

**Bulgaria Chambers of Commerce and
Industry**

Embassy of Bangladesh

TRADE & INVESTMENT RELATIONS BETWEEN BANGLADESH AND BULGARIA: FUTURE PROSPECTS

**Jointly Organized by:
Bulgarian Chamber of Commerce & Industry and
Embassy of Bangladesh, Ankara**

➤ **Bangladesh: An Emerging Economy Offering Opportunities**

➤ **Bangladesh-Bulgaria Relations : Friends Forever**

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Contours of the Presentation

❖ Bangladesh: The Emerging Tiger

- i. Geography
- ii. Demography
- iii. History
- iv. Politics
- v. Culture
- vi. Economy
- vii. Technology
- viii. Defence
- ix. Foreign Policy & Diplomacy

❖ Bangladesh-Bulgaria Bilateral Relations: Time-tested Brotherly Bonds

- i. Overview of Relations
- ii. Way Forward

❖ Questions & Answers

Geography matters ...



Salient Geographic Features

- **Bangladesh-the World's largest active delta;**
- **Bay of Bengal-the World's largest Gulf or, Bay;**
- **The Sundarbans-the largest mangrove forest ;**
- **More than 200 rivers-54 of them are international rivers ;**
- **Average agricultural yield 3.4 crops a year.**

Demography matters...

- Bangladesh being 8th largest country in population;
- Bangladesh has an increasingly younger population;
 - 100 million economically-active by 2017;
- 2/3rd of the population will remain active till 2031.
- Bangladesh continues to enjoy "*demographic dividend*" (2012 – 2035).

History inspires...

- Bangla's (Bengal) indomitable spirit to remain independent throughout its history;
- Finally, Bangladesh's emergence as a democracy in the comity of nation states in 1971 through bloodshed of nine months, that cost the lives of 3 million Bangladeshis;
- The riches of Bangla (Bengal);
- Rich history of the 'Bangalese' inspires and guides the nation building.

History inspires...

Independent Bangladesh



History inspires...(cont'd)



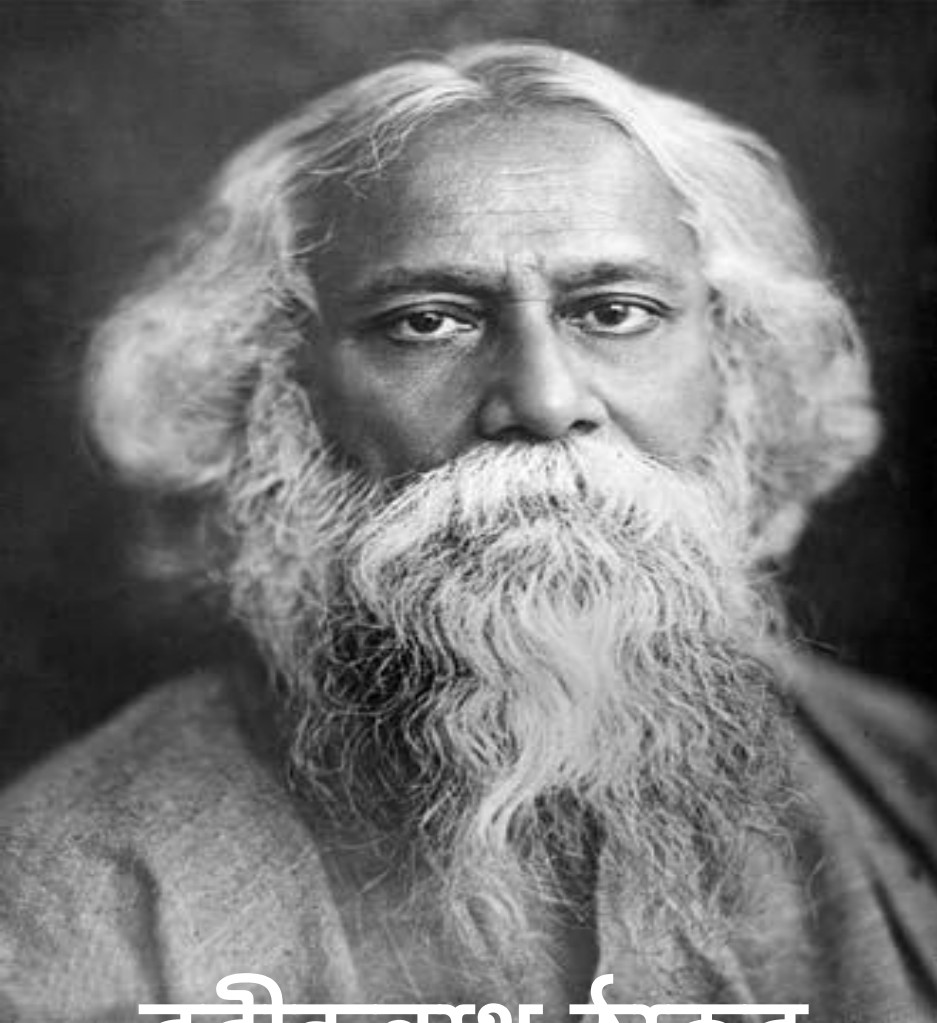
History inspires...(cont'd)



Culture matters...

- **Secularism and pluralism** at the heart of the cultural orientation of Bangladesh;
- The term '**Syncretism**' can best define the culture of Bangladesh;
 - For example, 'Pahela Baishakh' than any other particular religious festival is more widely celebrated by the people irrespective of their religion, caste, colour, race or language.
 - Bangla is the easternmost Indo-Aryan Language
 - Bengal: A melting pot
 - Bangladesh: Land bridge between South Asia and Southeast Asia

Culture matters ...(cont'd)



রবীন্দ্রনাথ ঠাকুর
Rabindranath
Tagore



কাজী নজরুল ইসলাম
Kazi Nazrul Islam

Culture matters...(cont'd)

Cultural Carnival Pahela Falgun



Beauty of
Bangladesh



Culture matters...(cont'd)

Cultural Carnival Boat race



Traditional Home Made Cakes



Traditional Main Courses...Rice & Fish; Tehari; Biryani



Fish of Bangladesh



Fish of Bangladesh



Birds of Bangladesh



Government matters....

- Responsible and representative Parliamentary democracy at the heart of the political governance;
- Bangladesh has a stable government for last 11 years, which is responsible and representative;
- Government is committed to spur equitable economic growth and development in tandem with the democratic expansion of the society;
- Every year 360 million books are distributed among school students free of charge.

Government matters

- Bangladesh at the Top in Gender Gap Index in South Asia and 47th globally in 2017 (World Economic Forum);
- Bangladesh 34th among 74 developing economics in 2017 (IMF);
- Bangladesh's performance in Human Capital Index (HCI) is better than South Asian average in 2017 (WB-IMF);
- Bangladesh's success in Immunization, Safe Drinking Water, Life Expectancy, Sanitation, Gender Parity in Education is remarkable.
- In Inclusive Development Index-2018 (IDI) by World Economic Forum, Bangladesh is ranked 34th among 109 countries; Ahead of India (62nd), Pakistan (47th), Sri Lanka (40th) etc.

Education matters...

- **37 Public Sector Universities;**
- **80 Private Sector Universities;**
- **62 Medical Colleges;**
- **40 Dental Colleges;**
- **7 Engineering and Technical universities.**

Technology matters...

**Bangladesh:
rapidly
connected,
digitized
Lifestyle**

- **Access to and penetration of digital connectivity: rapid**
 - 100 million people connected over mobile in last 5 years.
 - Over 30 million in 2 metropolises only.
- **Over 20% population (30 million) using Internet.** Projected to be over 50% (2020);
- **10 million+ smart mobile phones!**
 - projected to grow to 30 million (2015);
- **Internet price fallen rapidly: 6 times in 6 years;**



Technology matters...

- **Bangladesh has set up 4454 Union Digital Center; Union Digital Centres was inaugurated in 11 Nov. 2010.**
- **55 Million services provided to citizen from Union Digital Center in last 2 Years countrywide**
- **50 Million birth registration electronically from Union Digital Center**
- **30,000 local youths got ICT training from Union Digital Centers**
- **100+ simplified Public services;**
- **E-procurement;**
- **Digital Mapping.**

Defence matters



- Bangladesh has a standing Armed Forces composed of Army, Navy and Air Force
- Bangladesh Armed Forces is committed to global peace under the banner of United Nations
- Since 1988, it has participated in 54 United Nations peacekeeping missions in 40 countries.
- Bangladesh ranks 2nd contributing 6591 troops as of Jan. 2019.



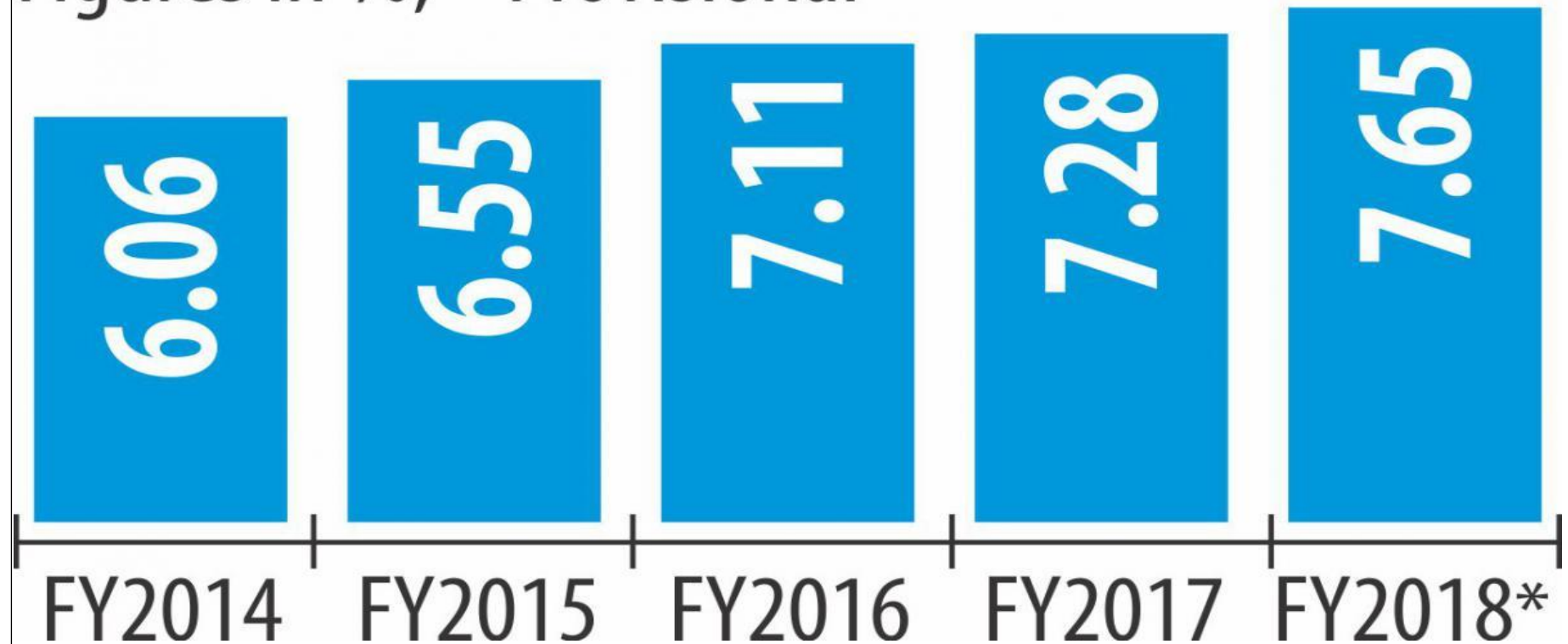
Economy matters ...(cont'd)

- Bangladesh's GDP now stands at US\$686.59 billion in terms of PPP.
- Bangladesh is **the 32nd largest economy in the world in 2017** (IMF); The country has become second biggest economy in South Asia.
- Bangladesh's GDP is expected to cross \$1 trillion mark, making the country **the 30th largest economy of the world in 2022** (IMF in April, 2017).
- According to the ADB, Bangladesh's economy grew **by 7.28% in 2017**, the fastest expansion in 30 years; GDP expected to grow by 7.9% in 2018 and 8.13% in 2019.
- Bangladesh's inflation was around 5.8% in 2018 and forecasted at 5.8% in 2019.
- It was also **the eighth year** in a row that GDP growth was greater than 6%. This will continue.

Economy matters...(cont'd)

GDP GROWTH TRENDS

Figures in %; * Provisional



FY-2019 --- 8.13

Economy--

- Bangladesh obtained highest trade confidence score [HSBC];
- Bangladesh in *Frontier Five* [JP Morgan];
- Bangladesh in *Next Eleven* [N-11: Goldman Sachs];
- One of the eleven '**3G (Global Growth Generators)**' countries [A Citigroup report];
- World's Next Great Growth Markets for Consumer Products [Boston Consulting Group].

Global Ranking of Bangladesh

- 2nd largest producer of RMG;
- 4th in Rice;
- 3rd in Winter Vegetables;
- 4th in Cultured Fish;
- 2nd in Jute;
- 8th in Footwear;
- 10th in Raw Hide;
- 8th in Shrimp Export;
- 9th in Tea.

Economy matters...(cont'd)



Economy matters...(cont'd)

Striking Economic Sectors

- Readymade Garments
- Pharmaceuticals
- Shipbuilding
- Ceramics
- Software and Outsourcing

Economy matters...(cont'd)

Rooppur Nuclear Power Plant being constructed in the Northern Part of Bangladesh



Economy matters

Floating LNG Terminal being built in Moheskali (South-Eastern Part of Bangladesh)



Special Economic Zones

- ✓ **100 Special Economic Zones by 2030;**
- ✓ **Creation of 10 million jobs;**
- ✓ **Production worth USD 40 billion;**
- ✓ **79 Zones selected for Development;**
- ✓ **28 at advanced stage;**
- ✓ **PPP Economic Zones;**
- ✓ **Private Economic Zones;**
- ✓ **G2G Economic Zones.**

Why to Invest in Bangladesh

- ✓ **Continuous Rapid Growth;**
- ✓ **Strategic Location;**
- ✓ **Young and Skilled Workforce;**
- ✓ **Competitive Labor Costs;**
- ✓ **Openness to Foreign Investment;**
- ✓ **Trade Agreements;**
- ✓ **Increasing Number of Internet Users.**

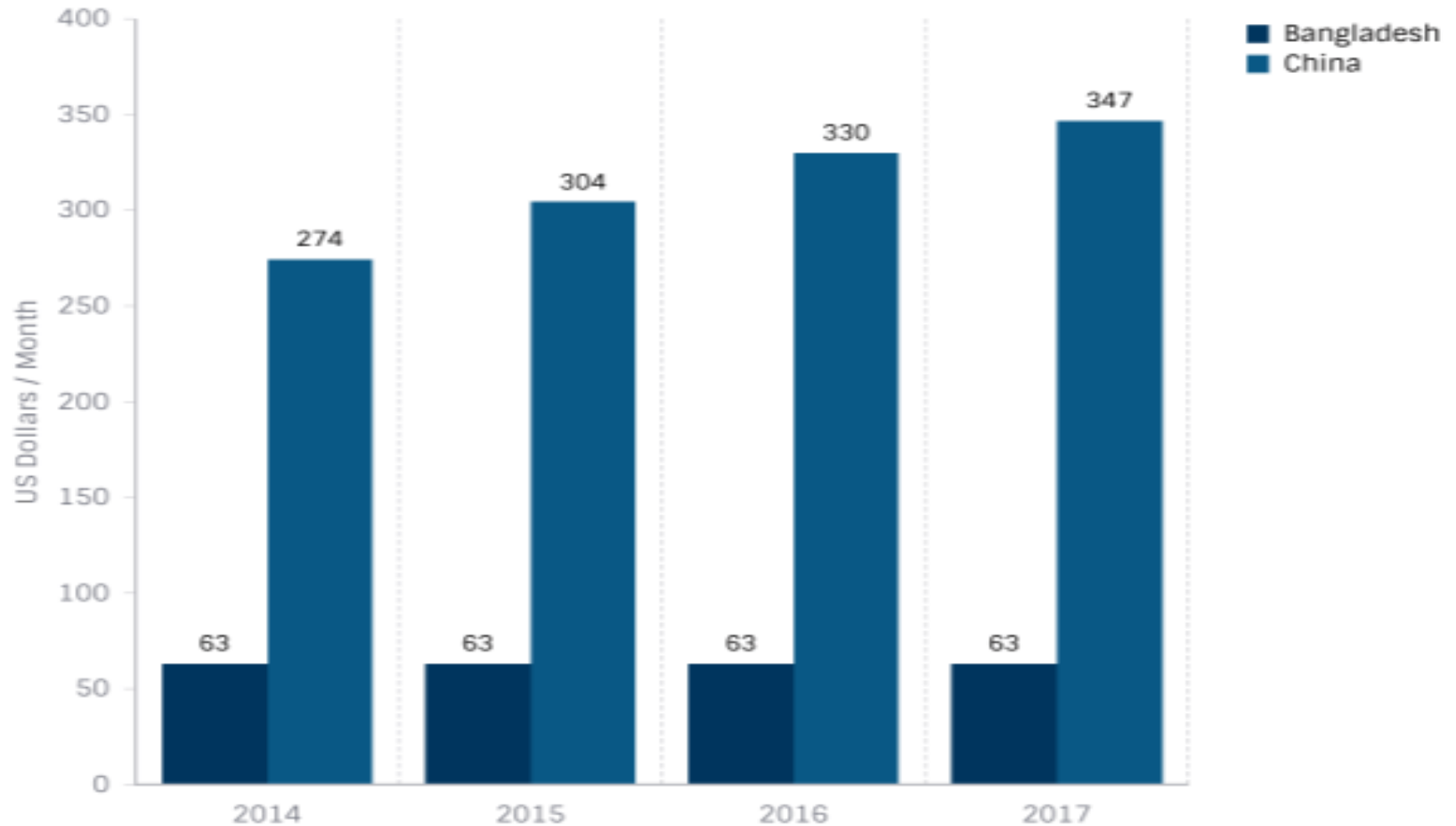
Strategic Location..

Countries surrounding Bangladesh



Competitive Labour Costs..

Comparison of Minimum Wages in Bangladesh and China

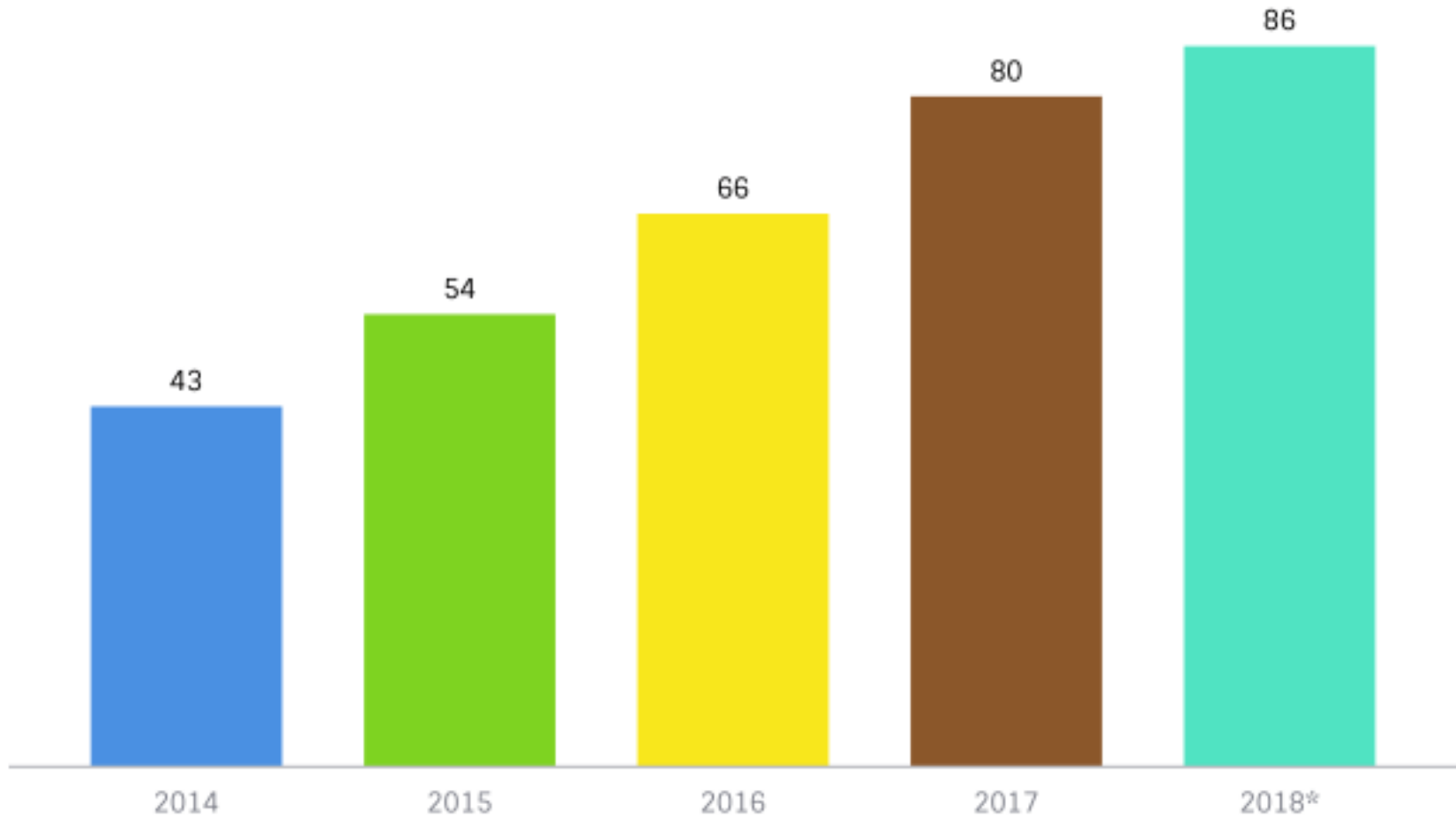


Trade Agreements..

- ✓ **Bay of Bengal Initiative for Multi-sectoral Technical and Economic Cooperation (BIMSTEC) Free Area;**
- ✓ **Trade Preferential System of the Organization of the Islamic Conference;**
- ✓ **Preferential Tariff Arrangement - Group of Eight Eight Developing Countries (D-8);**
- ✓ **South Asian Free Trade Agreement (SAFTA);**
- ✓ **Pakistan-Bangladesh Preferential Trade Agreement;**
- ✓ **Bangladesh-India Limited Free Trade Agreement;**
- ✓ **DFQF Arrangement with Canada, Australia, China, Japan and Thailand;**
- ✓ **Bangladesh-European Union Cooperation Trade Arrangement.**

Bangladesh 2014-2018

Numbers are shown in millions



*As of May 2018

Investment Incentives

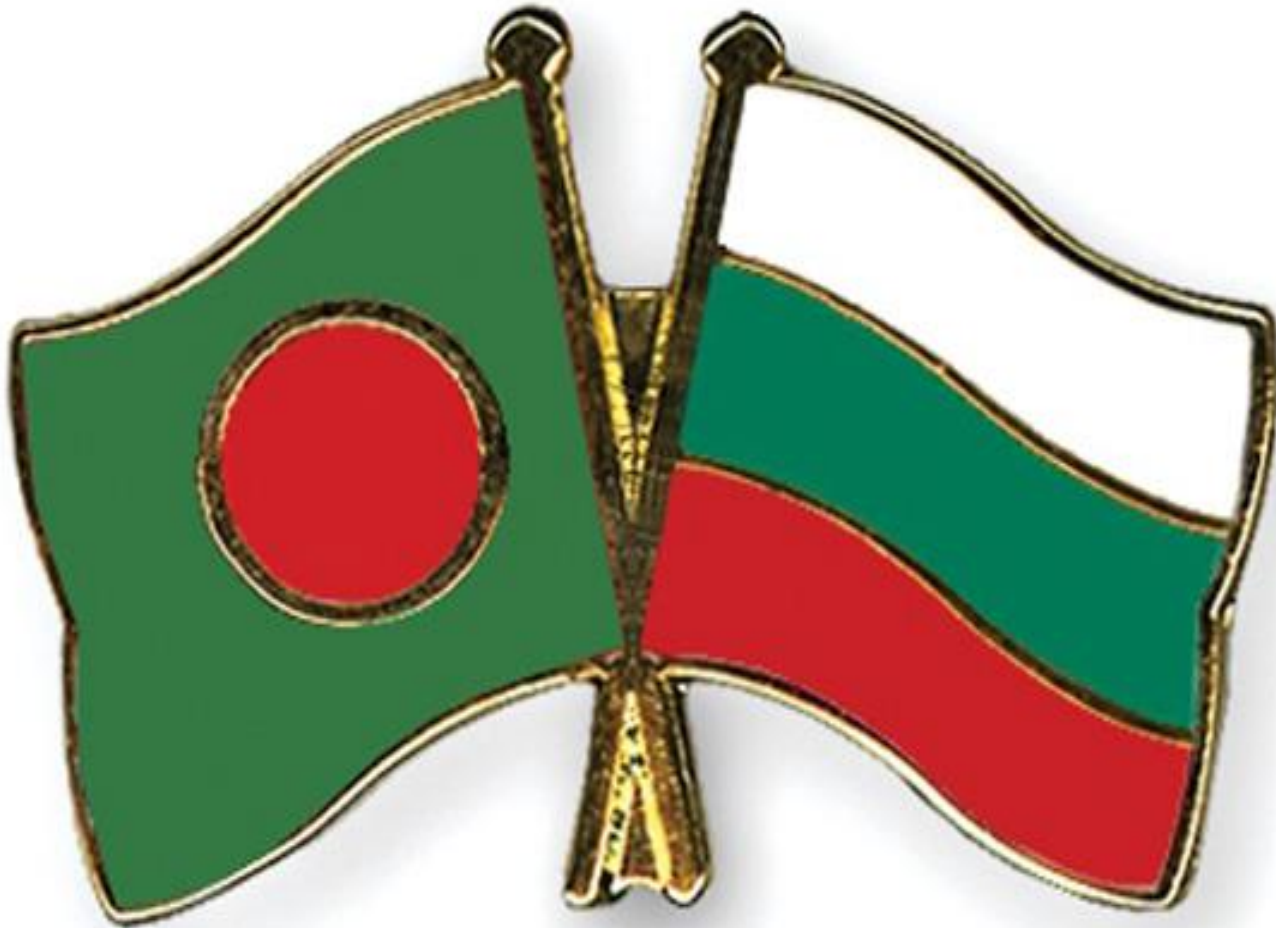
- ✓ **100% foreign equity with unrestricted exit policy;**
- ✓ **Remittance of royalty, equity and dividend;**
- ✓ **Fiscal and Tax incentives** (Tax holiday for 12 years, accelerated depreciation double tax avoidance, bonded warehouse, cash incentives, export dev. Fund etc)
- ✓ **DFQF Access to major markets;**
- ✓ **Large Domestic Market;**
- ✓ **Abundant skilled/ semi skilled manpower.**

Bangladesh: Foreign Policy & Diplomacy

Bilateralism

- “Friendship to all but malice to none” --Father of the Nation Bangabandhu Sheikh Mujibur Rahman;
- **Article-25 of Bangladesh Constitution:**
“The State shall base its international relations on the principles of respect for national sovereignty and equality, non interference in the internal affairs of other countries, peaceful settlement of international disputes, and respect for international law and the principles enunciated in the United Nations Charter, and

Time-tested Bonds



Bangladesh-Bulgaria Relations: Time-tested Bonds

Historical Background

- Bulgaria was very supportive of Bangladesh's War of Liberation in 1971 and one of the few countries that recognized Bangladesh (12 January, 1972) soon after its independence in 1971 (2nd among the European countries and 4th overall).
- Shortly therefore, it established a resident Mission in Dhaka.
- It extended full support to Bangladesh's admission into the United Nations and its specialized agencies.

Bangladesh-Bulgaria Relations: Time-tested Bonds

- Both countries concluded 03 (three) bilateral instruments namely, Trade Agreement (signed in 1974), Agreement on Cultural and Scientific Cooperation (signed in 1974) and Agreement for Mutual Recognition of Equivalence of Educational Certificates and Scientific Degrees (signed in 1976).
- The relations started to dwindle in the post-1975 scenario and took a long time to recover to a satisfactory level.
- Bangladesh opened a Trade Office in Sofia in October, 1979 which was closed down in February, 1985.
- The relations started warming after Bulgaria's entry into the EU in 2007.

Bangladesh-Bulgaria Relations: Time-tested Bonds

An Overview of Relations:

- Establishment of diplomatic relations-1972;
- Bangladesh Embassy in Ankara accredited to Bulgaria and Bulgarian Embassy in New Delhi to Bangladesh;
- First ever official visit of the Hon'ble Prime Minister made to Bulgaria in 2016; Some exchange of Ministerial level visits between the two countries so far; Visit from Bulgarian side very few;
- In 2016, an MoU was signed between FBCCI and BCCI.
- 07 Agreements/MoUs in Force; and a number of agreements/MoUs under process;

Bangladesh-Bulgaria Relations: Time-tested Bonds

An Overview of Relations:

- Total volume of two-way trade is negligible (USD 28 million);
- Consultative mechanism in force—FOC (signed in 2014);
- Educational and Cultural Cooperation is also there;
- Bangladesh and Bulgaria support each other at the international fora.
- Cooperation between Bangladesh & EU;

Way Forward:

- FOC is expected to be held in second half of 2019, which will pave the way for exchange of visits at the higher political level;
- Signing of pending agreements;
- A good potential for cooperation in areas of Trade, Education and Culture;

**Thank you for your patient
hearing.**

Questions & Answers