



LEVERAGING 4TH IR

NEW AVENUES FOR INNOVATIVE INVESTMENT

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'

SNAPSHOT

- Digital innovation in industry and trade is driving competitiveness and has the potential to raise global income levels and improve the quality of life
- Bangladesh is steadily embracing latest technological changes as progress to middle-income and high-income status will be largely driven by a high-performing export sector
- *Digital Bangladesh*, as a strategic policy vision, has transformed governance, human resources, IT opportunities and brought digital services to the doorstep of every citizen

- Bangladesh is opening up investment avenues for innovators across the world to spearhead the transition to the next level of the ongoing digital revolution
- With 45% of population aged below 24 years, there is rapid rise in the youth labor force, who are savvier in digital applications and innovation

IT & ITES



Currently valued at USD 1.1 billion, the domestic **IT-ITES industry is expected to grow five-fold to reach USD 4.8 billion** by 2025



Bangladesh is home to **16% of the world's online workers**, which is the world's **2nd largest pool** of IT professionals



IT-ITES industry exports reached USD 1.3 billion in FY 2021

1 million employment opportunities created during COVID-19



Over **1,500 IT firms** are active and can be categorized into **Software and Application, ITES/BPO** and those having **multi-functions**

Over 400 IT firms currently **export products to over 60 countries**, with USA and UK being the major destinations. ITES industry, with 800 firms and 10,000 freelancers, is mostly export oriented.



DEMAND DRIVERS



Offshore Development Hub and Captive BPO Centers: Growing market for **offshore development hub** for software and application and captive BPO centers

IT Training, Vocational School Business: High demand for advanced and basic IT skills among students and computer engineers intending to learn more **advanced skills**



Government's strong commitment: Digital Bangladesh envisions **nation-wide IT usage** for economic and social development

GROWTH DRIVERS

Abundance of young and trainable workforce:

Around 20,000 graduates trained in IT-related fields enter the workforce every year.

Cost-competitiveness: Total operating costs in Dhaka is 20-30% less expensive than peer cities such as Bangalore in India and Cebu in the Philippines.

Speedy internet at a low cost: Uninterrupted internet connection with low latency and high bandwidth.

Strong policy support: ICT Policy 2009 sets the policy framework for realization of *Digital Bangladesh*. In 2011, the ICT Division was established to spearhead ICT policy implementation.

SECTOR-SPECIFIC INCENTIVES

- Industries engaged in the production of basic ingredients of electronic industry (e.g. resistance, capacitor, transistor, integrator circuit), computer hardware are entitled to reduced-tax benefits up to 5 to 7 years.
- 100% tax exemption for income derived from software development, Nationwide Telecommunication Transmission Network or ITES.
- Avoidance of double taxation for foreign investors on the basis of bilateral agreements.
- 2% duty on ICT related hardware imports.
- Tax exemption on royalties, technical knowhow and technical assistance fees and facilities for their repatriation.
- Tariff concessions on import of capital machinery.





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