



# AGRIBUSINESS

GROWTH BY NATURE

DISCOVER  
LIMITLESS  
OPPORTUNITIES



# ABOUT BANGLADESH

- Strategic hub in South Asia linking India, China, and ASEAN countries
- 5-year GDP growth at a CAGR of 7%, one of the fastest growing economies in the world
- 41st largest economy, poised to become the world's 25th largest economy by 2035
- 10.5% annual growth in country's middle & affluent class population, projected to reach 34 million by 2025

## ACCOLADES & CREDENTIALS

- A 'Next-11' country, Bangladesh is poised to become one of the largest economies of the 21st century, according to Goldman Sachs
- Credit rating of BB- by Standard & Poor in 2021 indicates long-term stability
- As per JETRO survey on Business Conditions of Japanese Companies, 70% of surveyed firms present in Bangladesh want further 'expansion'

## ROBUST AND GROWING INFRASTRUCTURE

- 3 international airports (Dhaka, Chattogram and Sylhet) and 5 domestic airports provides seamless aerial connectivity
- 3rd terminal at Dhaka's HSIA airport to become operational by 2024
- 580-km coastline facilitates 90% of international trade via ports of Chittagong and Mongla
- Part of the Trans-Asian railway network stretching from Europe to South-East Asia
- Extensive network of good quality roads (Asian Highways, National Highways, and regional highway corridors like SASEC, BIMSTEC and SAARC)
- 25,000+ MW Power generation capacity; target to reach 40,000 MW by 2030

# AGRIBUSINESS SECTOR AT A GLANCE



The market size stands at USD 6 billion, projected to grow to USD 8.4 billion by 2023



Among Top-5 FDI-attracting sectors: USD 258.74 million worth of inflows from countries like the Netherlands, the UK, Switzerland, India, UAE, Japan and Sri Lanka



The world's 2nd largest producer of jute



Among the world's Top-10 producers of fruits such as jackfruits, mangoes and guavas



Exports more than 700 items including 63 basic agro-processed products to more than 140 countries



Strong Bangladeshi diaspora driving demand for exports of Bangladeshi products like cereal grains, frozen fish, processed meat, tea, vegetables, fruits, spices & dry food



Growth in key sub-segments - Processed meat and ready-to-eat and ready-to-cook industry: 15% | Beverage industry: 12.5% | Dairy products: 17% | Edible oil: 8-12%

Fast growth of industry created investment potential worth USD 1.4 billion in cold chain logistics sector | USD 22 million in F&B packaging products | USD 13.5 million in quality control and testing facilities | USD 75 million in non-tractor agro-equipment manufacturing



USD 25 million investment to scale up cultivation of cash crops like cashew nut, coffee and black pepper by Ministry of Agriculture

# DEMAND DRIVERS



## Demographic dividend

Young population (70% aged below 40 years) coupled with rising disposable income (per capita GNI of USD 2,227 in FY21) is key growth driver for domestic consumption



## Evolving lifestyle and rise of dual income households

With more women entering the workforce and evolving lifestyle, there is a growing demand for ready-to-eat and ready-to-cook meals

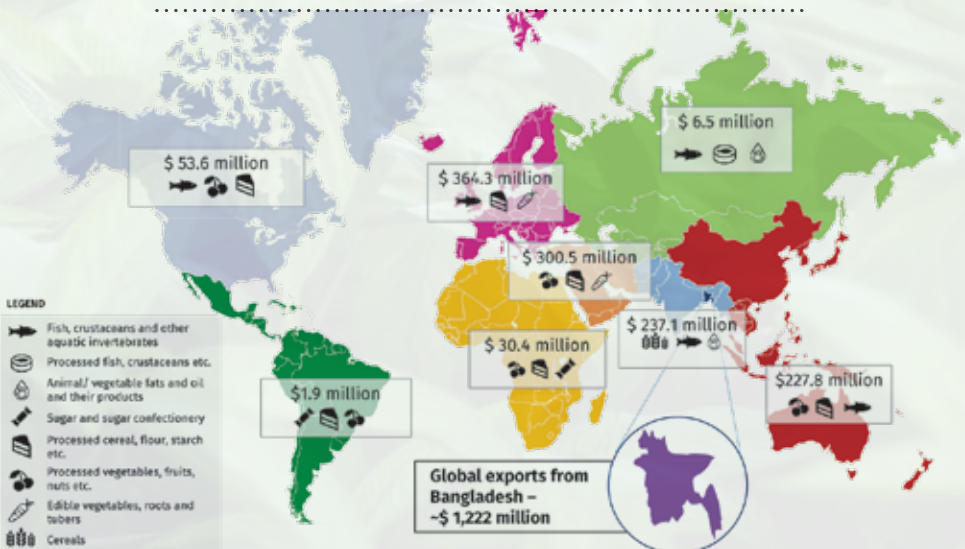


## Demand for eco-friendly products

Rising climate change awareness is driving demand of jute products. With a CAGR of 9%, global market size for jute bags is projected to be USD 3.49 billion by 2026

Demand from export markets: Bangladeshi products witnessed demand growth in developed economies because of quality and cost competitiveness. Outbound shipments posted a CAGR of 8.6% in 2011-19

## Global exports of food products from Bangladesh and region wise Top 3 export items for FY20



## GROWTH DRIVERS

- Presence of 30 agro-ecological zones provides conducive geo-climatic condition for growth of diverse agricultural products
- Availability of globally competitive skilled and economical human capital
- To further strengthen the ecosystem, Ministry of Industries plans to launch Agro-food Processing Industry Promotion Policy 2021 with the following objectives:
  - Attract USD 5 billion worth of FDI for the sector over the next five years
  - Create dedicated industrial parks for Agro-food Processing Industries
  - Provide attractive incentives and subsidies

## SECTOR-SPECIFIC INCENTIVES

- Agro-based industries like livestock rearing, poultry, fish farming, horticulture etc. are exempted from Corporate Income Tax (CIT) for different income slabs.
- Food-processing industries commencing operations between July 1, 2021 and June 30, 2030 to receive income tax exemptions for 10 years.
- Wide range of agro-based products and agro-logistics services exempted from Value Added Tax (VAT).
- 20% export subsidy/cash incentive for exporters of locally processed agricultural products and 15% cash incentives for halal meat exports.
- Import duty exemptions on several agricultural, dairy and poultry feed capital machineries.







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