



FYI: Spotlight Bangladesh



Food and FMCG opportunities in Bangladesh

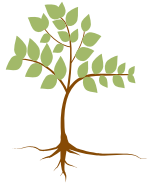


Enterprise
Singapore



Bangladesh Investment
Development Authority

We are on a journey towards prosperity



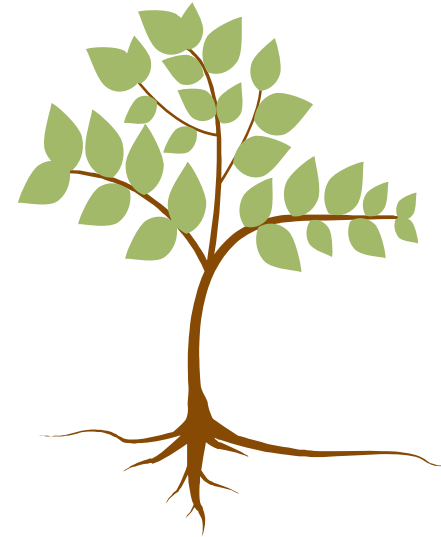
**Middle Income
Country
by
2024**



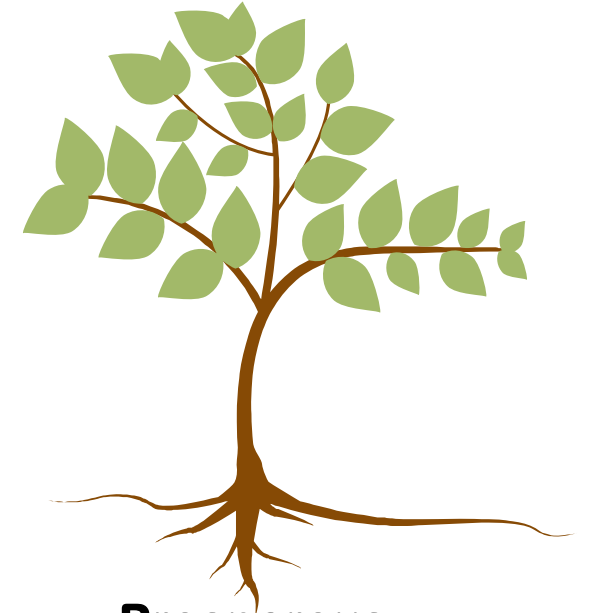
**Development
Junction
year
SDG
2030**



**Developed
Country
2041**



**Rise to the
Apex
2071
100th year of
independence**

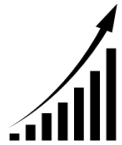


**Prosperous
Delta
2100
Delta Plan**

Perspective Plan 2021-2041

9.0% > 2031

9.9% > 2041



GDP growth

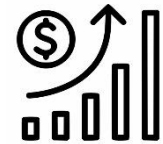
USD 12500 > 2041



Per capita income

4.5% > 2031

3.9% > 2041



Inflation rate

USD 150 bn > 2031

USD 300 bn > 2041



Export earnings

USD 40.6% > 2031

USD 46.9% > 2041



Investment to GDP

USD 19.0% > 2031

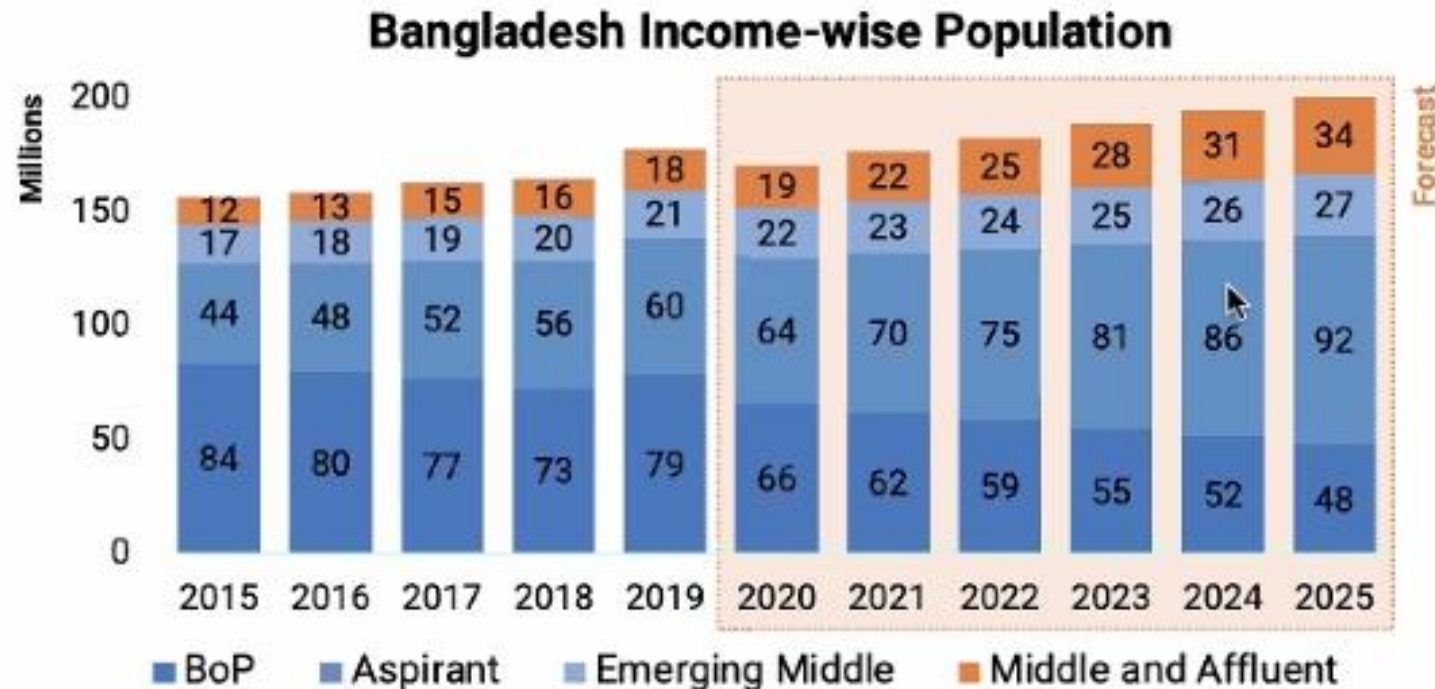
USD 24.1% > 2041



Revenue to GDP

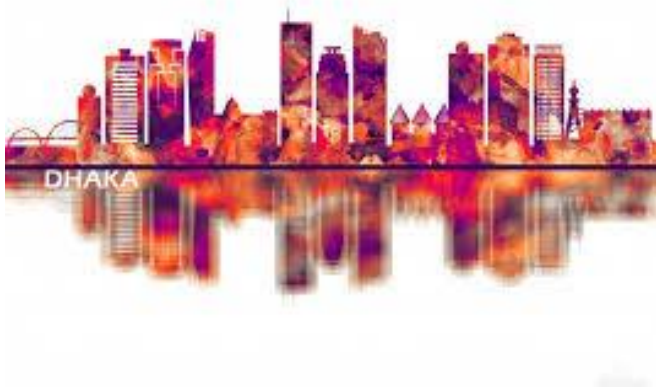
Our consumer class is swelling

- Median age of 28 years and 62% of population is below 35
 - Projected MAC population stands at 19 million as of 2020
- MAC population projected to grow at 10% per annum to reach 34 million by 2025



Source: Boston Consulting Group

A thriving private sector is leading our growth



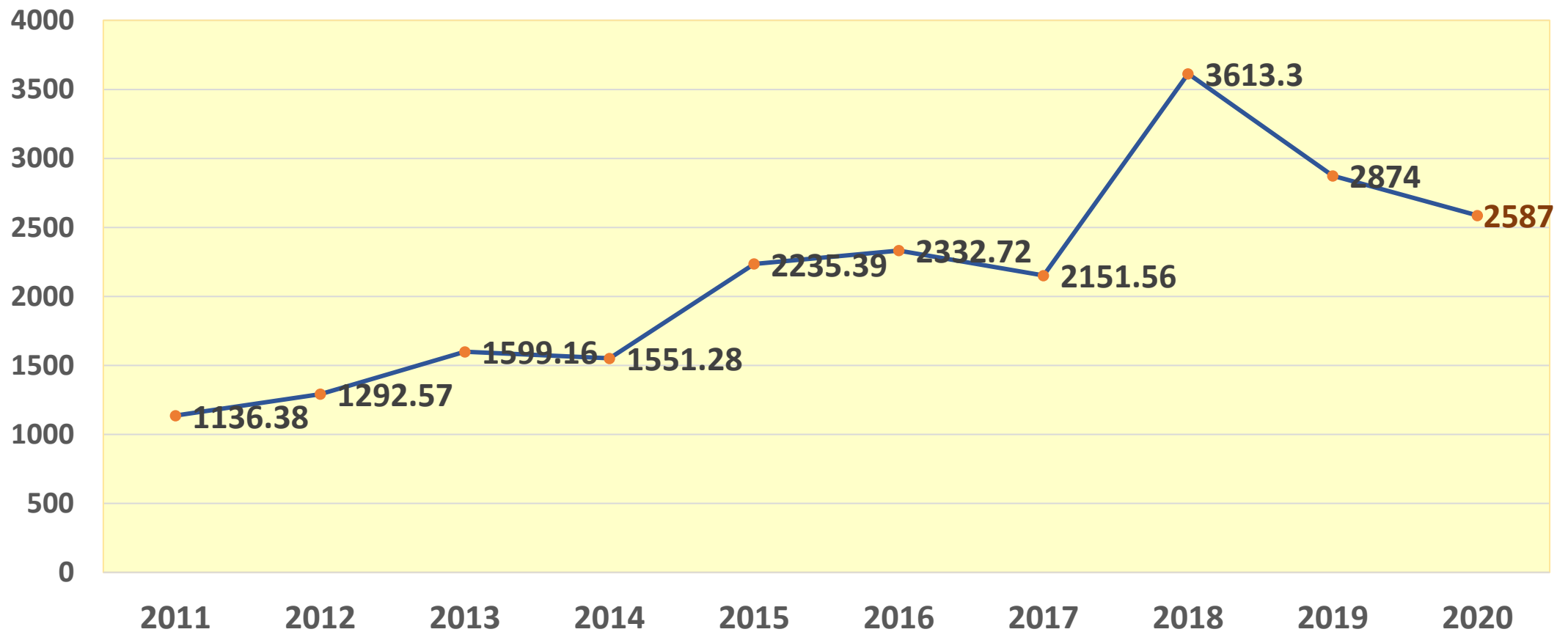
- Private investment: over 70% of total investment
- 55% energy generated in private sectors
- Export in FY19: US\$ 40 billion
- Employment: 57 million work in private sector
- Remittance: US\$ 46 billion (2021)



Markets are experiencing significant growth

| Sector | Market Size (bill. USD) | Growth (%) |
|--------------------------|----------------------------|------------|
| Agriculture Sector | 37.9 | 9.6 |
| Manufacturing Sector | 56.6 | 19.1 |
| Service Sector | 158.1 | 12.7 |
| Light Engineering Sector | 3.1 | 30.0 |
| Food-processing Sector | 4.8 | 15.0 |
| Consumer Goods Sector | 3.6 | 9.0 |

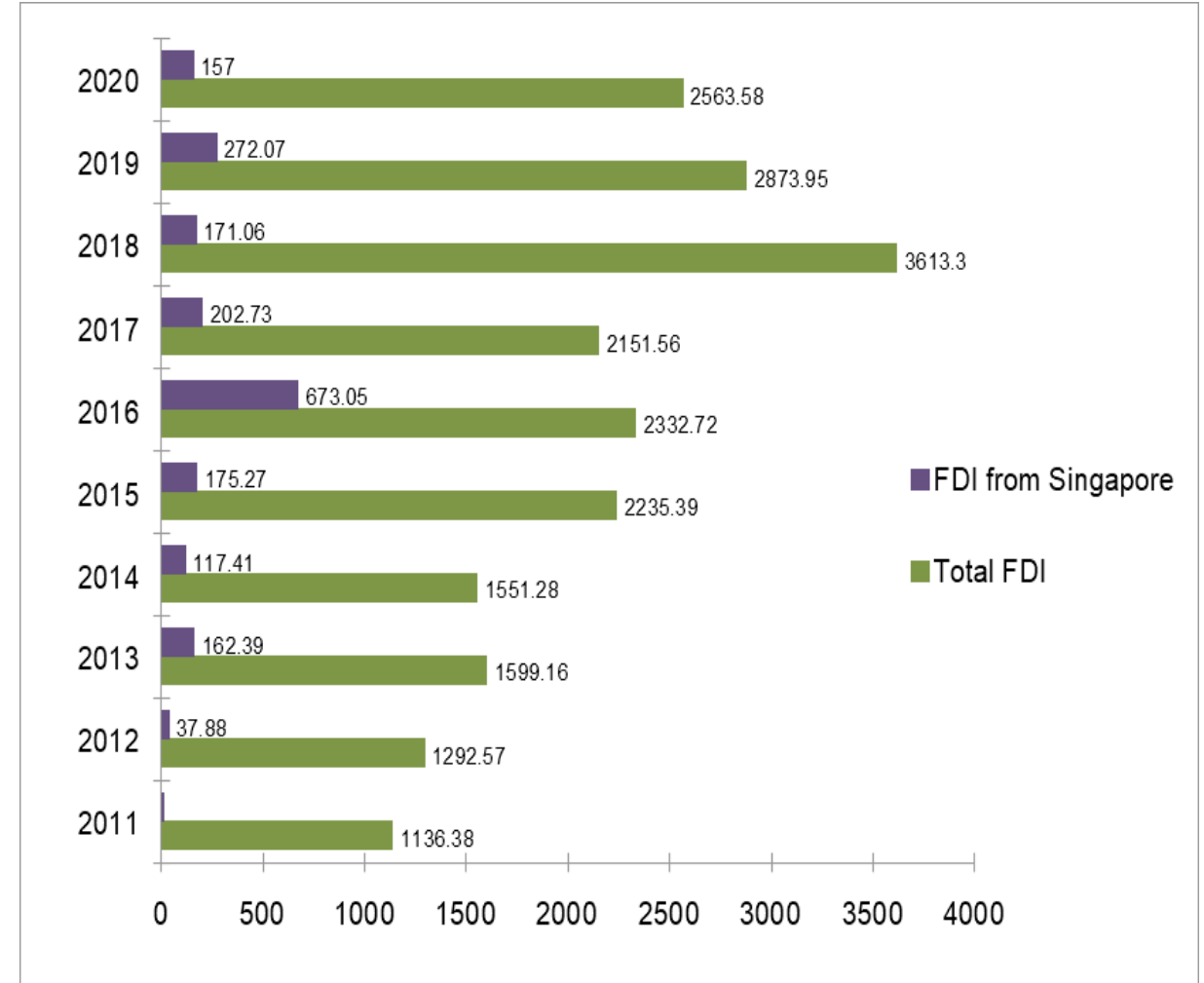
FDI inflow is steadily increasing



Source: Enterprise Survey, Bangladesh Bank

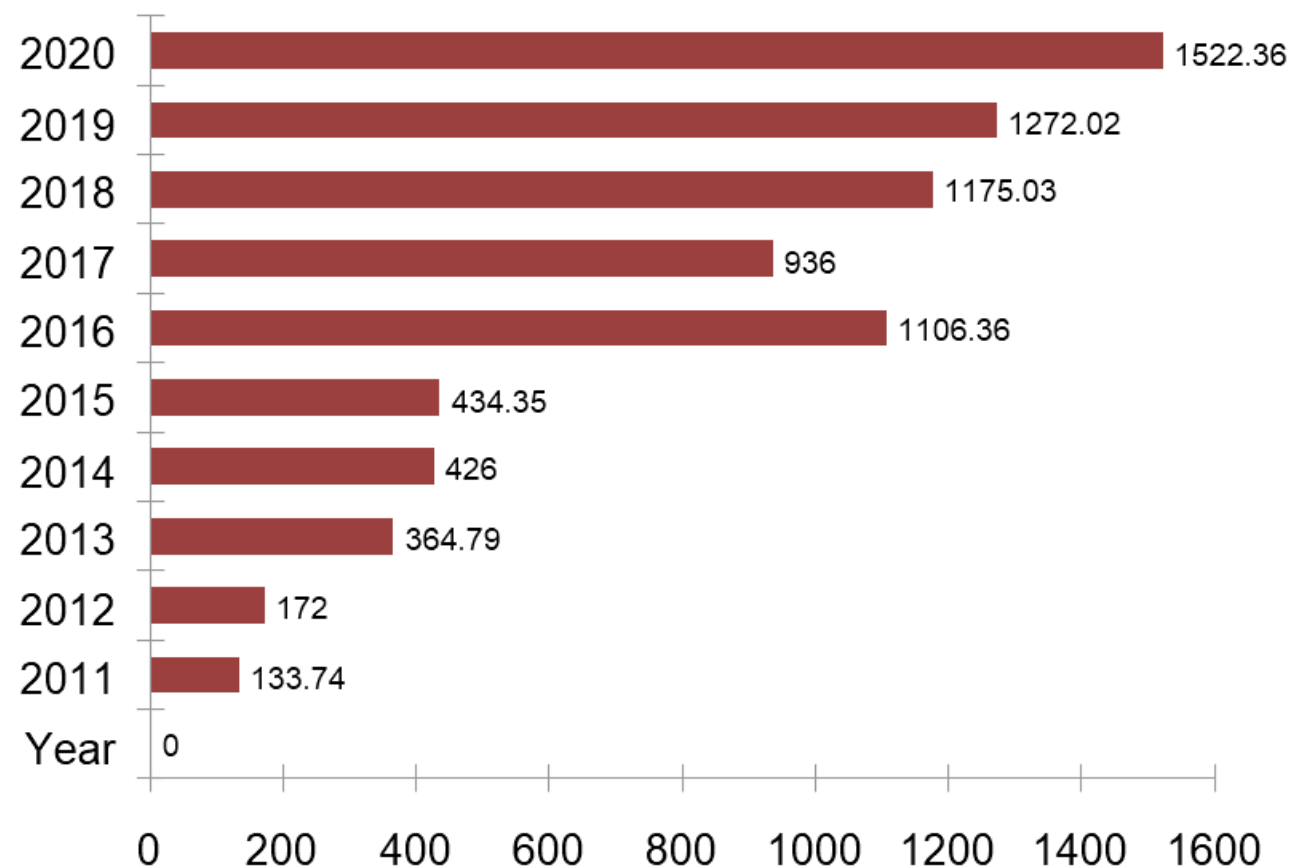
Singapore FDI in Bangladesh (In million USD)

| Year | Total FDI | FDI from Singapore |
|------|-----------|--------------------|
| 2011 | 1136.38 | 13.74 |
| 2012 | 1292.57 | 37.88 |
| 2013 | 1599.16 | 162.39 |
| 2014 | 1551.28 | 117.41 |
| 2015 | 2235.39 | 175.27 |
| 2016 | 2332.72 | 673.05 |
| 2017 | 2151.56 | 202.73 |
| 2018 | 3613.30 | 171.06 |
| 2019 | 2873.95 | 272.07 |
| 2020 | 2563.58 | 157.00 |



FDI Stock of Singapore in Bangladesh

| FDI Stock | |
|-----------|---------|
| Year | Value |
| 2011 | 133.74 |
| 2012 | 172.00 |
| 2013 | 364.79 |
| 2014 | 426.00 |
| 2015 | 434.35 |
| 2016 | 1106.36 |
| 2017 | 936.00 |
| 2018 | 1175.03 |
| 2019 | 1272.02 |
| 2020 | 1522.36 |





Gaining recognition for high-profitability

- Reinvested earnings in total FDI inflow more than 60%
- In CY 2020, Singapore invested around 335 million USD in power, food, trading, chemical sector securing 3rd position.
- Bangladesh a preferred destination for Japanese investors: JETRO

BIDA: Your investment is our topmost priority



- **Investment promotion**
- **Investment Facilitation**
- **Policy Advocacy**
 - Pre-investment counseling services
 - Registration, approval of private industrial projects
 - Approval of branch/liaison/representative offices
 - Work permits for foreign nationals
 - Approval of royalty remittances, technical know-how and technical assistance fees
 - Facilitation of import of capital machinery, raw materials
 - Approvals for foreign loans and supplier credits

BIDA's online One Stop Service (OSS) is growing

47 services by 15 agencies on <https://bidaquickserv.org/>

| | | | |
|--------------------------------------|-----------------------------------|--|---|
| 1) Visa Recommendation (New) | 13) Project Registration (New) | 25) Site Clearance (Orange A) | 37) TOR Approval |
| 2) Visa Recommendation (Amendment) | 14) Remittance Services (New) | 26) Site Clearance (Orange B) | 38) ZERO Discharge Approval |
| 3) Visa On arrival | 15) 1st Ad-hoc IRC | 27) Site Clearance (RED) | 39) Import Registration Certificate (IRC) |
| 4) Visa On arrival (Amendment) | 16) Name Clearance | 28) Environment Clearance (Green) | 40) Electricity Connection (BPDB) |
| 5) Work Permit (New) | 17) Company Registration (Local) | 29) Environment Clearance (Orange A) | 41) Electricity Connection (DPDC) |
| 6) Work Permit (Extension) | 18) Branch Office/ Liaison Office | 30) Environment Clearance (Orange B) | 42) Trade license (Dhaka South) |
| 7) Work Permit (Amendment) | 19) e-TIN (Company) | 31) Environment Clearance (RED) | 43) Electricity connection (DESCO) |
| 8) Work Permit (Cancellation) | 20) Online Payment | 32) Environment Clearance Renewal (Green) | 44) Electricity connection (NESCO) |
| 9) Office Permission (New) | 21) NID Verification | 33) Environment Clearance Renewal (Orange A) | 45) Electricity connection (WZPDCO) |
| 10) Office Permission (Extension) | 22) Security Clearance Issuance | 34) Environment Clearance Renewal (Orange B) | 46) e-BIN (Online VAT Registration) |
| 11) Office Permission (Cancellation) | 23) Land Use Clearance | 35) Environment Clearance Renewal (RED) | 47) 2nd Adhoc Import Registration Certificate (IRC) |
| 12) Office Permission (Amendment) | 24) Site Clearance (Green) | 36) EIA Approval | |

Agro & food processing Industry

- The agro-food processing industry contributes 1.7% to GDP and employs 250,000 people.
- In FY 2018-19, the export earnings worth \$ 1.41 billion, share of total exports stands at around 3.5%
- Domestic agro-processed products market stood at USD 2.8 billion in 2019. The market is growing at an average rate of 7.7%.



Agro & food processing Industry

- At present, 1,000 food processors across the country, 10% are considered large and medium-sized enterprises, rest are small enterprises.
- domestic market size of packaged foods amounted USD 3.0 billion in 2013, grew to USD 5.2 billion in 2018, and is forecasted to reach 7.3 billion in 2023
- Products that are expected to expand rapidly include processed fruits and vegetables, seafood, and meat, which are expected to grow by 8%, 13%, and 13% per year respectively.
- Bangladesh exports agro & processed food products to more than a hundred countries
- Processed food export is growing at an annual rate of 16.6% over the last four years.
- In FY2019-20, export earnings worth USD 1.3 billion, exported over 700 items including around 60 processed food products

**Bangladesh is
the 10th and 3rd
largest fruit
and vegetable
producer**



Fast Moving Consumer Goods (FMCG) in Bangladesh

Global market size by 2025 : \$1.54 trillion, CAGR of 5.4% (2018-2025)

domestic annual consumption of Bangladesh : \$130 billion

And Key drivers at the at FMCG :

- Rapid Rural to Urban Immigration driving demand
- As per BCG 34 million people MAC consumer by 2025 in Bangladesh, opportunities for FMCG industry
- Women are more employed creating buying power for FMCG products.
- Climate, geographic positioning, offers unique opportunities in raw materials & competitive labor for companies in the FMCG industry
- Optimistic consumers patterns, in the pre-covid era 60% believe incomes will increase every years, 79% believe living conditions have improved, which we expect will
- Consumers prefer products of higher quality



Major Classifications of FMCG Industry in Bangladesh

In Bangladesh, the FMCG is classified into three key categories

- **Foods and Beverage industry:**
 - all kinds of food products such as biscuits and bakery, milk and dairy, baby foods, frozen foods, ice cream, tea, tobacco, coffee, soft drinks, health drinks, etc
- **The Personal Care industry:**
 - personal care related products such as perfume, cosmetics, hair oil, toiletries products, etc.
- **Household Care Industries:**
 - includes mosquito aerosol, laundry detergent, room sprays, Toilet Cleaner Liquid, Antiseptic Liquids, etc

Few FMCG Companies in Bangladesh



Before 1979



1980 to 1999



2000 to 2017



FMCG: Foods & Beverage Industry

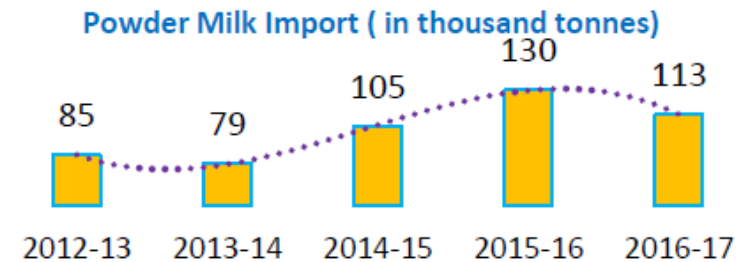
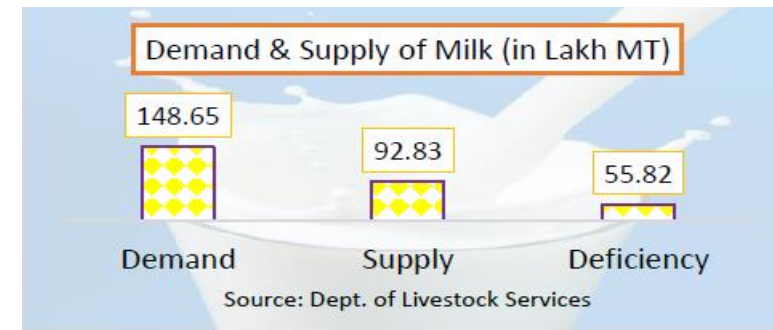
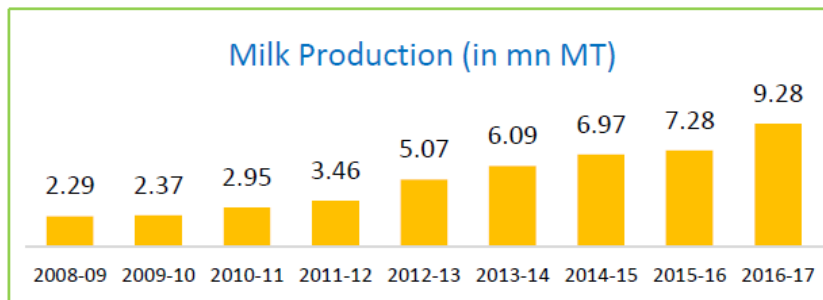
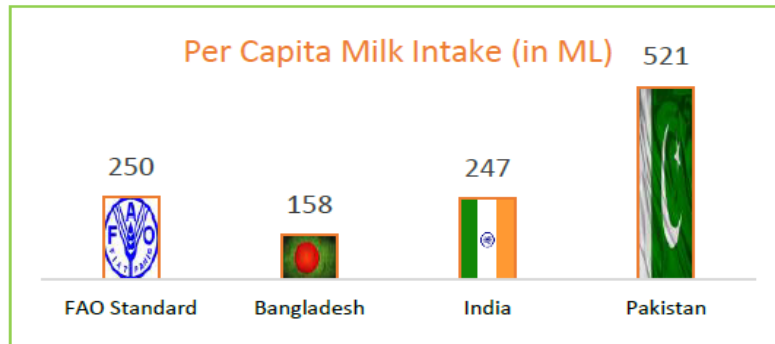
- **Milk and Dairy Industry : the leading brands**

‘Milk Vita’ from Bangladesh Milk Producers’ Cooperative Limited,

‘Aarong’ from BRAC Dairy

‘Pran Milk’ from Pran Dairy Ltd

holding
80%
share



FMCG: Foods & Beverage Industry:

Biscuit & Bakery Industry:

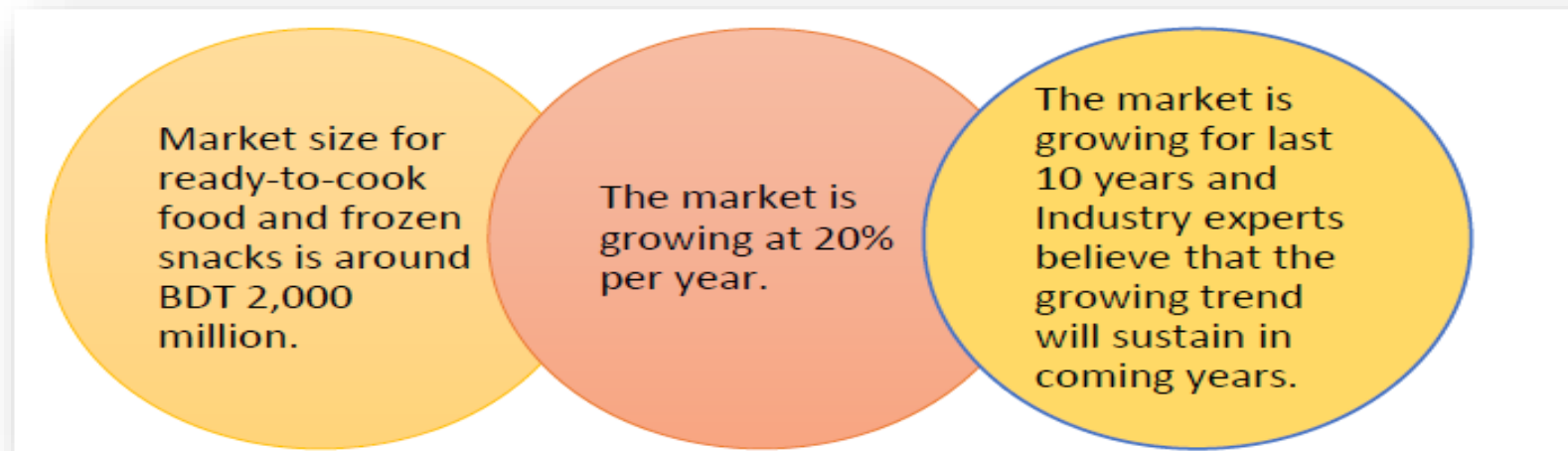
The local brands can fulfill about 90- 95% of the domestic demand



FMCG: Foods & Beverage Industry

■ Frozen Food Industry

In the segment of processed meat and frozen snacks, Golden Harvest Agro Industries Limited is leading nearly holding 25% of the market. There are other major players.



FMCG: Foods & Beverage Industry

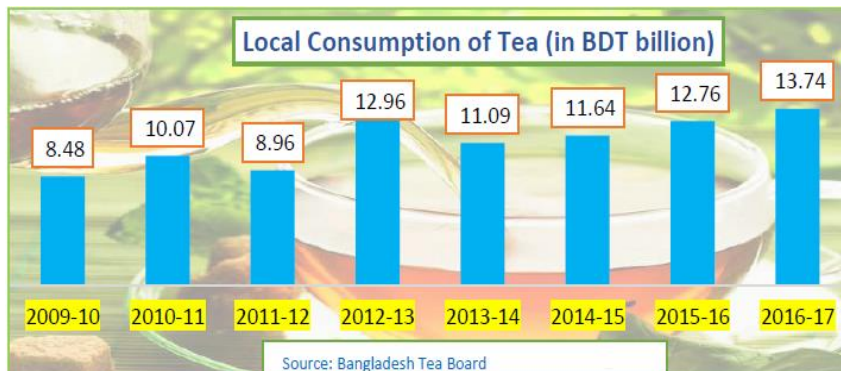
- **Ice-Cream Industry**

- The total market size BDT 6.5 billion in 2013, now is around BDT 10 billion mostly catered by local producers.as 'Igloo' and 'polar'
- Strong demand for global brands

- **Tea Industry**

A traditional producers from centuries.

Strong presence of local brands and international brands.





FMCG: Foods & Beverage Industry

- **Edible Oil**
per capita edible oil consumption

Bangladesh : 9.9 kg

India : 15 kg

Pakistan : 16.1 kg

Bangladesh imports more than 2 million tonnes of edible oil which 80% of the total demand costs around USD 1.5 billion.

FMCG: Beauty and Personal Care Industry

- The cosmetics and toiletries industry is dominated by international brands;
- quality issue influence the buying decisions;
- local companies produce with affordable price ranges, dominates 95% of total market
- mainly target the niche of the low to middle price market.



Bangladesh – A Good Place to Put Your Money



Read the Bangladesh Investment Handbook 2020

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