

Innovation & Entrepreneurship

January'26

Perspectives I will share

01

Why local businesses & entrepreneurship is inevitable

02

ABC's of doing business in Bangladesh

03

What's happening around us

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What's happening around us

Bangladesh is at an inflection point

	SOUTH KOREA 1975 - 85	CHINA 1990 - 00	INDIA 2000 - 10	BANGLADESH 2013 - 23
<u>GDP growth</u>	* +8%	* +10%	* +7%	* +7%
<u>GDP per capita</u>	* \$2,378	* \$959	* \$1,265	* \$1,961
<u>Urbanisation</u>	* +17pp	* +10pp	* +3pp	* +6pp
<u>Median age</u>	* 26	* 27	* 25	* 26
<u>Human development index</u>	* +1.0%	* +2.0%	* +1.7%	* +2.1%

Who makes it happen?



The “CHAEBOLS” Story

- Group of local businesses : Samsung, Hyundai, LG, Lotte
- Govt picked sectors and supported them with credit + zones + export targets
- Contributes 40%+ of GDP



The “TVEs” Boom

- China's post-1978 reforms unlocked mass entrepreneurship, Township & Village Enterprises
- By 1996, there were 23.4 million TVEs employing ~135 million workers
- SOE share of output ~77.6% (1980) to ~28.5% (1996).

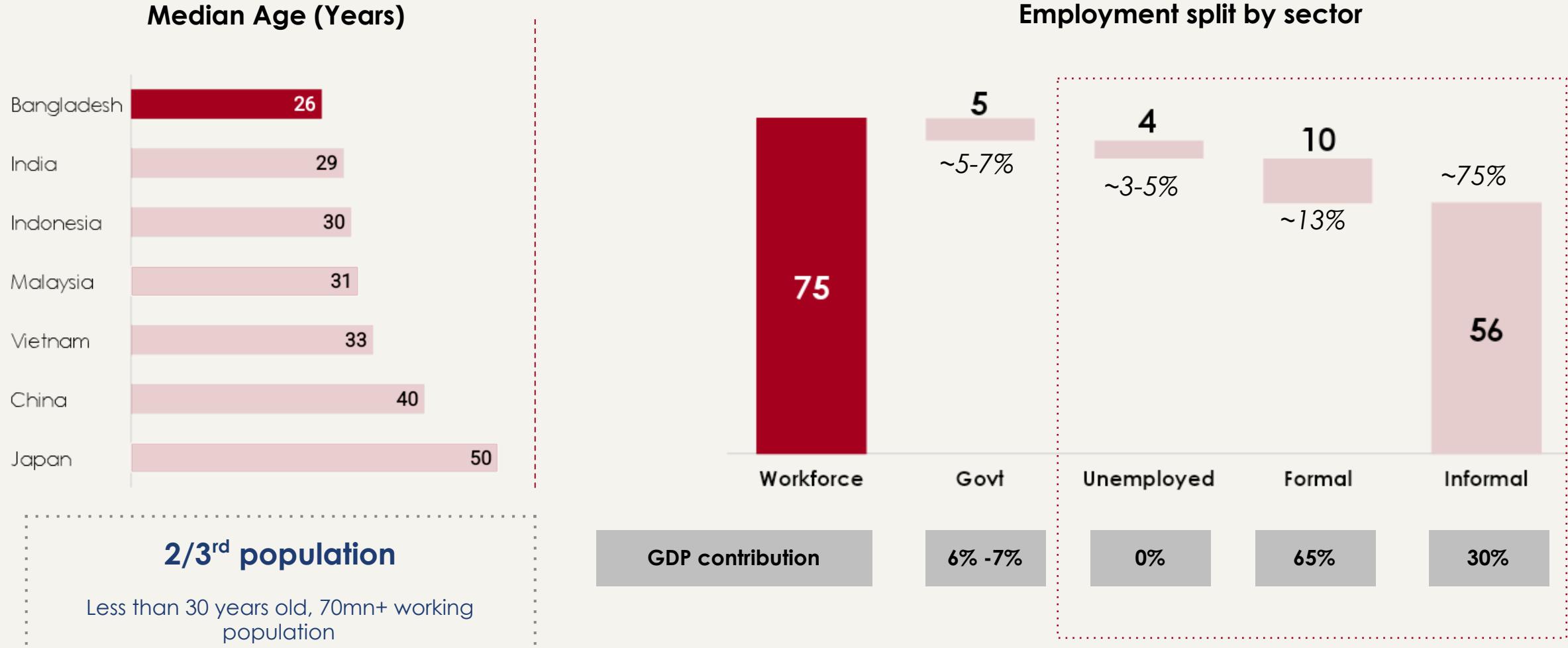


The “IT” Magic

- 90s : Full market opening away from state-controlled economy
- Structured investment in IT infrastructure and talent pool
- IT services from \$0 in 1980 to \$200bn + today

Opportunity > Reality by scaling “local businesses and entrepreneurship”

For Bangladesh, it's a mathematical reality



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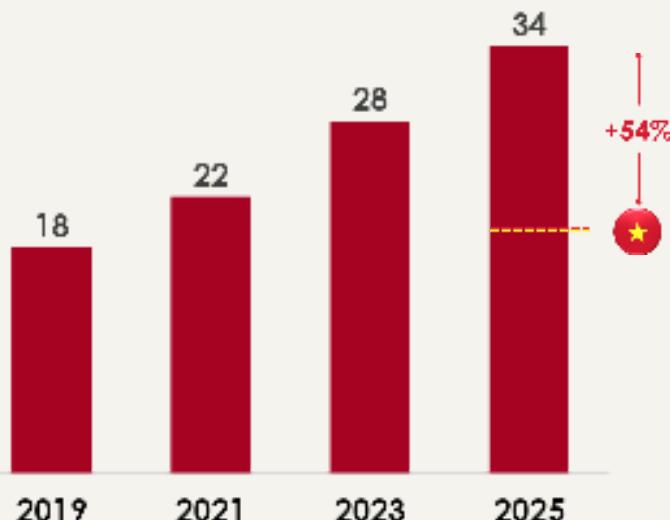
03

What's happening around us

Unlocking the opportunity

Middle & affluent class (Mn)

Source: [Boston Consulting Group](#)



Weighted cost of production

Land, Labor, Water, Gas & Electricity (USD)*	
	580,000
	1,410,000
	2,160,000
	1,980,600
	2,500,600
	1,405,060

Higher than average return

Name	Return on equity	Global sectoral average
Grameenphone	39%	7%
Berger	25%	13%
Lafarge	16%	10%
Reckitt	53%	18%
Marico	75%	

Source: [Published financial reports](#)

2X in Last 5 years

Bangladesh Middle and Affluent Class
More than Malaysia's total population

1/3rd

Cost of production vs other manufacturing hubs

2-3x higher vs other markets

Consistent returns over a sustained period of time

Unlocking the opportunity



2.5 billion people live within a
4-hour flight distance from
Dhaka

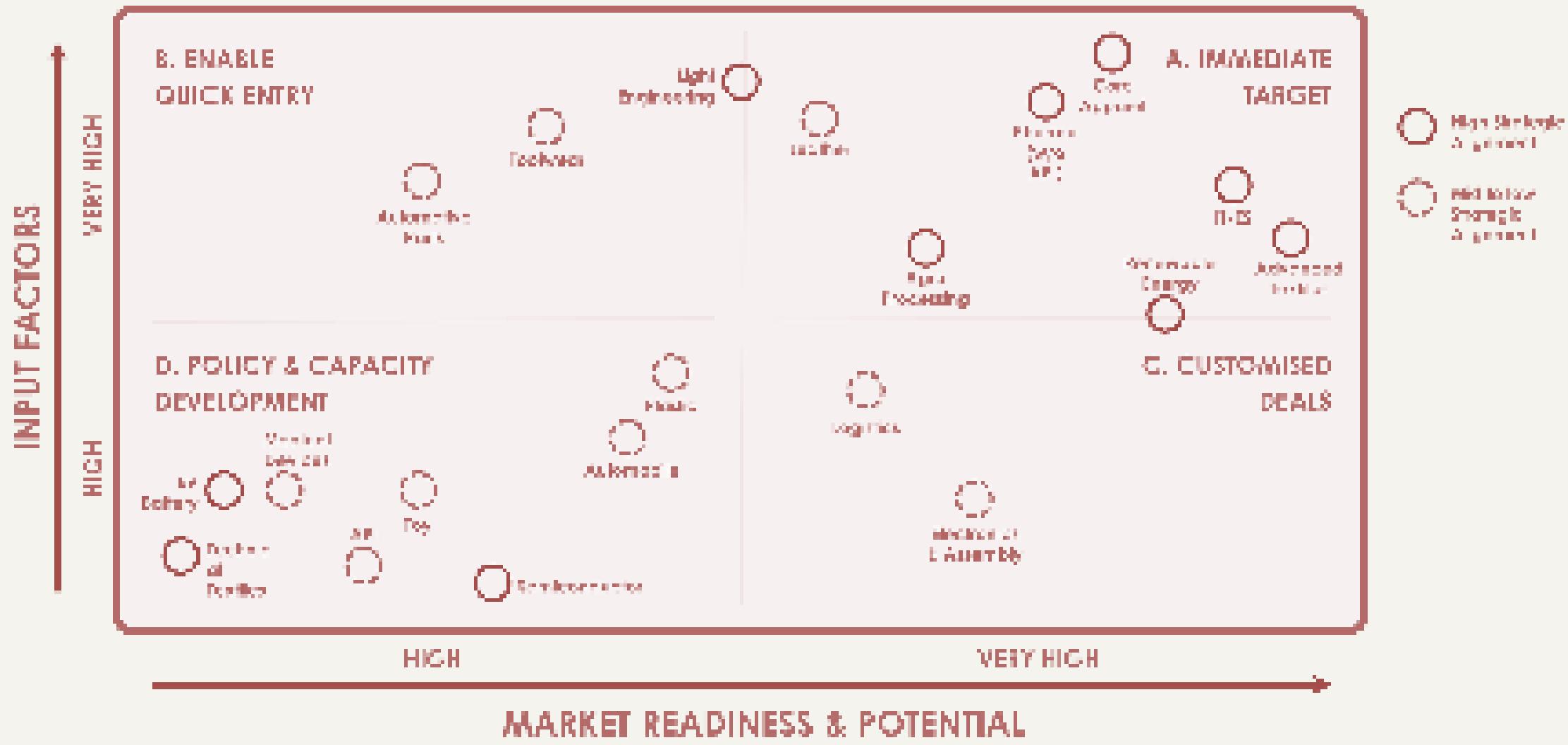
Local ecosystem gradually developing



Source: LightCastle Analytics, Aeonboarders Bangladesh, Startup Bangladesh Limited

TopSectors	Key Startups	
Financial Services		
Logistics & Mobility		
Ecommerce & Retail		
Education		
Travel & Tourism		
Software & Technology		
Food & Agriculture		
Healthcare		
Garments & Textile		
Sports & Media		

Areas of opportunity



Starting a business : Key questions

01



Market Potential – Where is the growth going to happen – globally and locally?

Global market size, Projected growth, Domestic consumption, Export value

02



Input Availability– Do I have the internal capabilities to compete?

Cost competitiveness, Access to resources, Innovation Gap, Supporting industries, Supply chain

03



Strategic Fit– Does it align with my long-term priorities ?

Policy & alignment, Sustainability & ESG focus, Post LDC market access

Starting a business : Legality

PROPRIETORSHIP & PARTNERSHIP

LIMITED COMPANY (LOCAL)

LIMITED COMPANY (FOREIGN)

APPLY TO RJSC&F FOR
NAME CLEARANCE (NC)
AND COMPANY FORMATION

APPLY TO RJSC&F FOR
NAME CLEARANCE (NC)

OPEN AN NRT BANK
ACCOUNT (TEMPORARY)

APPLY TO RJSC&F FOR
COMPANY FORMATION

OBTAI
N TIN CERTIFICATE
FROM NBR

OBTAI
N TRADE
LICENSE

RENT OR PURCHASE SPACE FOR
SETTING UP THE INDUSTRY

OPENING
BANK ACCOUNT

Starting a business : Know your agencies

Facilitators



Regulators



National Board of Revenue, Bangladesh
জাতীয় বাজর বোর্ড বাংলাদেশ



Ministry of Environment, Forest and Climate Change



Service Enablers



Financiers



Trade, Export, Logistics



Supporting Actors



and many more....

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Key challenges for investors



Quality of
government services



Policy
continuity



Industry
Consultation



Eliminating
Corruption



Access to
resources

Interventions undertaken

1. Immediate Quick Wins

- National FDI strategy & pipeline
- Business licenses & documentation
- Ease of foreign currency financing
- Single landing platform
- Communication platform
- Inter ministerial coordination Committee
- Colocation of govt. agencies
- Investment outreach initiatives
- Ambassador Program
- Relationship management team
- Capital repatriation simplification
- Research wing at BIDA
- Investor starter pack
- Institutional excellence
- Public service performance dashboard

2. Policy support for Long-term

- Work permit process simplification
- Green channel & AEO
- National single window
- National port strategy
- Tax rules – policy continuity
- BIDA Act amendment
- Single unified landing platform
- Right-sizing economic zones
- BIDA organization restructuring
- Privatization of government assets
- FDI incentive scheme (go-live Dec'25)
- M&A rules
- IPA integration
- Setting up specialized zones
- BIDA rep office abroad
- Energy sustainability

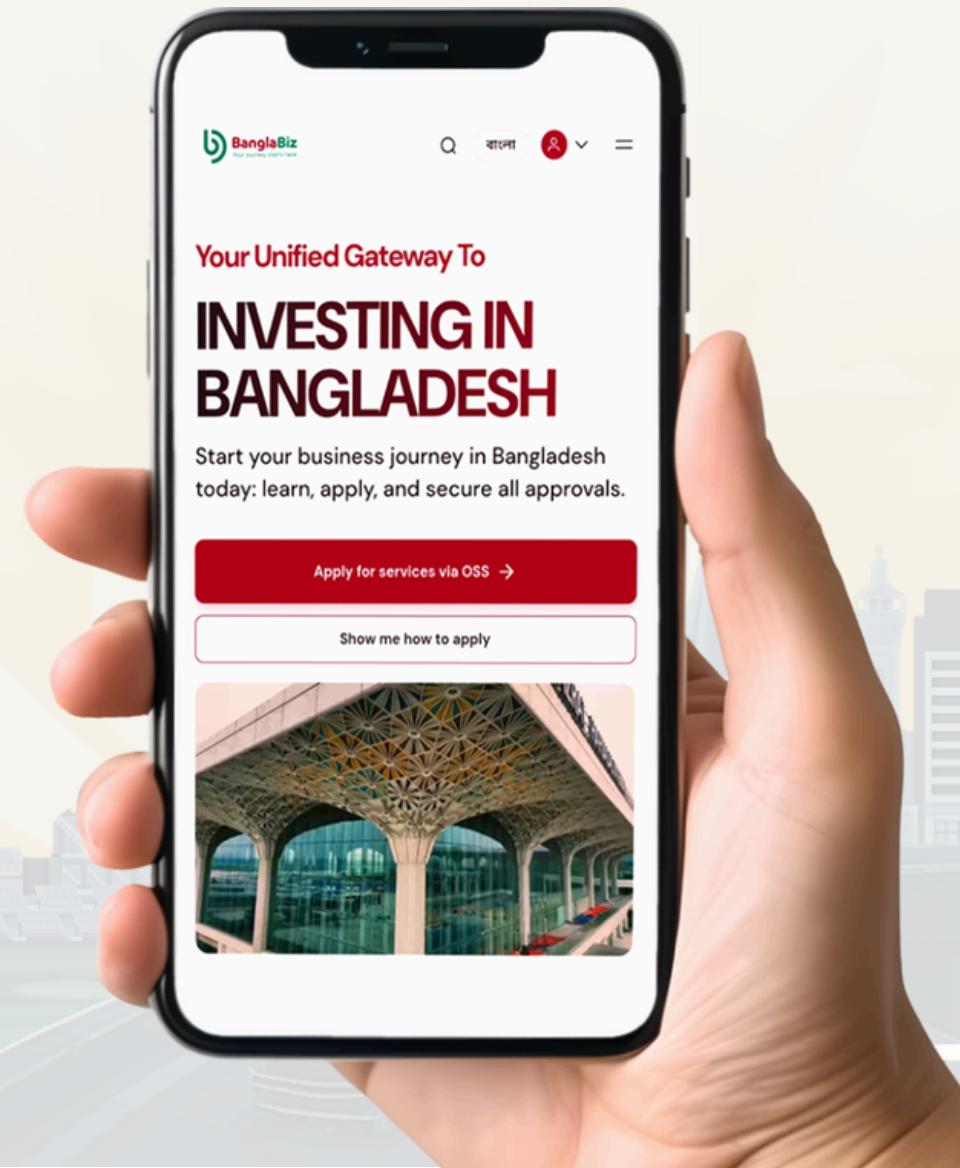
Completed

In progress

1. Starter pack for businesses



- **Business Starter Pack:** Single application delivering name clearance, registration, trade license, TIN, and temporary bank account
- **Know Your Approvals:** Clear guidance on licenses and approvals required
- **Relationship Manager** service requests to be enabled
- Navigate by **business lifecycle stages**
- **Mapping of economic zones and applicable incentives** across Bangladesh



2. “One government” approach

Inter-ministerial coordination committee



Co-located in one place



National Board of Revenue, Bangladesh
জাতীয় রাজস্ব বোর্ড, বাংলাদেশ



পরিবেশ অধিদপ্তর



3. Simplifying customs processes

Facilities for partial exporters



Furniture



Electronics



Food
processing



Light
engineering



Steel



Plastic



Leather
products

Green channel



SQUARE
PHARMACEUTICALS LTD.
BANGLADESH



TOWA

FairElectronics



Godrej



4. Ease of currency flow



**Repatriation limited
extended by 10x**

**Fast-tracked loan
approvals process**

**Debt-equity ratio eased
& relaxed**

5. Private sector advisory council

To ensure a direct link between policymaking and on-the-ground investment realities, the formation of a Private Sector Advisory Council to advise the Head of Government is considered essential



Few real-life examples



Removal of barrier for
repatriation of
shareholder dividends



Avoidance of mass
restrictions on online-
travel agencies



Advocacy to change
customs laws to enable
backward linkage



Enabling business model & entry
into Bangladesh

What does this mean to you?

- Positive changes are in motion throughout the system, we should be ready to leverage it
- The real differentiator will not only be good ideas — it will also be execution literacy
- Most failures are avoidable mistakes, not bad intentions
- Giving right and actionable feedback to the regulators is critical

Common mistakes I have observed

- ✖ Registering too early without validation – “pilot” & “pilot”
- ✖ Ignoring tax & compliance procedures – should be done outright
- ✖ Mixing personal & business money – ledgers need to be distinct
- ✖ Chasing funding before customers – PoC is a pre-requisite
- ✖ Not knowing government procedures – take help early



Case studies



Bangladesh is at an inflection point

Stanford



**Innovation center -
USA**

Technion



**Military
superpower- Israel**

Tartu



**Digital 1st
nation - Estonia**

If not us, then WHO?

Thank you
