



Bangladesh – A Remarkable Market Business Opportunity



Bangladesh is a country the size of Iowa, situated in the northeastern corner of the Indian subcontinent and bordered by India and Burma, with a population of 163.7 million (Source: Bangladesh Bureau of Statistics). It is the eighth largest country in the world by population (larger than Russia), and the most densely populated of all non-city state countries. Bangladesh is an excellent potential market for U.S. exports, and the U.S. Embassy provides an annual commercial guide, an investment climate statement, and branded commercial services to help U.S. companies enter this emerging market.

With a growing middle class, Bangladesh attained the World Bank's lower-middle income status in 2015 with a GNI per capita of \$1,750 in 2018. Bangladesh has enjoyed consistent annual GDP growth of over six percent over the past decade. Much of this growth continues to be driven by the \$34.1 billion ready-made garments (RMG) industry, second only to China, and continued remittance inflows, reaching \$16.4 billion in FY 2018-19. (Note: Fiscal year begins July 1).

According to the Bangladesh Bureau of Statistics, Bangladesh's GDP reached \$298.4 billion in FY 2018-19 with an annual growth rate of 8.15 percent. Bangladesh's economic growth is complemented by reasonable annual inflation of 5.75 percent as of December 2019. The Government of Bangladesh actively seeks foreign investment, particularly in the apparel industry, light engineering, electronics, energy, power, and infrastructure projects. It offers a range of investment incentives under its industrial policy and export-oriented growth strategy, with few formal distinctions between foreign and domestic private investors. The country received foreign direct investment (FDI) net inflows of \$2.54 billion in FY 2018-19, up from \$1.78 billion in the previous year. Bangladesh had foreign exchange reserves of \$32.05 billion as of January 2020, slightly down from \$33.2 billion in December 2017.

Bangladesh's export economy is dominated by ready-made garment manufacturing, but the country remains largely rural with an urbanization rate of 37.4 percent of the population. The agriculture sector employs 40.6 percent of the population but only accounts for 13.6 percent of GDP. The industrial sector accounts for 35.1 percent of GDP and employs 20.4 percent of the population, primarily in the RMG and light manufacturing sectors. The services sector accounts for 51.3 percent of GDP and employs 39 percent of the population. The service sector, including information and communication technology (ICT) services, has strong potential for growth over the next decade (Source: CIA Factbook).

Bangladesh has one of the lowest wage rates in the world, which has fueled an expanding industrial base led by the RMG industry; however, the country is positioning itself to diversify its exports and move up the value chain. Bangladesh also has large pharmaceutical, agro-processing, and ship building industries. Other important sectors include construction, ICT and business process outsourcing, light engineering, leather



products, jute products, and ceramic products. There is a substantial scope for U.S. companies to enter the market and invest in these thrust sectors.

Dhaka and Chattogram are the principal financial centers of the country, being home to the Dhaka Stock Exchange and the Chattogram Stock Exchange. Dhaka is the economic, cultural, and political center of Bangladesh. Chattogram is a major coastal seaport city and financial center in southeastern Bangladesh. The financial sector of Bangladesh is the second largest in the subcontinent. Nearly 26 million Bangladeshis, concentrated mainly in Dhaka and Chittagong, have annual incomes exceeding \$12,000. This offers a sizable market for a wide range of goods and services.

According to the Office of the U.S. Trade Representative (USTR), Bangladesh is currently the United States' 51st largest goods trading partner with \$8.2 billion in total (two way) goods trade during 2018. Goods exports totaled \$2.1 billion; goods imports totaled \$6.1 billion. The U.S. goods trade deficit with Bangladesh was \$4 billion in 2018. The United States is the number one export destination for Bangladeshi products. The top import categories from Bangladesh to the United States in 2018 were: woven apparel (\$3.8 billion), knit apparel (\$1.5 billion), miscellaneous textile articles (\$218 million), headgear (\$180 million), and footwear (\$130 million).

The top export categories from the United States to Bangladesh in 2018 were: miscellaneous grain, seeds, fruit (soybeans) (\$442 million), cotton (\$390 million), aircraft (\$304 million), iron and steel (\$294 million), and machinery (\$145 million).

Major U.S. companies already present and doing business in Bangladesh include: Caterpillar, Avery Dennison, Boeing, Chevron, Halliburton, General Electric, Coca-Cola, Citibank, Wells Fargo, PepsiCo, Proctor and Gamble, Johnson and Johnson, Oracle and many others. American businesses are supported by an active American Chamber of Commerce and the U.S. Embassy's Trade Center (USTC), which offers branded commercial services and advocacy in coordination with the U.S. Consulate General in Kolkata, India.

Doing Business in Bangladesh

Detailed information, including our list of available services, Country Commercial Guide and our Investment Climate Statement are available at the U.S. Embassy Dhaka website:

<https://bd.usembassy.gov/business/>

[U.S. Embassy Dhaka's Trade Center \(USTC\) – Contact Us Today!](#)

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