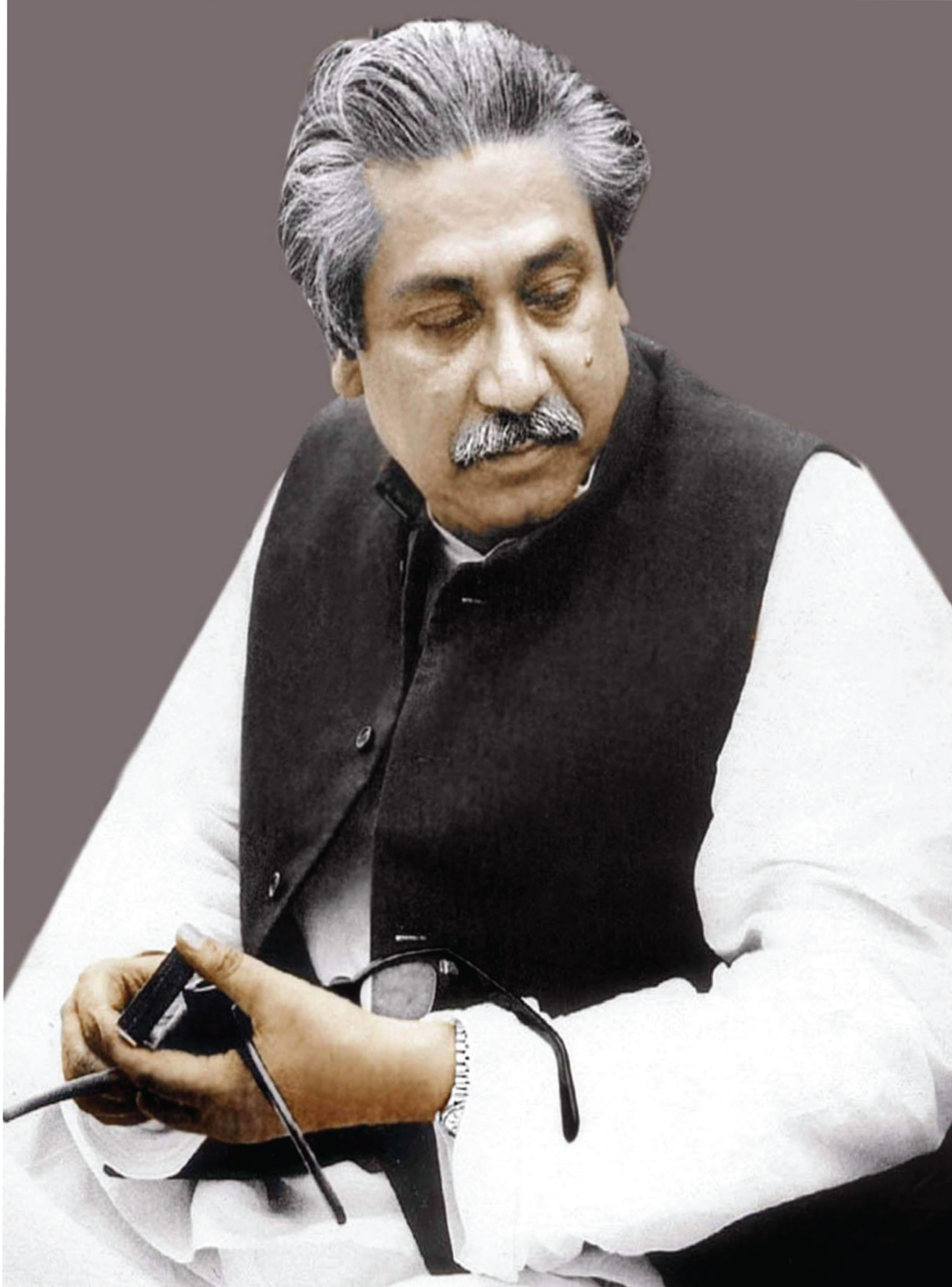




BIDA NEWSLETTER

A Monthly Publication of Bangladesh Investment Development Authority (BIDA)

July-August 2019 ■ Issue No. 05



BIDA observes National Mourning Day and the 44th anniversary of martyrdom of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman

BIDA officials paid tribute to the architect of Bangladesh on August 15 on the National Mourning Day and the 44th anniversary of martyrdom of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman. BIDA EC led the officials to Dhanmondi Road 32 and placed a floral wreath at the portrait of the Father of the Nation. Earlier, the national flag was hoisted half-mast at the BIDA office premises. BIDA arranged a discussion meeting on the life and works of the father of the nation at BIDA premises on the same day. Officials of BIDA took part in the discussion, stood in silence to pay respect and offered prayers for the salvation of the departed souls of those who were brutally killed on August 15 of 1975.

INSIDE

- All set for entrepreneurship training
- Enhancing investment cooperation with South Korea
- Japan-Bangladesh networking session
- Saudi companies sign more MoUs
- BIDA's special monitoring initiative
- Registered Project Monitoring
- World Investment Report 2019 & Bangladesh's Investment Scenario
- Investment News

All set for entrepreneurship training

BIDA has taken up a game-changing project for creating entrepreneurs across Bangladesh. By 2020, BIDA's Entrepreneurship and Skill Development Project (ESDP) aims to provide entrepreneurship training to 24,000 people and also help them get going with their business ideas. Led by BIDA EC Kazi M. Aminul Islam, the ESDP is a strategic initiative designed to implement Prime Minister Sheikh Hasina's special initiative for fostering investment.

BIDA has already set up physical facilities with provisions for training, mentoring and networking in all 64 districts of Bangladesh. Under this project BIDA's entrepreneurship trainers have been spreading the message on digital, print and social media, asking interested individuals to register for training at www.esdp.gov.bd. They are also trying to

BIDA NEWSLETTER

July-August 2019 • Issue No. 05

A Monthly Publication of Bangladesh Investment Development Authority (BIDA)

reach out to potential candidates in all corners of Bangladesh by carrying out physical promotional activities in the 8 administrative divisions. The hotline 09613112211 have been made available for those who want to register for training in entrepreneurship skills.



BIDA finishes TOT for entrepreneurship trainers. Private Sector Industries and Investment Advisor to the PM, Salman F. Rahman hands out certificates to BIDA entrepreneurship trainers during a ceremony while Principal Coordinator (SDG Affairs) at PMO Md. Abul Kalam Azad, Principal Secretary to the PM, Md. Nojibur Rahman were also present at a local hotel in Dhaka on July 11.

Photo BIDA

Enhancing investment cooperation with South Korea



BIDA EC Kazi M. Aminul Islam and KOTRA President & CEO Kwon Pyung-Oh sign an MOU in the presence of the Prime Minister Sheikh Hasina and her South Korean Counterpart Lee Nak-yeon at the PMO on July 13.

Photo PID

BIDA has signed an MoU with the Korean Trade-Investment Promotion Agency (KOTRA) to enhance cooperation in the field of investment promotion with South Korea.

South Korea's Prime Minister Lee Nak-yeon arrived in Dhaka on July 13 for a historic three-day visit, first from such level in 17 years. The instrument was signed in a ceremony that followed bilateral talks between Prime Minister Sheikh Hasina and South Korea's Prime Minister Lee Nak-yeon in Dhaka on July 13.

BIDA observes the National Mourning Day and the 44th anniversary of martyrdom of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman



Officials of BIDA led by the Executive Chairman of BIDA placed floral wreath at the portrait of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman at Dhanmondi 32 on August 15.

Photo BIDA



BIDA EC is discussing the contribution of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman at a meeting held at BIDA premises on August 15.

Photo BIDA

BIDA NEWSLETTER

July-August 2019 • Issue No. 05

A Monthly Publication of Bangladesh Investment Development Authority (BIDA)



(From Left) BEZA EC Paban Chowdhury, JBCCEC Co-Chairman Shinichi Aburaya, Principal Secretary to the PM, Md. Nojibur Rahman, BIDA EC Kazi M. Aminul Islam, BGMEA President Rubana Huq and BD Ambassador to Japan Rabab Fatima take part in BIDA's networking session at Bidyut Bhaban on July 4.

Photo BIDA

Japan-Bangladesh networking session

BIDA hosted a networking session for Japanese and Bangladeshi businesses on the sidelines of the fourth Japan-Bangladesh Joint Public Private Economic Dialogue. The session organised at Dhaka's Bidyut Bhaban on July 4 was attended by representatives from 74 Japanese businesses. Md. Nojibur Rahman, Principal Secretary to the PM, who was the session's Chief Guest, thanked Prime Minister Sheikh Hasina and Prime Minister of Japan Shinzo Abe for their leadership. "Our leaders have been working tirelessly to take our ties to the next level. So many of us are gathered here today because our leaders have been very successful," he said.



BIDA NEWSLETTER

July-August 2019 • Issue No. 05

A Monthly Publication of Bangladesh Investment Development Authority (BIDA)



The number of Japanese companies in Bangladesh has doubled in last five years amid rising business confidence, said Shinchi Aburaya, Co-Chairman of Japan-Bangladesh Committee for Commercial and Economic Cooperation (JBCCEC).

On behalf of Japan, presentations were made by YKK, Ajinomoto and JETRO. Top officials and business persons representing Bangladesh then made presentations highlighting investment opportunities in the sectors of power & energy, IT and RMG.



Japanese and Bangladeshi business persons interact during BIDA's networking session.

Photo BIDA



Participation of Japanese and Bangladeshi business persons during open discussion.

Photo BIDA

Saudi companies sign more MoUs

Saudi Arabian companies are planning to make more pioneering investments in Bangladesh. Two MoUs were recently signed by Saudi companies that had participated in a high-level dialogue hosted by BIDA on March 07 this year.

Saudi Arabia's Red Sea Gateway Terminal signed an MoU with the Ministry of Shipping on July 30 for the development of riverways and maritime sector in Bangladesh. The MoU was signed in relation to projects involving the operation and optimisation of the terminal for the existing berth side at Chattogram Port and the services at the Inland Container Depot at Gazipur's Pubail.

Saudi company Engineering Dimensions, already working to manufacture transformers, sub-stations and other electric items in Chattogram by signing a deal with Bangladesh Steel & Engineering Corporation (BSEC), has entered into an MoU with Bangladesh Forest Industries Development Corporation (BFIDC) on July 29 to set up a furniture factory in Chattogram. The company plans to export the furniture to countries in the Middle East.



An MoU is signed by the Ministry of Shipping and Saudi Arabia's Red Sea Gateway Terminal on July 30. Senior officials from the Embassy of Bangladesh in Riyadh, the Economic Relations Division (ERD), BIDA and MoFA were present on the occasion.

BIDA's special monitoring initiative



BIDA Executive Member Moinul Islam inaugurated an orientation programme for monitoring 985 Industrial Projects registered with BIDA with a view to collecting data on those projects located in Dhaka district. The programme was held on 22 August at National Scouts Building, Dhaka. National Commissioner, Bangladesh Scouts, Md. Mesbah Uddin Bhuiyan also attended the meeting.

BIDA Director, Dr. Md. Monzurul Haque conducted the briefing session on how to collect monitoring data from respective industries. As many as 93 Rover Scouts will work for one month in this regard.

BIDA Executive Chairman Kazi M Aminul Islam joined the programme in the afternoon and encouraged all the participants in the concluding session to perform their assignment effectively.

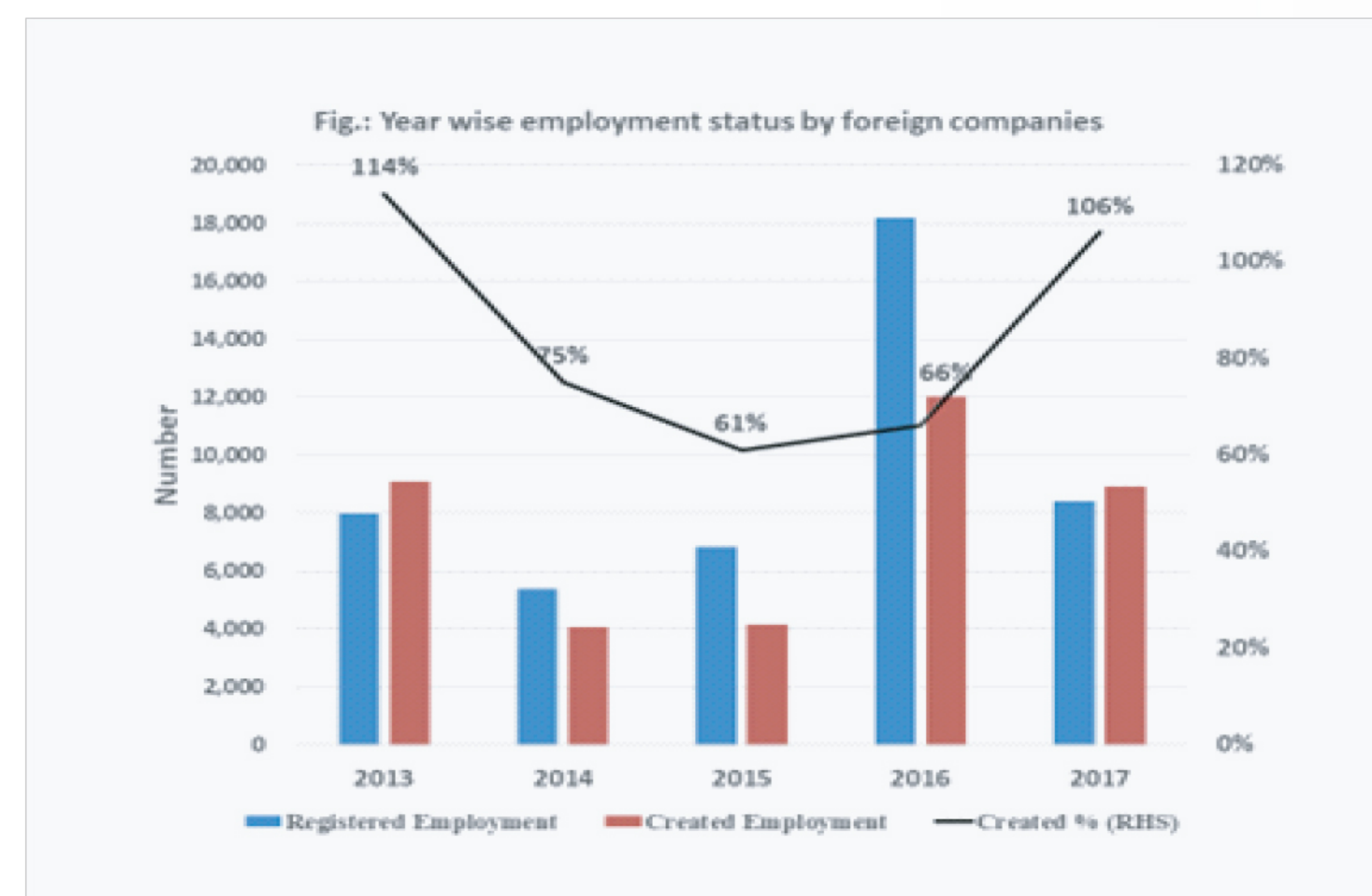
As many as 93 Rover Scouts will work for one month to collect monitoring data of 985 Industrial Projects registered with BIDA.

Registered Project Monitoring

Monitoring and Evaluation Compliance Wing of BIDA took an initiative to monitor 200 industrial projects during 2018-19 Fiscal Year in line with its APA target. The Wing is authorized to monitor BIDA registered projects with a view to tracking investment implementation status, collecting data on investment realization and employment generation and identifying projects facing implementation constraints.

Alongside regular monitoring functions, BIDA undertook a special initiative to extensively monitor 3726 registered industrial projects within June 2019. Out of these, 2000 projects have been monitored by the BIDA officials and 1726 by 62 District Commissioners Offices. The initiative was commenced in March 2019. As many as 892 local investment projects and 295 FDI projects provided information.

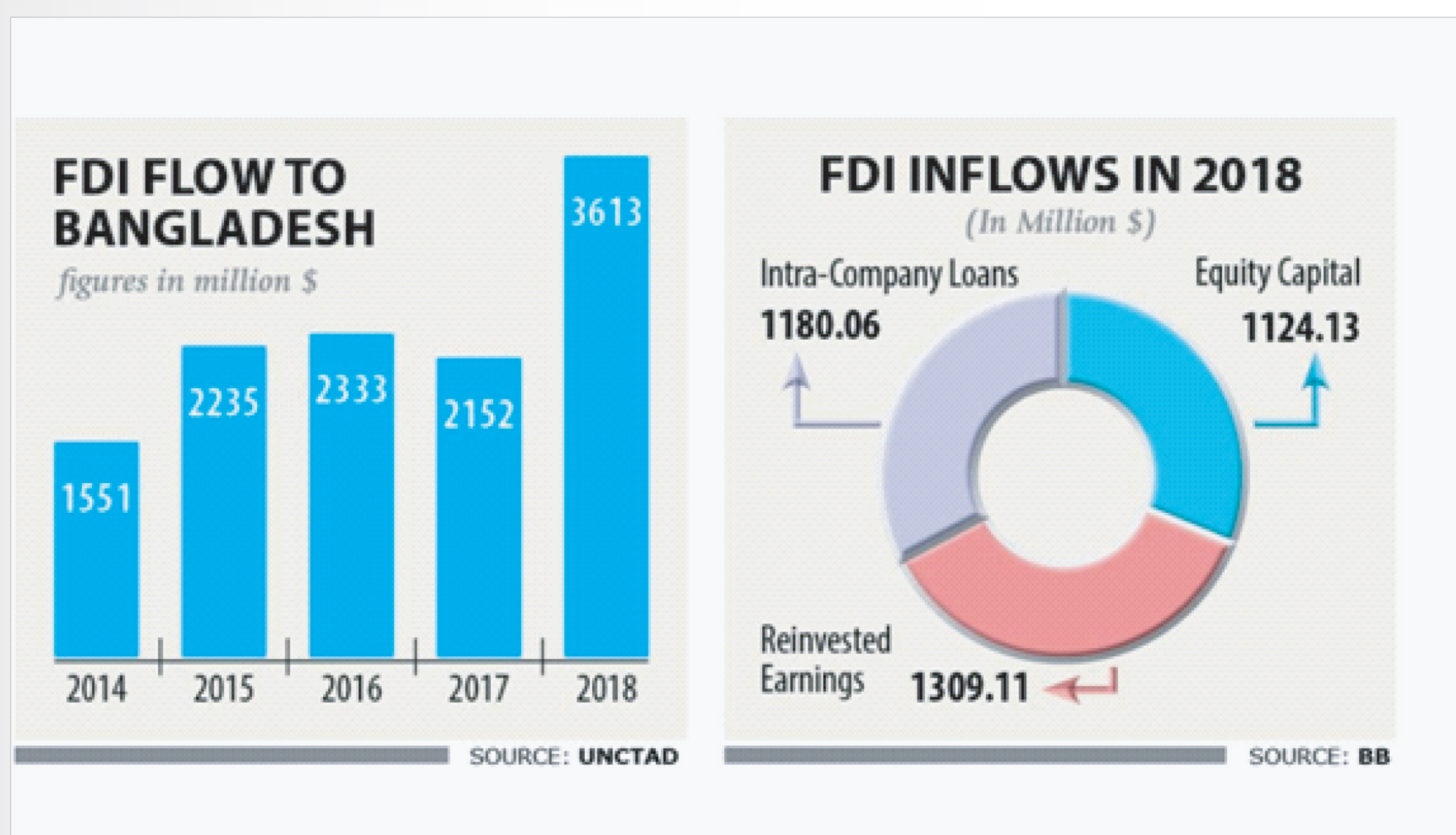
Data collected so far show that realized investment value of local projects is 60 per cent on average compared to proposed investment whereas it is 51 per cent for FDI projects. In contrast locally owned project created on average only 53 percent of employment compared to proposed employment which is 84 percent for the FDI projects. 40 percent respondents (76 out of 188 local investors who mentioned investment constraint) reported that getting bank loan was the major obstacle in realizing investment. However, 39 percent FDI respondents stated obtaining trade license as the major problem of investment realization.



World Investment Report 2019 & Bangladesh's Investment Scenario



BIDA Briefing on UNCTAD's World Investment Report 2019 & Bangladesh's Investment Scenario on June 24 at a hotel in Dhaka. Photo BIDA



BIDA unveiled 'World Investment Report 2019 and Bangladesh scenario' for the media at a city hotel in Dhaka on June 24. It is a compilation of investment data by UNCTAD which was published on June 12, 2019.

Private Sector Industries and Investment Advisor to the PM, Salman F. Rahman attended the media briefing as the chief guest while Principal Coordinator (SDG Affairs) at PMO, Md Abul Kalam Azad, Executive Chairman of BEZA Paban Chowdhury and FBCCI President Sheikh Fazle Fahim were also present as special guests. BIDA EC Kazi M Aminul Islam presided over the session. Executive Director of the Policy Research Institute of Bangladesh (PRI) Ahsan H Mansur delivered the key note presentation.

The World Investment Report 2019 revealed that FDI inflow into Bangladesh rose by 68 percent to a record high of \$3.6 billion during 2018. However, the flows around the world continued to decline for the third consecutive year in 2018, falling by 13 percent to \$1.3 trillion from a revised figure of \$1.5 trillion in 2017.

According to UNCTAD, Bangladesh received net FDI amounting to \$3.61 billion in 2018. In South Asia, Pakistan received \$2.35 billion, Sri Lanka \$1.61 billion, the Maldives \$551.8 million, Nepal \$160.8 million and Bhutan \$5.9 million.

The power sector attracted the highest amount of FDI of \$1.01 billion, followed by food at \$729.69 million, textile and weaving at \$408.08 million, banking at \$282.54 million, telecommunication at \$219.87 million, leather and leather products at \$110.55 million and trading at \$101.91 million. The other sectors received \$748.65 million.

“We are now focusing on investment. If we can increase our investment, revenue will be increased automatically.”

--Md Abul Kalam Azad,
Principal Coordinator (SDG Affairs)
at PMO

“Bangladesh is now a proper place for FDI as every indicator of the country is in favour of business.”

--Ahsan H Mansur,
Executive Director of the Policy Research
Institute of Bangladesh (PRI)

PRI ED Ahsan H Mansur in his key note presentation mentioned that the UNCTAD has been publishing the World Investment Report annually since 1991, the purpose of which is to examine the recent trends in FDI around the world and the policies relevant to it. FDI flows have declined all over the world, but in Asia they increased, particularly in Bangladesh, said Ahsan H Mansur. Merger and acquisition of big companies is one of the reasons for the higher inflows to Asia. “Such deals indicate that foreign companies’ interest in local assets is growing,” Mansur said. “Bangladesh is now a proper place for FDI as every indicator of the country is in favour of business,” Mansur added.

BIDA NEWSLETTER

July-August 2019 • Issue No. 05

A Monthly Publication of Bangladesh Investment Development Authority (BIDA)

Mr. Salman F Rahman highlighted the government's efforts to attract investors and said BIDA would be the main 'one-stop service (OSS)' platform for investors. He informed the media that the government is establishing Special Economic Zones (SEZs) across the country which will further increase the inflow of FDI. He also said that BIDA is working to enhance the ease of doing of business (EODB) in Bangladesh and by next year the government wants to improve in the World Bank's EODB ranking and move below 100.

Abul Kalam Azad said Bangladesh is moving forward by achieving remarkable success in all major indicators. "We are

now focusing on investment. If we can increase our investment, revenue will be increased automatically," he added.

Of the \$3.61 billion that came into Bangladesh last year, \$1.12 billion were in the form of equity, \$1.30 billion as reinvested earnings, and \$1.18 billion as intra-company loan. Country-wise, China was the biggest source for FDI inflows last year at \$1.03 billion, followed by the Netherlands at \$692 million, the UK at \$371 million, the US at \$174 million, and Singapore at \$171 million. Japan though does not feature in the top five as Japan Tobacco has thus far released \$600 million and that too from the Netherlands.

Investment News



Remittance through OSS

BIDA reached a new milestone of digitizing its services by initiating the processing of outward remittance proposals through BIDA's newly operational One Stop Service (OSS) platform. Remittance proposals of seven companies were electronically tabled for discussion in the 58th and 59th meeting of the BIDA Executive Council on July 22 and August 20. As a result, the incumbent companies could get the decision of the EC by email/ text notification instantly and on real time basis. This initiative would speed up the previously practiced manual procedure.

Artificial shoes in EZs to get 15pc cash incentive

The government has decided to provide 15 percent cash incentive for shoes made of a mix of synthetic and fabrics in factories in Economic Zones (EZs) to encourage exports. The decision is likely to create a level playing field for shoe makers in economic zones, who make shoes combining synthetic and fabric, but do not get bond facility like fully export-oriented shoe industries in EPZs.

BIDA's tax-reform recipe to NBR

The reforms include reducing corporate tax audits, automating the submission of tax returns, simplifying and expediting VAT refund process, building awareness on new VAT act and circulating the tax administration & law manual with clear explanation of rules and guidelines on tax audit.

BIDA prepared a time-bound action plan on the basis of the declaration adopted at a meeting of some major stake holders in both private and public sectors on July 8 last.

According to the action plan, multiple authorities (income tax, customs and VAT) should not conduct audits several times. The NBR will have to consider conducting single joint-audit on the basis of a unified audit module, and develop an inter-operative system.

The NBR will have to develop a common data base for income tax, customs and VAT authorities. Besides, business entities will have to follow the International Financial Reporting Standards (IFRS) model to prepare their audit reports, it added.

The NBR will have to issue circular to mandate e-filing and e-payment of taxes for individuals and businesses by fully operationalizing its existing online system and the tax authority will get 12 months' time to implement seven major reforms, while 24 months for the two others. The representatives of WB, BIDA, NBR, FBCCI, MCCI, and DCCI were present at the meeting.

BIDA has decided to start implementing the action plan by December 2019, targeting the EODB Report 2021. It would collect evidences on outcome of the reform initiatives by January-February 2020. By March-April 2020, BIDA would complete survey on outcome of the reforms to show improvement to the WB. BIDA has prepared the action plan on the basis of 314 globally accepted reform plans in the EODB 2018 report.

BIDA office address at Dhaka:
Plot#E-6/B, Agargaon,
Sher-e-Bangla Nagar,
Dhaka-1207, Bangladesh.

Help Desk at Shajalal International Airport:
Phone: 02-8901499
Mobile: 01716485466

Help Desk at BIDA Office:
Phone: 02-55007241-45
Fax: 02-55007238-40
E-mail: info@bida.gov.bd