

WORLD INVESTMENT FORUM-2016

High-level Round Table Discussion

On

Investment and Enterprise Development

Speech by

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Government of the People's Republic of Bangladesh

Kenyatta International Convention Centre, Stanley

Room- Amphitheatre

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(16:00-19:00 pm)

Mr. Chairs,

H.E. Ms. Lilianne Ploumen, Minister for Foreign Trade and Development Cooperation, The Netherlands

H.E. Mr. Rob Haydn Davies, Minister of Trade and Industry, South Africa

Dr. Mukhisa Kituyi, Secretary-General, UNCTAD

Speakers

Excellencies

Ladies and gentlemen

It is my pleasure to join this High-Level Roundtable on Investment and Enterprise Development, an event of the World Investment Forum 2016.

This Roundtable discussions have a wider global context and it is very important after UN acceptance of SDG as post-2015 Development Agenda. You know that World Investment Report estimates that total investment needs for SDGs in developing countries alone could be about 3.9 trillion US dollars per year when current investment of around 1.4 trillion. In this context, active participation of Private entrepreneurs is essential for attaining sustainable development goals.

This roundtable discussion is very important for Bangladesh when it has been Chair of the group of LDCs. You are aware that Bangladesh is a booming economy with steady growth over six percent for the last decade and it has been progressing fast in all respects of socioeconomic indicators under the dynamic and visionary leadership of the Honorable Prime Minister Her Excellency Sheikh Hasina. We proudly remember that she received the UN award for Bangladesh's MDG achievements and won the 'South-South Award' twice for her brilliant contributions in reducing child and maternal mortality rate and fight against hunger and poverty.

Excellencies

The fact is, very welcoming that Investments by developing-country, multinational enterprises (MNEs) reached a record level. Financial Contribution of Multinational Enterprises (MNEs) is crucial for many of the economics of the international community including the countries of the Asian region. Sustainable investment is needed for global economic growth and development.

The Base Erosion and Profit Shifting (BEPS) by the MNEs is a threat to benefit of the economics from the investment. A joint effort of the global community may help, check tax avoidance and support resource mobilization of the states for their prospects.

Excellencies

I would like to specially focus on the SMEs. Growth of a large industry is highly dependent on SMEs development. Bangladesh economy benefits from strong support of its dependable SME sector. SMEs development may help in reaching the desired goal of this roundtable. Growth of SME can boost green growth, initiate social enterprise and entrepreneurship for youth, women and vulnerable groups with the least amount of investment. The increased SMEs will be helpful to sustainability and inclusiveness for the attainment of the SDGs.

Excellencies

Bangladesh has one of the most investor friendly environments in South Asia. To the surprise of many, Bangladesh showed a remarkable resilience during the global economic slowdown by maintaining an almost unhindered growth under the prudent and visionary leadership of Hon'ble Prime Minister Her Excellency Sheikh Hasina. Despite the recent global economic crisis, Bangladesh's consistent growth in GDP, export and remittance clearly depicts a picture of substantive and pragmatic economy management. In Bangladesh, we facilitate investment by many ways. **There is no discrimination between local and foreign investors and prevailing laws and practices fully guarantee the safe investment returns.**

Considering all the factors of doing business, at present, Bangladesh is a unique place for investment. Our government is keen on increasing FDI and we welcome more Foreign Direct Investment in our booming industrial sectors including shipbuilding & recycling, chemical fertilizers, automobile & light engineering, agro-processing, pharmaceutical, ceramic, plastic, ICT, marine resource extraction, tourism, medical equipment refurbishment and telecommunication.

We are giving more thrust on establishment of knowledge based high-tech industries. Our vision is to make an industrialized Digital Bangladesh by 2021 and a rich & developed country by 2041 to establish the development concept “Golden Bengal (Sonar Bangla)”, the dream of the Father of the Nation and the greatest Bengali of all time, Bangabandhu Sheikh Mujibur Rahman. In order to materialize our dream into reality we have been pursuing a liberal investment and industrial policy for foreign investors with huge attractive incentive package.

As a private sector-led growth economy, Bangladesh ensures a sustained conducive business climate. The government attaches high priority to private investment, both domestic and foreign, and is committed to making substantial improvement in the existing investment climate. Our government is offering the following opportunities and incentives to the investors in order to boost FDI:

- FDI encouraged in high-tech, innovative industries have potential for skill and technology transfer.
- Opportunity to participate in the primary and secondary stock market.
- Opportunity of capital, loan from the local banks.
- Citizenship, permanent resident-ship and no Visa Required (NVR) facility for Prospective foreign investors.
- Profit and dividends are completely transferable. Reinvested Profit or dividends are considered as fresh investment.
- Same facilities as local investors in terms of tax holidays, royalty, technical fees, etc.
- Exemption of Personal income taxes up to three years.
- Allocation of land in the EPZs, Industrial parks, Exclusive Economic Zones etc. and facilities ensured.
- Investment Incentives for the backward areas (Subsidy on capital investment, Tax and duty exemption for manufactured product)

- Exemption from double taxation.
- High priority sectors get priority in incentives (07 nos- Agriculture/Food Processing, RMG, ICT, Pharmaceutical).
- Import duty for raw materials from local manufacturers is lower than imported goods.
- Cash Incentive for participation in trade and priority sector industry.
- Tax holiday for the small, cottage and micro industries.
- Minimum VAT and in some cases VAT exempt for rural micro industries of agriculture, fisheries, livestock, Eco-product and dairy.
- Investments of NRBs are treated at par with FDI.
- The CIP award to the NRB who is (a) an investor, (b) a sender of foreign currency (c) an importer of Bangladeshi products from abroad.
- Maximum efforts are given to uninterrupted supply of electricity and gas.
- Special incentives for the industry/factory with own power generating facilities and/or using biomass or solar or windmill.
- Large industries get the same facilities as the industries in EPZs

Ladies and gentlemen

In order to attain the goal of SDGs through boosting Investment and Enterprise Development, we may consider the Bangladesh's experience that could be followed.

I would like to thank UNCTAD for organizing this Round Table Discussion and giving me the opportunity to join the dignitaries like you at this graceful occasion.

I thank you all.