated bank) for Treasury Stamps
- 9. TIN Certificate of all Directors

Process map of Register at Registrar of Joint Stock Companies and Firms (RJSC)



Time Less than one day (online procedure)

Fee

Private Company (Companies Act, 1994)

Stamps

For affixing on the Memorandum of Association: BDT 500.00

For affixing on the Articles of Association:

For Authorized Capital (BDT)	Stamp (BDT)
Up to 10,00,000.00	2,000.0
> 10,00,000.00 up to 3,00,00,000.00	4,000.0
> 3,00,00,000.00	10,000.0

Registration Fee

For filing 6 documents (5 filled in forms plus 1 memorandum & articles of association, @ BDT 200.00 per document): BDT 1,200.00

For the authorized share capital:

For Authorized Capital (BDT)	Fee (BDT)
(Up to 20,000.00)	360.00
Additional for every 10,000.00 or part after first 20,000.00 up to 50,000.00	180.00
Additional for every 10,000.00 or part after first 50,000.00 up to 10,00,000.00	45.00
Additional for every 10,000.00 or part after first 10,00,000.00 up to 50,00,000.00	24.00
Additional for every 1,00,000.00 or part after first 50,00,000.00	45.00

Contact

Head Office of RJSC:

TCB Bhaban, 1 Kawran Bazar, Dhaka-1215, Bangladesh

TEL: 8189401, 8189403, FAX: 8189402

Email: rjsc@roc.gov.bd , Website: www.roc.gov.bd

Procedure 04:

Make a Company Seal

Business founders can make a company seal at the Seal maker for BDT 100-200

Process Step

An entrepreneur will go to any seal making shop and order a company seal

Required Documents

No documentation is required

Time 2-4 hours

Fee

BDT 100-200

Contact

Any seal making shop

Procedure 05:

Open a Bank Account

A company must first open a bank account In order to register for VAT. An entrepreneur will go to the concerned Bank and open a Bank account.

Responsible Agency: Bank

Process Step

In order to register for VAT, the company must first open a bank account. Detailed procedures should be discussed with the Bank.

Time 1 day (simultaneous with previous procedure)

Fee

Usually no charge

Contact

Entrepreneur can communicate with any public or private bank in Bangladesh

Procedure 06:

Obtain a Trade License

Getting a trade license is one of the important steps of starting business in Bangladesh. An entrepreneur needs to receive the trade license from City Corporation or City Council of the respective business area. The trade license filled-in application form must be accompanied by the required documents.

Legal Basis of the Certificate, The Companies Act- 1994

1. Dhaka City Corporation Ordinance – 1983

2. Municipal Taxation Rules – 1986

Responsible Agency: City Corporation/ Municipal Corporation/ Union Parishad

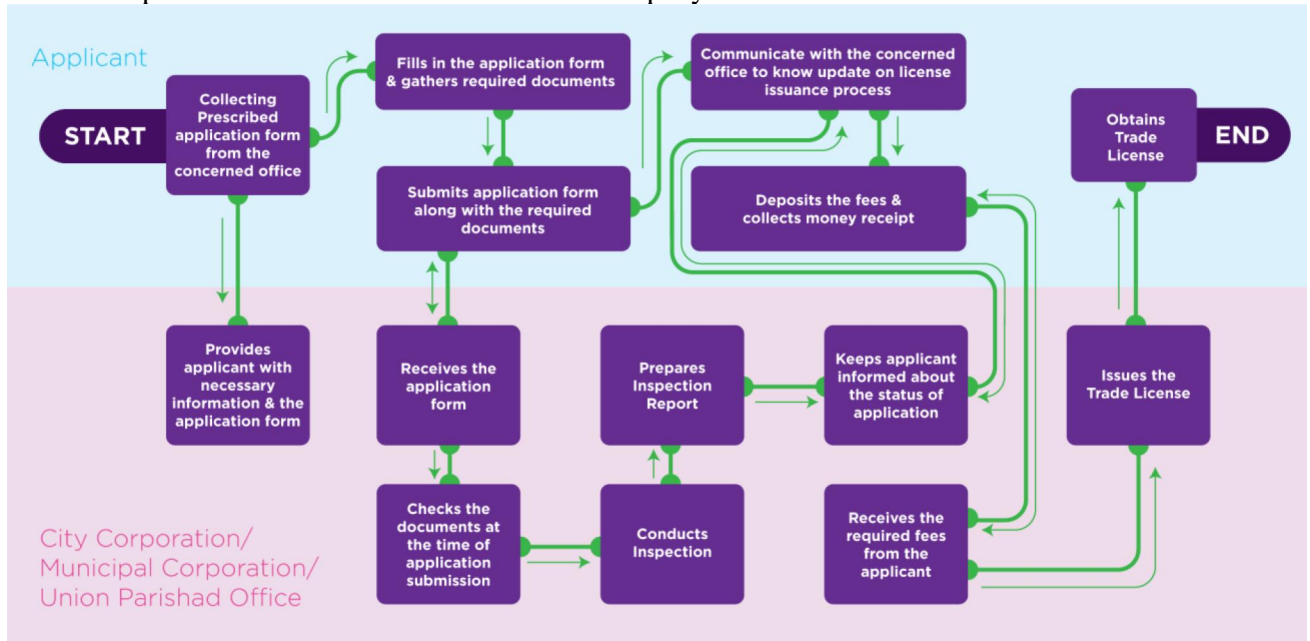
Process Step

- Step 1: Collect prescribed Application Form from the City Corporation/ Municipal Corporation/ Union Parishad's Office
- Step 2: Submit completed Application Form with supporting documents to the concerned section
- Step 3: Inspection by the Licensing Supervisor
- Step 4: Deposit required fees at the concerned office
- Step 5: Obtain Trade License from the City Corporation/ Municipal Corporation/ Union Parishad office

Required Documents

- 1. Application Form
- 2. National ID Card of the Entrepreneur
- 3. Holding Tax Payment receipt
- 4. Recent Passport Size Picture of the Entrepreneur
- 5. Declaration of non –Judicial stamp to abide by the rules & regulation of City Corporation & Municipal Corporation
- 6. A certified copy of the memorandum and articles of association
- 7. A copy of the certificate of incorporation
- 8. Agreement of Partnership
- 9. Tax Identification Number certificate
- 10. A copy of the lease agreement of the registered office
- 11. Work Permit from Board of Investment
- 12. Statement of Bank Solvency

Process map of Name Clearance Certificate for Company



Time 7 days

Fee

Application Fee: BDT 10.00

License Fee: Ranges from BDT 1000-20000 which depends on the nature /type of the business (Information can be collected from City Corporation/ Municipal Corporation/ Union Parishad) For Limited company, License fee is determined on the basis of paid up capital.

Contact

City Corporation, Municipal Corporation & Union Parishad Office

For Dhaka City

Dhaka South City Corporation (DSCC)
Nagar Bhaban, Fulbaria, Dhaka-1000
Phone:- +8802 9563504, +8802 9563506
Email: administrator@dhakacity.org
Website: <http://www.dhakasouthcity.gov.bd/>

Dhaka North City Corporation (DNCC)
Nagar Bhaban, House # 81, Gulshan, Dhaka 1212
Phone: +88-02-9896111
Fax: +88-02-9894391
Email: cro@dncc.gov.bd
Website: <http://www.dncc.gov.bd>

Procedure 07:

Obtain a Tax Identification Number (TIN) Certificate for Company

In order to start business operations, every company must receive TIN Certificate from NBR. An entrepreneur can apply in online filling out prescribed online form and obtain TIN Certificate instantly. Alternatively, the entrepreneur can register for taxes at the appropriate taxation authority (Deputy Commission of Taxes of Company Circle, Zonal Taxation Department) under the National Board of Revenue (NBR) and obtain a tax identification number.

Legal Basis of the Certificate, The Companies Act- 1994

1. Dhaka City Corporation Ordinance – 1983

2. Municipal Taxation Rules – 1986

Responsible Agency: City Corporation/ Municipal Corporation/ Union Parishad

Process Step

Step 1: Collect prescribed Application Form from the City Corporation/ Municipal Corporation/ Union Parishad's Office

Step 2: Submit completed Application Form with supporting documents to the concerned section

Step 3: Inspection by the Licensing Supervisor

Step 4: Deposit required fees at the concerned office

Step 5: Obtain Trade License from the City Corporation/ Municipal Corporation/ Union Parishad office

Required Documents

1. Application Form
2. National ID Card of the Entrepreneur
3. Holding Tax Payment receipt
4. Recent Passport Size Photo of the Entrepreneur
5. Declaration of non –Judicial stamp to abide by the rules & regulation of City Corporation & Municipal Corporation
6. A certified copy of the memorandum and articles of association
7. A copy of the certificate of incorporation
8. Agreement of Partnership
9. Tax Identification Number certificate
10. A copy of the lease agreement of the registered office
11. Work Permit from Board of Investment
12. Statement of Bank Solvency
13. Process map of Obtain a Tax Identification Number (TIN) Certificate for Company

Time 7 days

Fee

Application Fee: BDT 10.00

License Fee: Ranges from BDT 1000-20000 which depends on the nature /type of the business
(Information can be collected from City Corporation/ Municipal Corporation/ Union Parishad)

For Limited company, License fee is determined on the basis of paid up capital.

Contact

City Corporation, Municipal Corporation & Union Parishad Office

For Dhaka City

Dhaka South City Corporation (DSCC)

Nagar Bhaban, Fulbaria, Dhaka-1000

Phone:- +8802 9563504, +8802 9563506

Email: administrator@dhakacity.org

Website: <http://www.dhakasouthcity.gov.bd>

Dhaka North City Corporation (DNCC)

Nagar Bhaban, House # 81, Gulshan, Dhaka 1212

Phone: +88-02-9896111

Fax: +88-02-9894391

Email: cro@dncc.gov.bd

Website: <http://www.dncc.gov.bd>

Procedure 08:

VAT Registration

For VAT purposes, companies register with the Customs, Excise, and VAT Commissionerate under the National Board of Revenue. The company's VAT is regulated by the Customs, VAT and Excise Department of the region in which it operates. When an enterprise submits a VAT Registration application to the VAT authority an application must accomplish or enclosed the Trade License, Bank Solvency Certificate, TIN Certificate, Copy of BOI Registration & Deed of Agreement.

Legal Basis of the Registration, The Value Added Tax Act, 1991

Responsible Agency: National Board of Revenue (NBR)

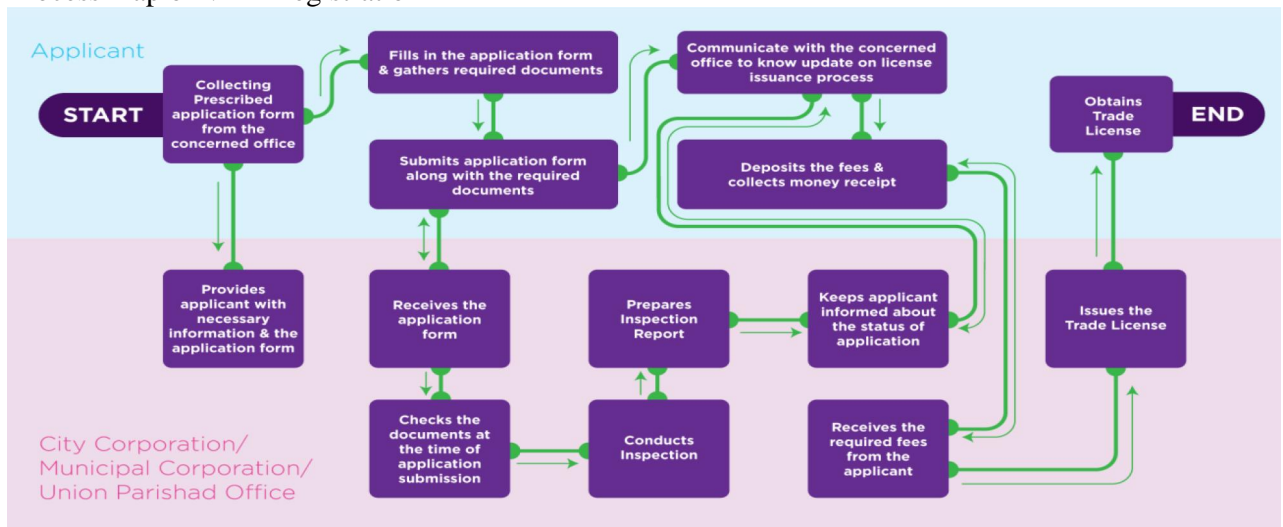
Process Step

- Step 1: Collecting prescribed application form from the NBR Zonal Office or NBR website
- Step 2: Submitting filled in application form with supporting documents to the Zonal Office
- Step 3: Verifying the documents by NBR officials
- Step 4: Physical inspection of the business premises
- Step 5: Obtaining a VAT Registration Certificate

Required Documents

1. Fill-up an application form
2. Enterprise Trade License.
3. Bank Solvency Certificate.
4. Owners 02 photograph.
5. National ID/Passport copy of owners.
6. IRC/ERC if enterprise is doing Import and Export Business.
7. Article & Memorandum of Association (if enterprise is Limited Company.)
8. TIN Certificate
9. Location map of Enterprise premises
10. Copy of BOI Registration
11. Deed of Agreement

Process map of VAT Registration



Time 1-2 Working day

Fee

No Charge

Contact

National Board of Revenue (NBR)

Segun Bagicha, Dhaka-1000

Phone: +88-02-9358223

Website: <http://www.nbr-bd.org/>

Procedure 09:

Registration with the Bangladesh Investment Development Authority (BIDA)

A foreign investor is required to be registered with BIDA. It is essential to obtain many licenses and permits such as Import Registration Certificate, Export Registration Certificate, Bond License, etc to run business in Bangladesh. The BIDA registration is also mandatory for obtaining industrial plot in the special economic zone. The investor needs to collect the application form from BIDA and submit the filled up form along with supporting documents to the respective department of BIDA.

Legal Basis of the Certificate, The Investment Board Act-1989

Responsible Agency: Bangladesh Investment Development Authority (BIDA)

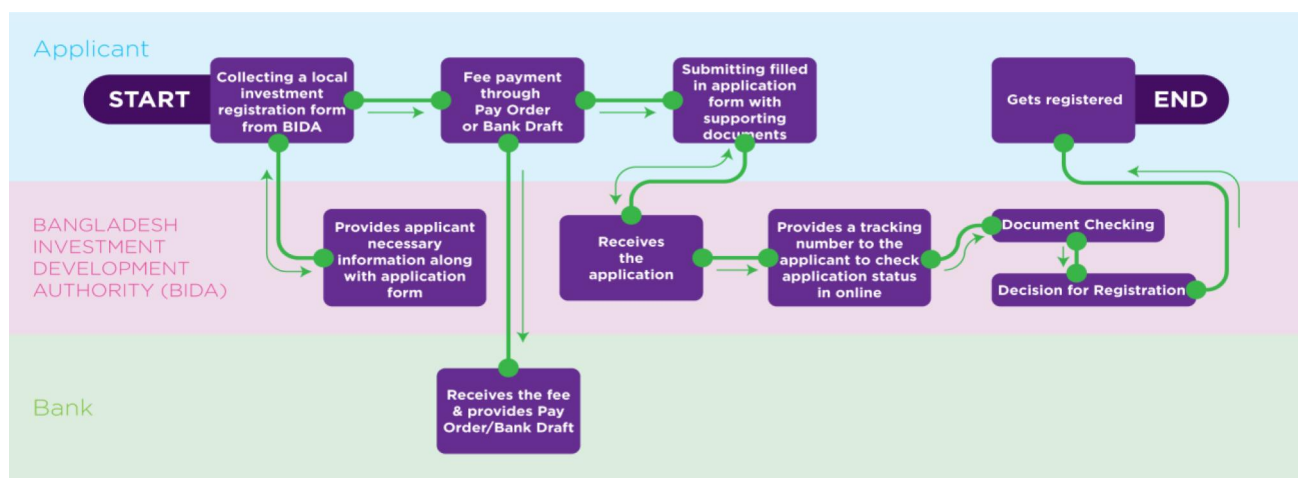
Process Step

- Step 1: Collect a local investment registration form from Registration & Investment Division of BIDA
- Step 2: Deposit the Registration fee, as per fee schedule from any scheduled bank in favor of Bangladesh Investment Development Authority and collect a pay order/bank order
- Step 3: Submit the completed application form with supporting documents to the concerned section
- Step 4: BIDA reviews the application and documents
- Step 5: If the application is approved, the Registration Certificate will be issued

Required Documents

- 1. Application in duly filled in prescribed form
- 2. Trade License
- 3. Certificate of Incorporation along with Memorandum of Association (MOA)
- 4. Partnership Deeds
- 5. Deeds of the proposed land
- 6. Project profile, if the total project cost exceeds BDT 100 million
- 7. Background of the proprietors in officials letter head pad
- 8. Pay Order/Bank Order for applicable registration fee in favor of Bangladesh Investment Development Authority
- 9. TIN Certificate

Process map of Registration with the Bangladesh Investment Development Authority (BIDA)



Time 15-30 working days

Fee

Registration fee for local Investment		Registration fee for foreign Investment	
Amount (BDT)	Required fee(BDT)	Amount (BDT)	Required fee(BDT)
Up to 1 Crore	5,000/-	Up to 10 Crore	5,000/-
10-25 Crore	10,000/-	10-25 Crore	10,000/-
25-50 Crore	25,000/-	25-50 Crore	25,000/-
50-100 Crore	50,000/-	50-100 Crore	50,000
Over 100 Crore	1,00,000/-		

Contact

Bangladesh Investment Development Authority (BIDA)

Prime Minister's Office

Plot#E-6/B, Government of the People's Republic of Bangladesh, Agargaon, Sher-e-Bangla Nagar, Dhaka-1207, Bangladesh. Contact: +880 2 55007241-45, Fax: +880 2 55007238-40,

Email : service@bida.gov.bd, Website : www.bida.gov.bd

Important Links

Bangladesh National Portal	https://bangladesh.gov.bd/
Bangladesh Bank	https://www.bb.org.bd/
Bangladesh Investment Development Authority	http://bida.gov.bd/
Ministry of Commerce	https://mincom.gov.bd/
Registrar of Joint Stock Companies And Firms	http://www.roc.gov.bd/
National Board of Revenue	http://nbr.gov.bd/
The Institute of Chartered Accountants of Bangladesh	http://www.icab.org.bd/