Kingdom of the Netherlands

Bangladesh Investment Development Authority

swisscontact

INVESTMENT POSITIONING PAPER: AGRO PROCESSING SECTOR OF BANGLADESH

MAY 2026

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MESSAGE FROM THE EXECUTIVE CHAIRMAN

Bangladesh Investment Development Authority (BIDA)

Bangladesh sits at the heart of the world's largest delta and produces a wide range of agricultural commodities. The question now is how much more value we can retain from what we produce.

For agro-processing, the opportunity is not only in growing more. It is in what happens after production: preservation, processing, packaging, cold chain, testing, certification, logistics and traceability. These are the systems that turn agricultural output into higher-value products, stronger enterprises and exportable goods.

This paper is useful because it moves the discussion from general potential to practical investment areas across the agro-processing value chain. It also identifies the constraints that need to be addressed if these opportunities are to become investable projects.

In Bangladesh, our focus is on targeted investment facilitation. That means developing sector-specific pipelines, working with investors, and coordinating across government agencies so that viable projects can move forward.

I thank Swisscontact and our partners for their contribution to this work. We hope this paper will help start the right conversations with investors exploring Bangladesh and support the work of turning viable agro-processing opportunities into productive investment.

Ashik Chowdhury
Executive Chairman
Bangladesh Investment Development Authority (BIDA)

MESSAGE FROM THE COUNTRY DIRECTOR

Swisscontact Bangladesh

Bangladesh's agricultural sector has made remarkable progress over the past decades, contributing significantly to food security, rural livelihoods, and economic growth. As the country advances towards becoming a more diversified and resilient economy, agro-processing presents a compelling opportunity to create greater value from agricultural production, strengthen market linkages, and generate quality employment across rural and peri-urban areas.

This investment paper was commissioned by Swisscontact with the objective of identifying practical and commercially viable opportunities within Bangladesh's agro-processing sector. Conducted by the Policy Exchange Bangladesh and endorsed by the Bangladesh Investment Development Authority (BIDA), the study seeks to provide investors, policymakers, and development partners with evidence-based insights into high-potential investment areas and the enabling conditions required to unlock them.

At Swisscontact, we believe that sustainable economic development is driven by private sector investment, innovation, and inclusive market systems. Agro-processing offers a unique opportunity to connect farmers with higher-value markets, reduce post-harvest losses, improve competitiveness, and enhance Bangladesh's position in regional and international value chains. Realizing this potential, however, requires coordinated action to address market constraints, strengthen supporting infrastructure, improve quality and compliance systems, and facilitate investment.

We are grateful to the Embassy of the Kingdom of the Netherlands in Dhaka for its financial support in making this work possible. We also extend our sincere appreciation to BIDA for its leadership and endorsement, and to Policy Exchange Bangladesh for its rigorous research and analysis.

We hope this paper serves as a practical resource for investors exploring opportunities in Bangladesh and contributes to informed dialogue among stakeholders committed to advancing the country's agro-processing sector. By working together, we can help transform agricultural potential into sustainable economic growth, increased competitiveness, and lasting prosperity for communities across Bangladesh.

Helal Hussain
Country Director
Swisscontact Bangladesh

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ABBREVIATIONS

ASEAN	Association of Southeast Asian Nations
BAPA	Bangladesh Agro-Processing Association
BEPZA	Bangladesh Export Processing Zones Authority
BEZA	Bangladesh Economic Zones Authority
BFSA	Bangladesh Food Safety Authority
BFVAPEA	Bangladesh Fruits, Vegetables and Allied Products Exporters Association
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BHTPA	Bangladesh Hi-Tech Park Authority
BIDA	Bangladesh Investment Development Authority
BOT	Build, Operate, Transfer
BSCIC	Bangladesh Small and Cottage Industries Corporation
BSTI	Bangladesh Standards and Testing Institution
BYETS	Building Youth Employability Through Skills
CAGR	Compound Annual Growth Rate
CSDDD	Corporate Sustainability Due Diligence Directive
DAE	Department of Agricultural Extension
DoF	Department of Fisheries
DTAA	Double Taxation Avoidance Agreement
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EPB	Export Promotion Bureau
ESG	Environmental, Social, and Governance
EU	European Union
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
FGD	Focus Group Discussion
FMCG	Fast-Moving Consumer Goods
FY	Fiscal Year
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
GHP	Good Hygienic Practices
GMP	Good Manufacturing Practices
HACCP	Hazard Analysis and Critical Control Points
IFC	International Finance Corporation

ABBREVIATIONS

IRMS	Investment Registration and Management System
IRR	Internal Rate of Return
JICA	Japan International Cooperation Agency
KII	Key Informant Interview
KYA	Know Your Approval
LDC	Least Developed Country
LEED	Leadership in Energy and Environmental Design
MoA	Ministry of Agriculture
MoC	Ministry of Commerce
MoEFCC	Ministry of Environment, Forest and Climate Change
MoF	Ministry of Finance
MoFA	Ministry of Foreign Affairs
MoFL	Ministry of Fisheries and Livestock
MoHFW	Ministry of Health and Family Welfare
MoI	Ministry of Industries
MoRTB	Ministry of Road Transport and Bridges
MoS	Ministry of Shipping
NBFI	Non-Bank Financial Institution
NBR	National Board of Revenue
NSDA	National Skills Development Authority
OSS	One Stop Service
PPP	Public–Private Partnership
PPPA	Public Private Partnership Authority
RMG	Ready-Made Garments
SME	Small and Medium Enterprise
SPS	Sanitary and Phytosanitary
TEU	Twenty-foot Equivalent Unit
TIC	Testing, Inspection, and Certification
TNA	Training Needs Assessment
ToT	Training of Trainers
TVET	Technical and Vocational Education and Training
UNCTAD	United Nations Conference on Trade and Development
USAID	United States Agency for International Development
WBT	Workplace-Based Training

EXECUTIVE SUMMARY

This study was conducted by Policy Exchange Bangladesh with technical and financial assistance from the *"Building Youth Employability Through Skills (BYETS)"* project of Swisscontact, supported by the Embassy of the Kingdom of the Netherlands in Bangladesh, focusing Bangladesh's Agro-Processing sector. This study was also conducted under the MoU working areas between BIDA and Swisscontact as an investment promotion tool. The investment positioning paper presents an evidence-based investment case for Bangladesh's agro-processing sector by identifying key opportunities and enabling conditions across the value chain. It is designed to guide investors and deployment and reforms to support export diversification and value addition in the context of Bangladesh's LDC graduation.

The analysis combines secondary research (policy reviews, sector data, and global benchmarks) with primary insights from stakeholder consultations, including Key Informant Interviews, Focus Group Discussions, and multi-stakeholder roundtables. A value chain framework is also applied to identify upstream, midstream, and downstream investment opportunities and returns on investment. Findings reveal clear investment opportunities across the agro-processing value chain.

Agro-processing is an emerging industrial segment in Bangladesh, contributing around 1.7% to GDP and 13% of manufacturing output, with a processed food industry valued at approximately USD 8 billion with an annual average growth of 8%. The sector benefits from a strong agricultural base producing over 70 million metric tons annually and has already established export presence in 144 countries, although only a limited share of output is currently processed, indicating significant untapped potential for value addition and opportunity for investment across the value-chain.

Time and again, Bangladesh has emerged as an increasingly attractive investment destination due to its competitive cost structure, a large and growing domestic consumer base of around 34 million middle- and affluent consumers, and its strategic geographic location connecting South Asia, Southeast Asia, and the Middle East. Strong policy support, including economic zones, fiscal incentives, and digital facilitation platforms such as BIDA's One Stop Service and BanglaBiz, further enhances ease of doing business and investor confidence.

In regards to investment, the agro-processing sector is particularly lucrative due to the convergence of key growth drivers, including an abundant raw material base, rising domestic and global demand for processed and convenience foods, competitive labor costs, and strong policy prioritization under frameworks such as BIDA's FDI Heatmap and the National Export Policy 2024–27. In addition, increasing global demand for traceable and compliant food systems, aligned with evolving Environment, Social and Governance (ESG) standards, is further shaping market opportunities. Expanding segments such as halal food, along with growing demand for premium and value-added processed products, strengthen the sector's commercial viability, scalability, and export potential.

EXECUTIVE SUMMARY

These strong fundamentals translate into scalable investment opportunities across the value chain. Upstream investments in cold chain logistics, testing and certification facilities, and digital traceability systems can reduce post-harvest losses while meeting growing compliance and quality requirements. Midstream, expanding processing capacity across high-potential segments such as seafood, dairy, fruits, frozen foods, and ready-to-eat products enables a shift from bulk production to higher-margin, value-added goods. Downstream, rising domestic consumption and the expansion of modern retail create opportunities for branded products, packaging innovation, and export-oriented market positioning, allowing investors to capture value across both domestic and global markets. Overall, Bangladesh's agro-processing sector represents a high-potential and investment-ready opportunity at a pivotal moment.

REPORT SNAPSHOT

OVERVIEW: BANGLADESH'S EDGE IN INVESTMENT

- Cost Competitiveness
- Demographic Dividend and a Growing Consumer Base
- Enabling Policies and Industrial Platforms for Investment
- Proven Global Integration and Value-Chain Depth
- Strategic Access to Regional and Global Consumer Markets
- Strategic Connectivity and Port Infrastructure
- Digital Platforms

SNAPSHOT OF THE AGRO-PROCESSING SECTOR

250	$8 bn	144
Agro-Processing Companies Export Food Products	Value of Food Processing Sector	Countries Global Export Reach

SCOPE AND OBJECTIVE OF THE INVESTMENT POSITION PAPER

Present an evidence-based investment case for Bangladesh's agro-processing sector by identifying priority opportunities and reform areas to guide investor decisions and policy action.

REPORT SNAPSHOT

METHODOLOGICAL FRAMEWORK

Primary Analysis

- Key Informant Interviews (KIIs)
- Focus Group
- Discussions (FGDs)
- A multi-stakeholder roundtable.

Secondary Analysis

- Review of secondary sources including international benchmark papers

COMPETITIVE EDGE OF THE AGRO-PROCESSING SECTOR FOR INVESTMENT

REPORT SNAPSHOT

WHY NOW IS THE RIGHT TIME TO INVEST IN AGRO-PROCESSING

INVEST IN AGRO-PROCESSING: WHY NOW?

- Strategic Opportunity for Investment through Export Diversification and LDC Transition
- A High-Value Import Substitution Opportunity for Investors
- Rising Demand for Traceable, Compliant, and Sustainable Food Systems
- Government Prioritization of Agro-Processing

AGRO-PROCESSING VALUE CHAIN: OPPORTUNITIES ACROSS UPSTREAM, MIDSTREAM, AND DOWNSTREAM

Agro-Processing Value Chain

Upstream Opportunities

- Cold Chain Logistics
- Testing & certification Labs
- Agri-Tech & Traceability

Midstream Opportunities

- Food Processing Hubs
- Joint Ventures with Local Partners

Downstream Opportunities

- Branding and Packaging
- Distribution and Retail
- Export Markets (EU, Japan, GCC)

Farm Production → Processed Products → Consumers & Export Markets

REPORT SNAPSHOT

UPSTREAM OPPORTUNITIES

A. Cold Chain

Market Potential	Competitive Advantage	Potential Investors	Estimated ROI
▪ USD 1.10B (2025) ▪ USD 2.03B by 2033 ▪ 8.1% CAGR ▪ Growing Demand for temperature-controlled logistics	▪ Low Labor Costs 30-50% Below Vietnam & Thailand ▪ Strategic Export Hub to South Asia & Middle East	▪ EU & Japan Logistics Firms Cold Chain Developers ▪ Exporters & Retailers Targeting GCC & ASEAN	▪ 14.47%–20% IRR for solar-grid mini-storages ▪ $90 million for 1,000 community-level units (10-ton capacity) ▪ $250 million for medium-scale facilities

B. Modern Testing & Certification Labs

Agro-Export market	YoY Growth	Estimated ROI
$1.2B	**9.3%**	**12-20%**

Competitive Advantage	Constraints	Potential Investors and Growth
▪ Lower setup cost ▪ GSP access to EU	▪ Agro-exports require compliance with standards like HACCP and ISO, current labs are insufficient ▪ Reliance on India/Thailand	▪ International firms like SGS or Intertek. Focus on EU and Japan exports ▪ Initial investments $5-10 million for ISO 17025-accredited labs

REPORT SNAPSHOT

C. Supply Chain Traceability and Agri-Tech Solutions

Agri-Tech Market (2024)	Traceability Growth (CAGR)	Estimated ROI
$1.72 Bn	**17.3%**	**14–20%**

Competitive Advantage

- Tech adoption costs 40% lower than Thailand
- Young, digital workforce enables rapid rollout
- Bundling advantage: combines well with cold chain + labs to prove quality (origin + temp + test results)

Constraints

- Export buyers require credible documentation (origin, handling, compliance)
- Fragmented data across farms, traders, processors, and agencies
- Limited integration with e-certification / customs systems
- Adoption barriers, training, connectivity, and change management

Potential Investors and Growth

- Investors: India & EU tech firms (e.g., ByteAlly-type vendors), integrators, logistics platforms
- Target markets: GCC halal/quality-sensitive segments + high-standard importers
- Investment size: $1-5M (blockchain/QR platform + onboarding + dashboards)
- Value driver: premium pricing + faster clearance through verified origin + temperature history + test results

REPORT SNAPSHOT

MIDSTREAM OPPORTUNITIES

A. Food Processing Hubs

Processed Food Market	Annual Growth	Estimated ROI
$8 Bn	**8%**	**20–60%**

Competitive Advantage

- World's 4th-largest inland fish producer strengthens raw material base
- Cost advantage: 20% lower than Vietnam for production setup/operations
- Vs Thailand: lower wages, but requires quality and standards upgrades to access premium buyers

Constraints

- Quality upgrades needed (food safety, packaging, traceability) to meet export standards
- Processing depth remains limited → value capture stays low
- Gaps in cold chain + testing capacity increase spoilage and rejection risk

Potential Investors and Growth

- Potential investors: Japan (e.g., Mitsubishi) and EU food/processing firms)
- Export focus: GCC markets (quality-sensitive segments)
- Investment size: $49M for 10 large-scale fruit processing units
- Growth lever: upgrading processing can lift margins and enable higher-value export lines

B. Processed Food & Value-Added Agro-Processing

Processed Food Market (2024)	SME-Level JV Investment Size	Typical ROI Range
$4.8 Bn	**$5-20 Mn**	**15–25%**

Competitive Advantage

- Flexible joint venture models provide easier market access, in contrast to India's more restrictive FDI regulations.
- 50-50 equity with reputed local brands such as PRAN

Potential Investors

DANONE

Alfamart

Sample JV Models

- Equity Based: AK Khan–WaterHealth (50:50 JV with IFC equity).
- Non Equity: PRAN–Dutch partnerships (technology transfer model for mushroom cultivation).

REPORT SNAPSHOT

DOWNSTREAM OPPORTUNITIES

A. BRANDING, PACKAGING, DISTRIBUTION & RETAIL OF HIGH-VALUE FMCG FOOD LINES

Consumer-Oriented Food Market (2024)	Annual Growth	Estimated ROI
$9.6 Bn	**8%**	**15–18%**

Competitive Advantage

- Expanding modern retail footprint supports branded product growth
- Rising demand for high-value and quality food products
- Strong scope for brand creation vs. saturated regional FMCG markets
- Packaging cost competitiveness strengthens export-linked branding economics

Market Opportunity

- Growing urban middle-class consumption
- Increasing preference for quality, traceability, and packaged foods
- Shift toward branded and convenience-oriented products
- E-commerce grocery platforms accelerating distribution reach

Potential Investors and Growth

- E-commerce grocery platforms targeting high-growth urban consumers
- FMCG manufacturers, packaging companies, retail-linked brand builders
- Investment Size: BDT 5-10 lakh (small-scale units)
- USD 5-15 million (branding, packaging & distribution scale-up)

B. EXPORT-ORIENTED PRODUCT BRANDING OPPORTUNITIES IN AGRO-PROCESSING

	Market Size and Growth (Agro-Processing)	Estimated ROI	Investment
At Present	**$4.8 Bn**	**$5-20 Mn**	**15–25%**

Competitive Advantage

- Duty Free EU Access Vs. Vietnam's tariffs Halal Focus for GCC Market

Potential Investors

- Branding Firms for Halal and Organic Lines

REPORT SNAPSHOT

Key Constraint

A. Governance, Policy and Regulatory Environment

- ☐ Unfair competition from informal operators
- ☐ Multiple approvals from different agencies
- ☐ Frequent tax changes
- ☐ National standards are not fully aligned with international benchmarks

B. Trade and Market Access

- ☐ Lack of accredited labs
- ☐ Tariff and non-tariff barriers
- ☐ Limited export incentive
- ☐ High logistics costs
- ☐ Port congestion and repetitive testing delay shipments
- ☐ SMEs lack knowledge of global integration pathways and export readiness

C. Finance and Investment

- ☐ Limited access to affordable finance for SMEs and farmers
- ☐ Exposure to climate and price risks
- ☐ Limited SME financing gap
- ☐ Low investment in cold chain and agri-tech.

D. Value Chain Strengthening and Diversification

- ☐ Weak coordination between producers and processors
- ☐ Traditional farming methods limit productivity
- ☐ Overdependence on rice limits diversification.
- ☐ Low livestock productivity due to genetic and feed issues.

E. Infrastructure, Technology and Innovation

- ☐ Insufficient cold chain and storage facilities
- ☐ Poor rural connectivity increases transport costs
- ☐ Limited adoption of digital agriculture technologies
- ☐ Limited advanced food testing labs
- ☐ Low irrigation efficiency increases production costs

F. Climate and Environmental Sustainability

- ☐ Rising climate risks threaten productivity
- ☐ Overuse of chemicals affects environment and food safety
- ☐ Soil degradation and biodiversity loss
- ☐ Long-term climate risks threaten food security

G. Awareness, Skills and Inclusion

- ☐ Low consumer awareness of nutrition and food safety
- ☐ Farmers lack knowledge of modern agronomy and post-harvest handling
- ☐ Limited expertise in fortified food production.
- ☐ Youth and women underrepresented in agribusiness
- ☐ Agro-processing training programs exist but awareness is low

REPORT SNAPSHOT

Strategic Action

A. Governance, Policy and Regulatory Environment

- ☐ Develop a transparent tax and compliance alignment framework to formalize informal operators while protecting compliant firms.
- ☐ Introduce an integrated single-window clearance system for licensing and regulatory approvals.
- ☐ Publish a predictable multi-year tax policy roadmap for agro-processing.
- ☐ Align food safety regulations with Codex, HACCP, and GAP standards.

B. Trade and Market Access

- ☐ Establish internationally accredited domestic testing facilities
- ☐ Strengthen trade diplomacy to address tariffs and technical barriers
- ☐ Expand export incentives to include processed food, livestock, and fisheries
- ☐ Develop agro-logistics hubs and improve multimodal transport systems
- ☐ Digitize customs and eliminate redundant inspections
- ☐ Launch SME export readiness and global market integration programs

C. Finance and Investment

- ☐ Expand low-interest loan schemes with simplified procedures
- ☐ Introduce crop insurance and weather-indexed risk products.
- ☐ Develop blended finance and guarantee schemes for agro-SMEs.
- ☐ Create targeted financing windows and PPP incentives.

D. Value Chain Strengthening and Diversification

- ☐ Promote contract farming and cooperative supply chain models
- ☐ Expand extension services and modern farming training programs
- ☐ Encourage diversification into horticulture, pulses, livestock, fisheries
- ☐ Support genetic improvement and veterinary outreach programs.

E. Infrastructure, Technology and Innovation

- ☐ Expand decentralized cold storage with energy backup systems
- ☐ Upgrade feeder roads and improve last-mile connectivity
- ☐ Provide incentives and PPP models for AI, IoT, and drone solutions
- ☐ Develop state-of-the-art food safety labs via academia-private partnerships
- ☐ Modernize irrigation systems and rehabilitate canals
- ☐ Repurpose FCDI systems for aquaculture and rainwater retention
- ☐ Promote community-based rainwater management initiatives
- ☐ Develop zone-specific irrigation and cropping strategies
- ☐ Promote water-efficient crop alternatives

F. Climate and Environmental Sustainability

- ☐ Scale climate-smart agriculture practices
- ☐ Strengthen regulation and training on safe pesticide use
- ☐ Expand salinity control and soil conservation measures
- ☐ Invest in R&D for resilient seeds and adaptive technologies

G. Awareness, Skills and Inclusion

- ☐ Implement national awareness campaigns
- ☐ Strengthen farmer field schools and structured training
- ☐ Establish specialized technical training programs
- ☐ Launch incubation and financing initiatives for youth and women
- ☐ Create a centralized digital portal and outreach campaigns on training opportunities

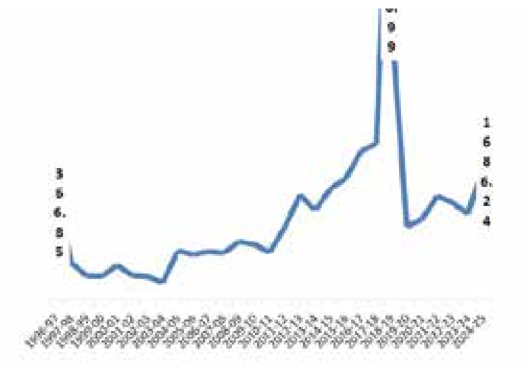
01. INTRODUCTION

1.1 BACKGROUND AND CONTEXT

Over the past few decades, Bangladesh has undergone a remarkable economic transformation, evolving from a post-independence, aid-dependent economy into one of the fastest-growing emerging markets in South Asia.

Over the past few decades, Bangladesh has undergone a profound economic transformation, evolving from an aid-dependent economy into one of South Asia's fastest-growing emerging markets. This progress has been driven largely by timely investments that enabled the rapid expansion of a globally competitive ready-made garments (RMG) sector, integrating Bangladesh into global value chains and accounting for over 81 percent [1] of total exports while generating employment for approximately 4.2 million people [2].

Figure 1: Total FDI Inflow (In Million USD)

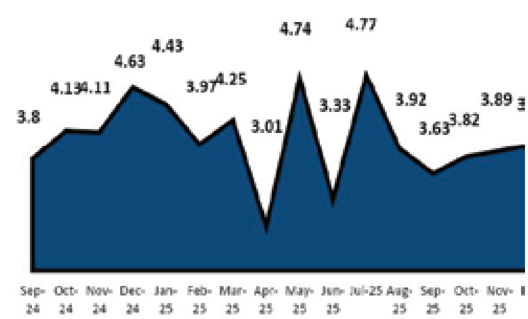


Source: Bangladesh Bank

The combined impact of a globally competitive RMG sector and a young workforce has propelled Bangladesh's economic growth. The strength of the RMG sector has underpinned sustained macroeconomic stability, reflected in average GDP growth of around 6 percent over the past two decades and 6.9 percent annually between 2010 and 2022, outperforming the regional average, alongside steady growth in Foreign Direct Investment (FDI) inflows [3].

This growth has also been supported by Bangladesh's demographic dividend, characterized by a young workforce, providing a sustained advantage in labor-intensive production and future economic expansion. As Bangladesh moves forward on its development path, sustaining growth will require strategic policy and investment alignment with long-term frameworks such as the Delta Plan 2100 and National Adaptation Plan of Bangladesh 2023–2050, which prioritize resilience and sustainability.

Figure 2: Recent Export Performance of Bangladesh (in Billion USD)



Source: Export Promotion Bureau (EPB)

[1] Export Promotion Bureau (EPB)

[2] Towards a 'Just Transition' in the labour market : Rights, Gender, and Environment, The Daily Star, 2026, https://www.thedailystar.net/news/towards-just-transition-the-labour-market-rights-gender-and-environment-4081376

[3] Bangladesh Poverty and Equity Assessment : Navigating the Road to Prosperity, 2025, https://documents1.worldbank.org/curated/en/099112525183511448/pdf/P501761-dfa72c79-9394-4291-83e1-ea462da8221f.pdf

Table 1: Bangladesh's Performance Against LDC Graduation Criteria

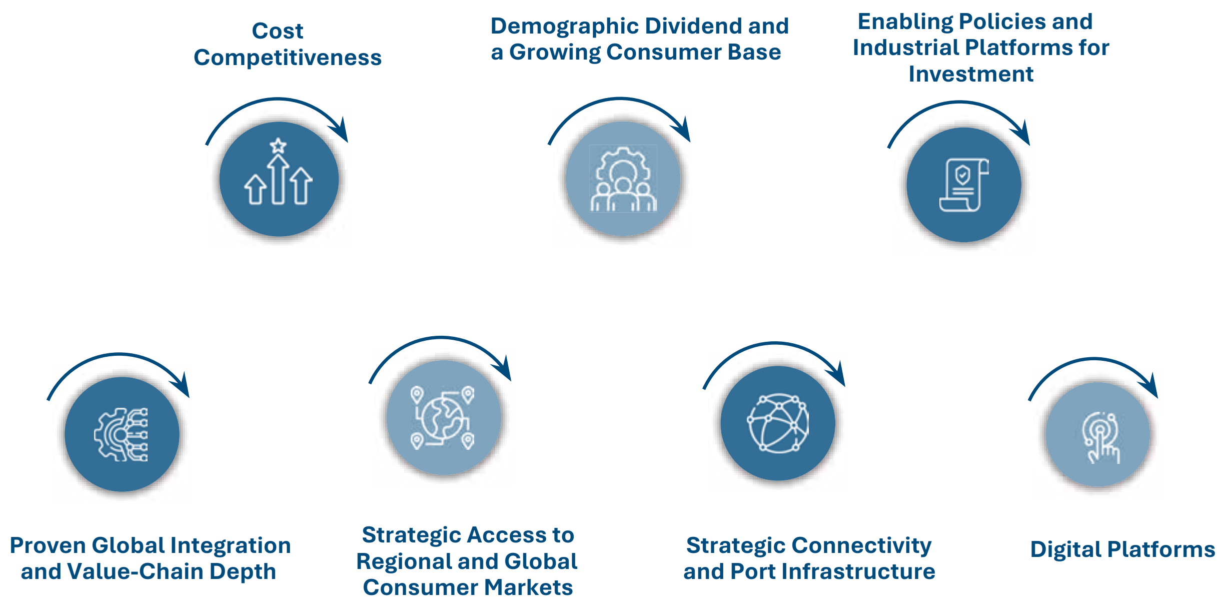
LDC Threshold and BD's Score	Per Capita GNI (Current $)	Economic and Environmental Vulnerability Index	Human Assets Index
1 Score required to graduate from least developed country	≥ 1,346	< 32	> 66
2 Bangladesh's score (2025)	2,899	22.13	77.80

Source: United Nations, 2025 Monitoring Report Bangladesh, 2025

1.2 Bangladesh's Competitive Edge in Driving Investment Growth

Strong FDI performance combined with competitive costs, a growing consumer base, supportive industrial policies, global value-chain integration, and improved facilitation platforms positions Bangladesh as an increasingly attractive destination for diversified and productivity-oriented investment.

Figure 3: Drivers of Bangladesh's Growing Attractiveness as an Investment Destination



This convergence of cost advantages, market depth, policy support, infrastructure expansion, and facilitation reforms reinforce Bangladesh's attractiveness as a lucrative investment destination. Together, these reforms form a connected policy narrative: Bangladesh is not only seeking more investment, but also trying to improve its quality, toward diversification, technology, and productivity. The section below discusses each of these drivers in depth to highlight their role in shaping Bangladesh's investment environment.

A. Cost Competitiveness as a Core Strength of Bangladesh's Manufacturing Base: A key pillar of competitiveness is Bangladesh's favorable factor-cost profile relative to peer economies. Indicative comparisons show materially lower monthly labor costs, alongside lower costs of land and gas, with electricity and water also remaining competitive [4]. These cost fundamentals continue to support export-oriented manufacturing and improve the feasibility of scale production.

Table 2: Productivity Inputs: Competitive Factors of Production

Factors	Cost in (USD)	
	Bangladesh	Average of Peer Countries
Labor (monthly salary)	114	366
Land (Per sq. meter/yr)	1.35	6.92
Gas (per cubic meter)	0.24	3.69
Electricity (per Kwh)	0.296	0.352
Water (per 1000L)	0.086	0.147

Source: BIDA

B. Strategic Access to Regional and Global Consumer Markets: Bangladesh's strategic geographic location provides easy access to neighboring and global consumer markets. Positioned between South Asia and Southeast Asia, with connectivity through the Bay of Bengal, the country serves as a gateway to the Asia-Pacific region and the Middle East. Its growing network of economic corridors, along with strong connectivity through sea, road, and air transport, facilitates efficient trade and movement of goods across regions.

Figure 4: Strategic Access to Regional and Global Consumer Markets

Source: BIDA

[4] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

C. Proven Global Integration and Value-Chain Depth: Bangladesh's competitiveness is increasingly reinforced by demonstrated global positioning and trade-enabling infrastructure. The country hosts 61 of the world's top 100 highest-rated LEED-certified factories [5], signaling strong performance in green industrial compliance, and has emerged as the fastest-growing apparel exporter to the EU, surpassing China in growth momentum.

Alongside this, Bangladesh has made gradual progress in adopting Environmental, Social, and Governance (ESG) standards. As ESG becomes increasingly critical for accessing export markets, particularly the European Union where compliance requirements are rapidly tightening, it has emerged as a key determinant of market entry and competitiveness. In response, a growing number of companies are integrating sustainability practices, reflected in the increase of Bangladeshi firms in Bloomberg's ESG-rated universe from seven in 2023 to sixteen in 2025 [6], indicating stronger alignment with global standards.

D. Scaling Trade through Strategic Connectivity and Port Infrastructure: This competitiveness is further supported by an integrated connectivity and infrastructure pipeline, with a projected port capacity of 7.23 million TEU and an envisaged six-fold increase in port handling capacity, anchored by upgrades and expansions across Mongla, Matarbari, Bay Terminal, Patenga, Laldia, and New Mooring, strengthening Bangladesh's ability to move from preference-led access toward capability-led trade performance in a post-LDC context [7].

Figure 5: Recent Initiatives to Improve Port and Logistics Sector

- **Matarbari Deep Sea Port**
- **Matarbari Deep Sea Port**
- **Third Terminal at Hazrat Shah Jalal International Airport**
- **Laldia Char and Pangaon Terminal**
- **Launch of the National Single Window**
- **National Logistics Policy**

[5] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

[6] Daily Times of Bangladesh, 16 Companies Shine in Bloomberg ESG Universe, https://tob.news/16-companies-shine-in-bloomberg-esg-universe/

[7] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

E. Enabling Policies and Industrial Platforms for Investment: Policy and industrial infrastructure have also been deployed to facilitate investment and reduce entry barriers. Bangladesh has developed dedicated investment platforms, including 10 Economic Zones, 11 Export Processing Zones (EPZs) and 4 High-Tech Parks [8], offering serviced land options, dedicated utilities, and preferential fiscal treatment [9]. The broader incentive framework includes location-based tax exemptions, reduced import duties on machinery and inputs, bonded warehousing and duty drawback facilities, and provisions that enable 100 percent foreign ownership and full profit repatriation. In addition, double taxation treaties with 34 countries and regulatory provisions supporting cross-border finance strengthen investor predictability [10].

At present, the government has prioritized five economic zones which are all under development. Completion of these economic zones signals an investment-friendly landscape with tax exemptions, duty relief, non-fiscal incentives, flexible work permits, and no ceiling on FDI. For investors, this points to a maturing industrial ecosystem where regulatory support and improving infrastructure combine to lower entry barriers and enhance long-term return potential.

Figure 6: Expansion of Industrial Zones and Port Capacity

11 Export Processing Zones	**4** High-Tech Parks
10 Economic Zones	**6x** Growth in Port Handling Capacity

Priority Economic Zones for Development and Key Investment Advantages

Priority Economic Zones for Development:

- National Special Economic Zone in Chattogram
- Srihatta Economic Zone in Sylhet
- Japanese Economic Zone in Narayanganj
- Maheshkhali in Cox's Bazar
- Jamalpur Economic Zone

Key Investment Advantages in Economic Zones:

- Tax Exemptions
- Duty Relief
- Non-Fiscal Incentives
- No ceiling on FDI
- Flexible work permits

[8] Bangladesh Investment Forum 2025, Hand-in-Hand Initiative, United Nations, https://www.fao.org/hand-in-hand/hih-investment-forum-2025/bangladesh/en

[9] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

[10] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

F. Harnessing the Demographic Dividend and a Growing Consumer Base: Competitiveness is further supported by Bangladesh's domestic market size and labor supply conditions. The country's consumer base includes an estimated 34 million middle and affluent consumers [11] , while a young labor force compared to comparator countries with average workforce age of 26 years [12] provides a sustained demographic advantage for production capacity and future skills upgrading. These structural conditions strengthen Bangladesh's positioning not only as an export platform but also as a growing end-market for consumer and service sectors.

G. Digital Platforms Enhancing Investor Facilitation: Investor confidence is increasingly shaped by the credibility of facilitation reforms, predictability of incentives, and the ease with which firms can navigate approvals across agencies. In this context, the government's digitalization efforts are particularly relevant. BIDA's Investment Registration and Management System (IRMS) functions as an online facilitation mechanism intended to make investor services more efficient and transparent for both investors and BIDA authorities. Bangladesh's Investment Development Authority (BIDA) also states that its One-Stop Service (OSS) portal was established under the One-Stop Service Act, 2018, positioning it as an interoperable platform intended to provide end-to-end digitized investor services and integrate regulators over time. The platform further describes an integrated service model that brings together multiple agencies and services in one place, designed to improve transparency for both domestic and foreign investors.

Building on these foundations, BIDA, in collaboration with the Japan International Cooperation Agency (JICA), has developed BanglaBiz, a unified digital gateway for investment services. The platform connects the OSS systems of key investment promotion agencies, including BIDA, BEZA, BEPZA, BHTPA, and BSCIC, with the aim of creating a single, integrated interface for investors. By centralizing information, streamlining approvals, and improving coordination across agencies, BanglaBiz is intended to enhance transparency, reduce processing time, and simplify the overall investment journey.

1.3 Objective and Scope of the Investment Position Paper

This Investment Positioning Paper is intended to serve as a strategic platform for showcasing Bangladesh's agro-processing sector as a high-potential destination for domestic and foreign investment. It provides a structured and evidence-based assessment of the sector's current landscape, competitive advantages, and growth trajectory, while identifying priority investment opportunities and key constraints across the value chain. The report further examines critical enablers such as infrastructure, standards, regulatory environment, and workforce readiness to inform both investment and policy decisions. Designed for investors and policymakers, the analysis is based on a combination of primary stakeholder engagement, secondary research, and analytical synthesis, ensuring robust, evidence-based insights to support investor engagement and policy prioritization.

Figure 7: Objective and Scope

Present an evidence-based investment case for Bangladesh's agro-processing sector by identifying priority opportunities and reform areas to guide investor decisions and policy action.

[11] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

[12] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

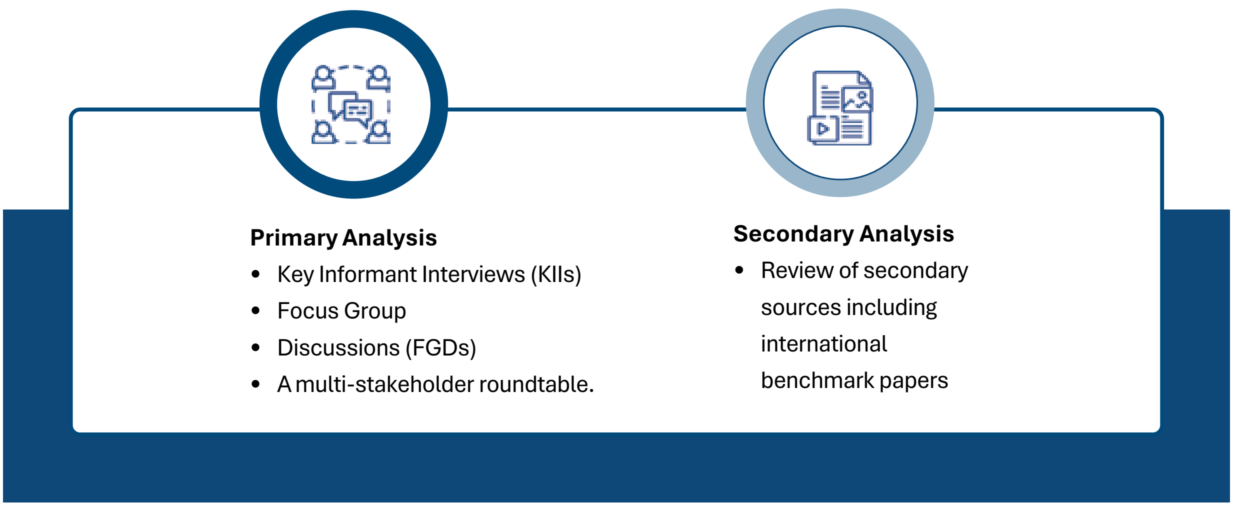
1.4 Methodology

The analysis began with an extensive review of secondary sources to establish the macroeconomic, sectoral, and policy context. This included an assessment of Bangladesh's agro-processing landscape, drawing on BIDA's FDI Heatmap, national policies, sectoral performance data, and relevant studies from government, development partners, and international organizations. In parallel, global benchmarking was undertaken to identify best practices and lessons from comparable countries, with particular attention to investment facilitation, value chain upgrading, and export competitiveness.

To complement the desk-based analysis, targeted primary research was conducted to capture practical insights and validate key findings. This included Key Informant Interviews (KIIs), Focus Group Discussions (FGDs), and a multi-stakeholder roundtable. with senior representatives from government, investment promotion agencies, leading agro-processing companies, international certification bodies, and development partners. A roundtable discussion involving 29 participants further enriched the consultation process by bringing together diverse perspectives across the value chain.

Building on both secondary and primary inputs, the study adopted a value chain-based analytical framework to systematically map investment opportunities across upstream, midstream, and downstream segments. This facilitated the identification of priority investment areas, including cold chain infrastructure, processing capacity expansion, testing and certification systems, and market-facing activities such as branding and distribution. The analysis also incorporated cost-benefit considerations and indicative investment pipelines, including potential joint ventures with local conglomerates, investment within economic zones under BEZA, and public–private partnership opportunities. In parallel, the study synthesized insights from national and international initiatives to assess workforce readiness and skills gaps within the agro-processing sector. Alignment with international standards, particularly European, Southeast Asian, and Gulf market requirements, was also examined to evaluate export readiness and identify areas requiring further upgrading.

Figure 8: Methodological Framework



1.5 Structure of the Investment Paper

This report is structured across seven chapters to provide a comprehensive and evidence-based investment positioning of Bangladesh's agro-processing sector. Chapter 1 sets the context by outlining Bangladesh's economic transformation, evolving investment landscape, and core drivers of competitiveness. Chapter 2 establishes agro-processing as a strategic pathway for investment diversification, examining sector fundamentals, policy prioritization, and growth dynamics. Chapter 3 presents a value chain-based analysis of investment opportunities, identifying actionable entry points across upstream, midstream, and downstream segments. Chapter 4 contextualizes Bangladesh's positioning through selected investment cases and comparative insights from peer countries, distilling relevant lessons for sector development. Chapter 5 assesses workforce readiness and human capital constraints, with a focus on skills development for a competitive and export-oriented agro-processing industry. Chapter 6 examines institutional and operational investment pathways, including facilitation mechanisms such as BIDA's OSS and BanglaBiz platform. Finally, Chapter 7 synthesizes structural constraints, and reform priorities, presenting a strategic framework to enhance investor confidence and support sustained sectoral growth.

02. AGRO-PROCESSING: AN INVESTMENT-READY PATHWAY FOR DIVERSIFICATION

2.1 Overview of the Agro-Processing Sector

At present, the agro-processing sector contributes about 1.7 percent to national GDP and accounts for nearly 13 percent of total manufacturing production value, underscoring its growing economic significance [13]. In terms of employment, the processed food industry employs approximately 2.2 percent of the total workforce, accounting for 19 percent of industrial manufacturing employment and 6.5 percent of total manufacturing labor [14].

The food processing sector is valued at USD 8 billion with an annual average growth rate of 8 percent [15]. The country hosts around thousand food processing enterprises, of which around 10 percent are large and medium-sized firms and 90 percent are small businesses. Among these, around 250 agro-processing companies export food products [16].

The expansion of the agribusiness sector, coupled with the increased production capacity of agriculture, meets not only domestic demand but also growing global demand for agro-based and processed food products. This is particularly true for bakery items, tea, and live and frozen fish. This underscores the export-driven competitiveness of the processed food sector in the global market. Now, the country exports processed food to 144 countries [17].

Figure 9: Overview of Agro-Processing Sector in Bangladesh

250

Agro-Processing Companies Export Food Products

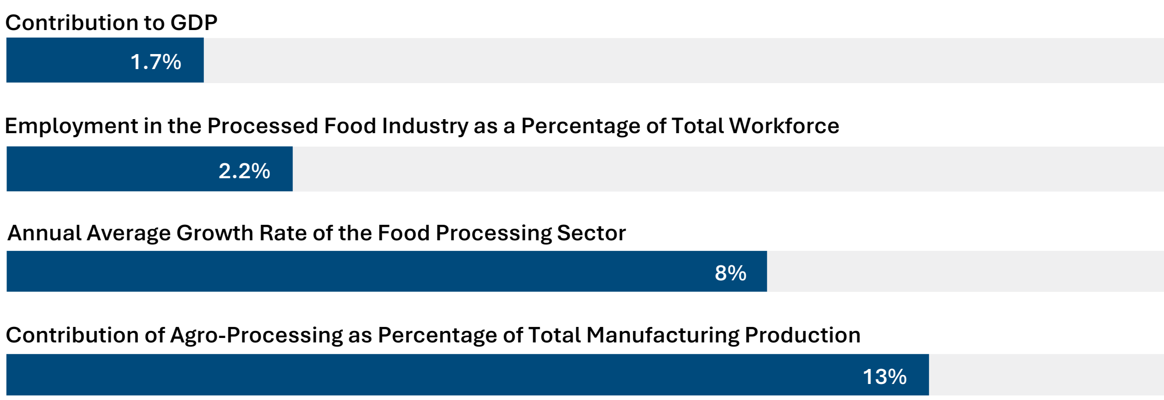
$8 bn

Value of Food Processing Sector

144

Countries

Global Export Reach



[13] Agro & Food Processing Industries, BIDA, https://www.boi.gov.bd/storage/app/uploads/public/650/ad9/259/650ad92594963534829700.pdf

[14] Agro & Food Processing Industries, BIDA, https://www.boi.gov.bd/storage/app/uploads/public/650/ad9/259/650ad92594963534829700.pdf

[15] Exporter Guide Annual-Bangladesh, United States Department of Agriculture (USDA) and Global Agricultural Information Network (GAIN) 2024, https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide%20Annual_Dhaka_Bangladesh_BG2025-0008.pdf

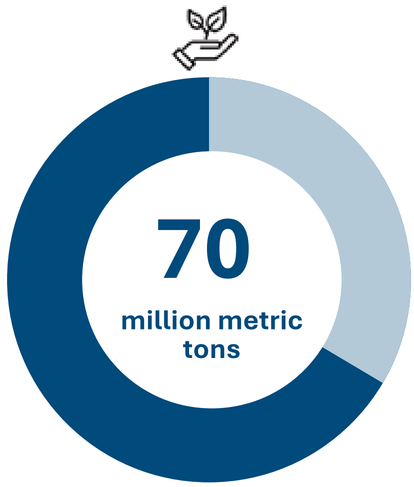
[16] Agro & Food Processing Industries, BIDA, https://www.boi.gov.bd/storage/app/uploads/public/650/ad9/259/650ad92594963534829700.pdf

[17] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

2.2 The Investment Case for Bangladesh's Agro-Processing Sector

Bangladesh's agro-processing sector offers a highly compelling investment opportunity, driven by a convergence of strong fundamentals and accelerating growth dynamics. Abundant and reliable raw material supply, rising domestic and global demand, competitive cost structures, and an increasingly supportive policy environment together create a robust foundation for investment. These factors reduce operational and market risks while enabling scale, efficiency, and long-term value creation, positioning the sector as a strategic avenue for investors seeking sustainable and high-growth returns. The following sections outline the key drivers that strengthen the investment case for agro-processing in Bangladesh.

Figure 10: Annual Agricultural Production

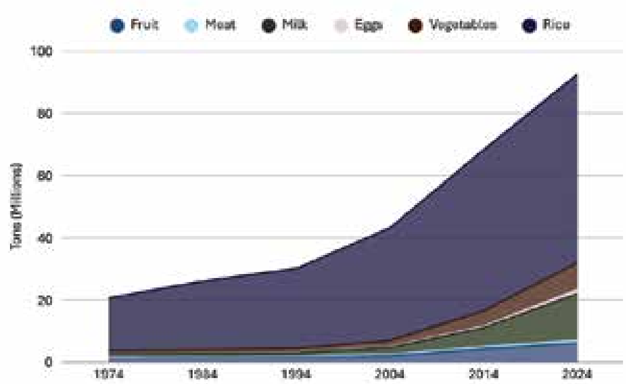


Source: BIDA

Strong Raw Material Base:

Driven by abundant raw material base and evolving demand dynamics, agro-processing is expanding its contribution to manufacturing and export growth. A robust supply of raw materials in the country, with total food grain production reaching 50.354 million metric tons in FY2024–25 [18]. Anchored in a strong primary production base, the country benefits from fertile land, abundant freshwater resources, and a favorable monsoon climate, supporting annual agricultural production exceeding 70 million metric tons [19]. Over the past five decades, Bangladesh has achieved self-sufficiency in rice [20] , cereals, and fish production [21] , with rice output increasing fourfold [22] , and now ranks among the world's leading producers of fruits, vegetables, and fish, ensuring a reliable and diversified raw material supply for agro-processing. This strong and diversified raw material base ensures supply stability, lowers input risk, and strengthens the overall investment case by enabling scalable and commercially viable agro-processing operations.

Figure 11: Crop and Livestock Production, 1974-2024



Source: FAO

[18] Agriculture, Bangladesh Economic Review, Ministry of Finance, https://mof.gov.bd/pages/static-pages/bangladesh-economic-review-f3598d-6940329f35ce18e1c055f89a

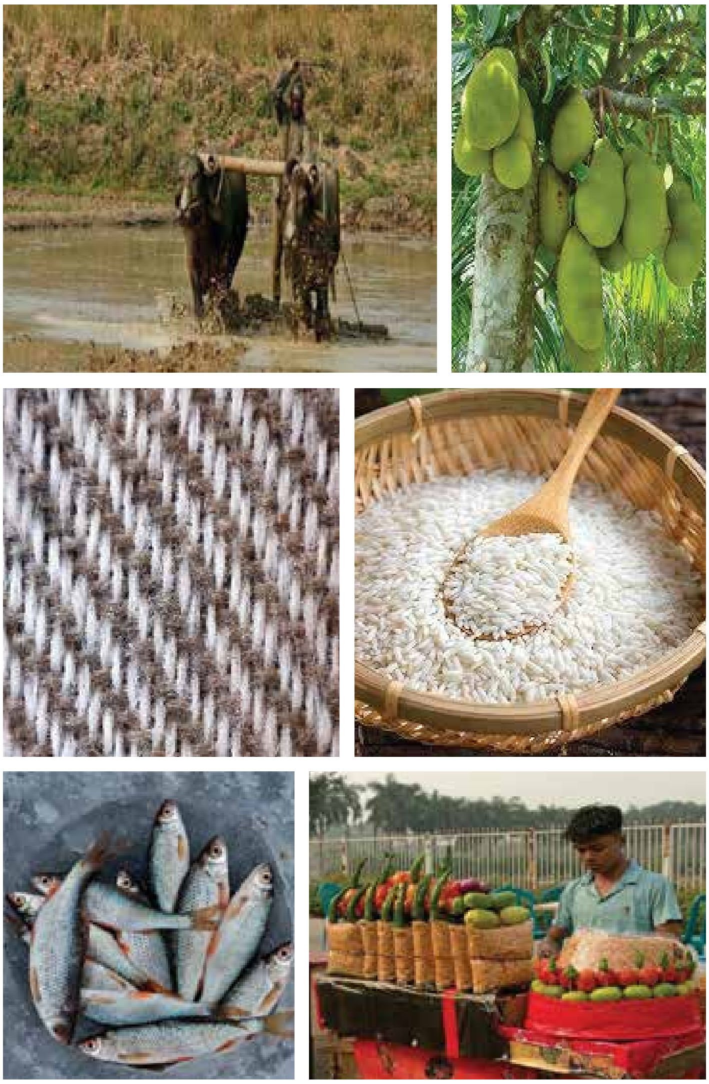
[19] Agribusiness: The Delta of Agro-Investment Opportunities, BIDA, n.d. https://investbangladesh.gov.bd/investment-sector/agribusiness

[20] Food Security and Nutrition in Bangladesh: Evidence-Based Strategies for Advancement, 2024, https://bangladesh.ifpri.info/files/2024/11/IFPRI_Food-Security-in-Bangladesh_Report_November-2024.pdf

[21] An Overview of the Bangladesh Food System: Outcomes, Drivers & Activities, 2024, https://doi.org/10.18174/658843

[22] Food Security and Nutrition in Bangladesh: Evidence-Based Strategies for Advancement, 2024, https://bangladesh.ifpri.info/files/2024/11/IFPRI_Food-Security-in-Bangladesh_Report_November-2024.pdf

Figure 12: Huge Availability of Raw Materials



Huge Availability of Raw Materials

- **World's 1st Producer:**
  Hilsa Fish
- **World's 2nd Producer:**
  Jute, Jackfruit, Goat's Milk
- **World's 3rd Producer:**
  Freshwater Fish, Vegetable
- **World's 4th Producer:**
  Rice
- **World's 6th Producer:**
  Potatoes
- **World's 7th Producer:**
  Eggplant
- **World's 8th Producer:**
  Mango, Guava, Tomato
- **World's 12th Producer:**
  Livestock and Fisheries

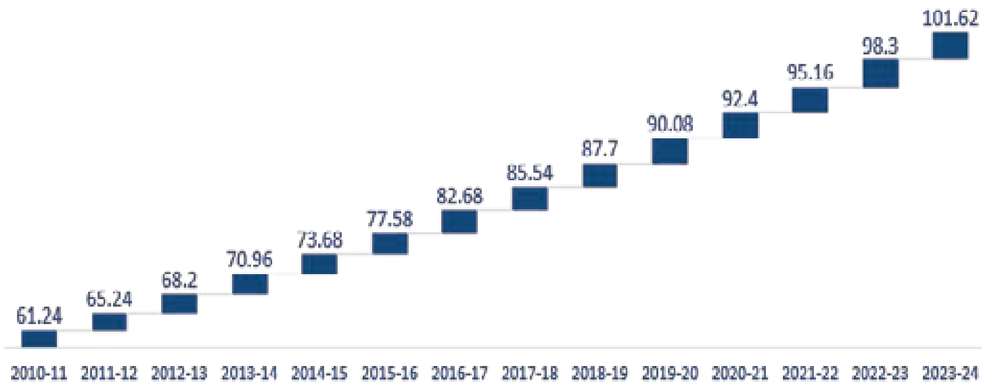
Source: BIDA

Table 3: Overall Increasing Trend in Dairy, and Livestock Production (in Lakh M.T.)

	2019-20	2020-21	2021-22	2022-23	2023-24
Meat	76.74	84.4	92.65	87.1	92.25
Milk	106.8	119.85	130.74	140.68	150.44
Egg	1736	2057.64	2335.35	2337.63	2374.97

Source: Ministry of Fisheries and Livestock

Figure 13: Overall Increasing Trend in Fisheries Production in Bangladesh (Lakh M. T.)



Source: Ministry of Fisheries and Livestock

B. Demand Growth Driven by Structural and Demographic Shifts:

Rapid urbanization, rising female workforce participation, and a global diaspora of approximately 7.4 million Bangladeshis are significantly expanding demand for processed and higher-value food products [23]. This is reflected in the continuous growth of the food processing sector. For investors, these dynamics translate into a large and expanding consumer base, rising demand for packaged and quality-assured food, and strong potential for scalable operations with sustained revenue growth.

Rising domestic and global demand presents a strong growth opportunity for Bangladesh's agro-processing sector. Evidence shows that a 10 percent increase in income leads to an 11 percent rise in demand for ultra-processed foods and a 7 percent increase for unprocessed and minimally processed foods [24] , positioning the country's emerging middle- and affluent-class population, estimated at 34 million, as a major driver of demand for higher-quality, processed, and branded food products [25]. Globally, food demand is expected to expand significantly as the world population approaches 9.7 billion by 2050 [26]. For investors, these trends indicate sustained demand growth, expanding market size, and strong potential for scaling production and capturing value in both domestic and export markets.

C. Expanding Opportunities in the Halal Food Market:

The halal food sector in Bangladesh is growing at an annual rate of 8 to 10 percent, positioning the country to tap into the rapidly expanding global halal market valued at approximately USD 2.4 trillion [27]. This growth reflects increasing demand for certified, quality-assured food products across both domestic and international markets, particularly in the Middle East and Southeast Asia. For investors, this presents a significant opportunity to enter a high-growth segment with strong export potential, driven by rising global demand, established consumer bases, and the scope to scale production in line with international halal standards.

[23] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

[24] New FAO report offers guidance and data on integrating nutrition goals into food trade policies, FAO, https://www.fao.org/newsroom/detail/new-fao-report-offers-guidance-and-data-on-integrating-nutrition-goals-into-food-trade-policies/en

[25] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

[26] World Population Prospects 2019 Highlights, UN, 2019, https://population.un.org/wpp/assets/Files/WPP2019_Highlights.pdf

[27] Agribusiness: The Delta of Agro-Investment Opportunities, BIDA, n.d. https://investbangladesh.gov.bd/investment-sector/agribusiness

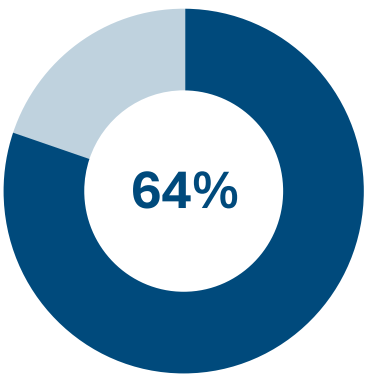
D. Geographic Advantage and Market Connectivity:

Bangladesh's location at the crossroads of South Asia and Southeast Asia enables access to major regional and international consumer markets, including the Asia-Pacific and the Middle East. This advantage is reinforced by connectivity through the Bay of Bengal and an expanding network of economic corridors, supported by sea, road, and air transport systems that facilitate efficient trade and distribution. This connectivity enables efficient market access, strengthening Bangladesh's position as a competitive base for export-oriented investment.

E. Demographic Dividend and Abundant and Cost-Competitive Workforce:

Bangladesh benefits from a strong demographic dividend, with nearly 64 percent [28] of its population in the working-age group, supported by 45 percent [29] of labor force in agriculture and competitive labor costs with minimum monthly wages ranging from USD 54.74 to USD 65.25 in agro- and food-processing subsectors [30] , enabling cost-efficient, scalable, and labor-intensive operations that enhance overall investment attractiveness.

Figure 14: Percentage Distribution of Population Between 15-64 years



Source: BBS

Figure 15: Minimum Monthly Wages for Agro and Food Processing Sub Sectors

[28] Bangladesh Sample Vital Statistics 2023, BBS, https://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/6a40a397_6ef7_48a3_80b3_78b8d1223e3f/2025-06-23-04-04-02e049844b479c3e811a22b3e3e7f744.pdf

[29] Labor Force Survey 2024, BBS, https://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/6a40a397_6ef7_48a3_80b3_78b8d1223e3f/2025-06-23-04-04-02e049844b479c3e811a22b3e3e7f744.pdf

[30] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

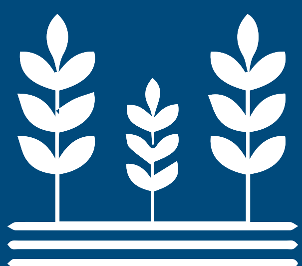
F. Supportive Policy Environment and Investment Incentives:

The agro and agro-food processing industry benefits from a range of enabling policies and incentives designed to attract and support investors. These include tax exemptions and rebates, reduced corporate income tax, duty concessions on capital machinery, export subsidies and cash assistance, as well as VAT exemptions on export goods. Additional provisions such as support for electricity costs, exemptions on technical and royalty fees, and full repatriation of profits further enhance investor confidence. For investors, these incentives reduce operational and capital costs, improve profit margins, and create a predictable and supportive policy environment that strengthens the overall attractiveness of investment in the sector.

Figure 16: Enabling Policies and Incentives

Incentives Related to Agro and Agro-food Processing Industry

- Reduced Corporate Income Tax (CIT) for 5 to 10 years depending on location, for industrial undertakings engaged in processing of locally produced fruits and vegetables
- Complete tax exemption on income from rice bran oil production up to 10 years
- 20% rebate on the electricity bills on agro-based industries and irrigation systems
- Tax exemption on royalties, technical know-how/assistance-related fees
- Full repatriation of profits and initial investment amount



Fiscal and Export Incentives

- 1% import duty exemption on capital machinery/spares for export-oriented industries
- 3% import duty exemption on capital machinery/ spares for other industries
- 20% export subsidy for agri products (vegetables/fruits) and agro processed items
- 20% cash assistance on exports of 20 types of agricultural products produced in the country
- 50% tax exemption for income derived from export
- No VAT imposition on export goods
- 20% export subsidy for export of 100% halal meats

Source: BIDA

[23] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

[24] New FAO report offers guidance and data on integrating nutrition goals into food trade policies, FAO, https://www.fao.org/newsroom/detail/new-fao-report-offers-guidance-and-data-on-integrating-nutrition-goals-into-food-trade-policies/en

[25] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pdf

[26] World Population Prospects 2019 Highlights, UN, 2019, https://population.un.org/wpp/assets/Files/WPP2019_Highlights.pdf

Figure 17: Supporting Policy, Legal, and Institutional Framework

1. Supporting Policies

- Export Policy 2024-27
- Import Policy 2021-24
- National Agriculture Policy 2018
- National Agri Marketing Policy 2023
- Agriculture and Food Processing Industry Development Policy 2022
- National Industrial Policy 2022
- National Agriculture Mechanization Policy 2020
- National Fishery Policy 1998
- Seed Policy 1993

2. Supporting Laws and Regulations

- Income tax Act, 2023
- Agriculture and Food Processing Industry Development Rules, 2022
- Guidelines for Foreign Exchange Transactions, 2018 (Vol.1)
- Seed Act, 2018
- Seed Rules, 1997
- Bangladesh Labor Act, 2013
- Bangladesh Labor Rule, 2015
- Food Safety Act, 2013
- The Foreign Private Investment (Promotion and Protection) Act, 1980
- Foreign Exchange Regulation Act, 1947

3. Supporting Ministries, Institutes and Agencies

- Ministry of Industries
- Ministry of Commerce
- National Board of Revenue
- Bangladesh Bank
- Bangladesh Food Safety Authority
- Bangladesh Standard and Testing Institution
- DAE
- Bangladesh Agricultural Research Institute
- BSTI (testing facilities)
- SME Foundation

4. Industry Associations

- Bangladesh Agro-Processing Association (BAPA)
- Bangladesh Frozen Food Exporters Association
- Bangladesh Fruits, Vegetables and Allied Products Exporters Association (BFVAPEA)
- Bangladesh Dairy Farmers Association
- Bangladesh Cold Storage Association

5. Major Investment Promotion Agencies

- Bangladesh Investment Development Authority
- Bangladesh Economic Zones Authority
- Bangladesh Export Processing Zone Authority (BEPZA)
- Bangladesh Small and Cottage Industries Corporation
- Public Private Partnership Authority Bangladesh (PPPA)

G. Cost Advantages in Raw Material Sourcing and Logistics:

The sector benefits from provisions that enable duty-free import of raw materials for the food processing industry, alongside reduced transportation rates for agricultural commodities, allowing firms to source inputs at more competitive prices. In addition, recent policy measures have introduced greater flexibility for exporters who are unable to access bonded warehouse facilities, allowing them to import raw materials without upfront duty payments through bank guarantees equivalent to assessed customs duties. This removes the need for delayed duty refund processes after export, improving liquidity and reducing operational bottlenecks. For investors, these measures lower input and logistics costs, enhance cash flow efficiency, and strengthen overall profitability in agro-processing operations.

Figure 18: Bangladesh: A Lucrative Hub for Agro-Processing Investment

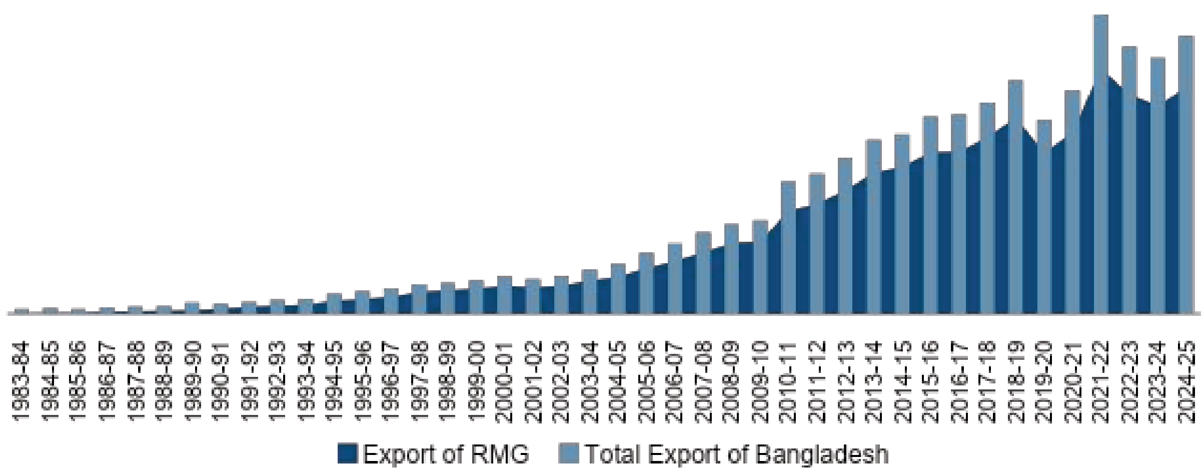
2.3 Why Now is the Right Time to Invest in Agro-Processing

Bangladesh's agro-processing sector offers a unique convergence of factors that make it ready and suitable for investment right now. Strong domestic and global demand, significant import substitution potential, rising requirements for traceability and ESG compliance, and clear policy prioritization have together created a robust and expanding market landscape. At the same time, structural gaps in processing capacity, cold-chain infrastructure, and compliance systems present immediate opportunities for value creation. This combination of high demand, unmet supply, and targeted government support positions agro-processing as a sector where investors can enter early, scale rapidly, and capture both domestic and export market growth while benefiting from ongoing reforms and strategic alignment with national development priorities.

A. Strategic Opportunity for Investment through Export Diversification and LDC Transition:

As Bangladesh moves toward LDC graduation, it faces the challenge of preference erosion, with the gradual withdrawal of international support measures expected to reduce preferential market access and affect export competitiveness. Bangladesh's heavy reliance on the RMG sector has increased the economy's vulnerability to external shocks, as starkly demonstrated during the COVID-19 pandemic when global apparel demand collapsed and export earnings declined sharply. Recent trade policy developments in key markets, including tariff-related measures, further highlight how disruptions to RMG exports can quickly translate into broader macroeconomic stress. These risks will intensify as Bangladesh graduates from Least Developed Country (LDC) status and faces the gradual loss of preferential market access. Simulation estimates from UNCTAD suggest that Bangladesh could face export losses of over USD 17 billion, reflecting a potential decline of more than 30 percent under current trade preference structures, underscoring the scale of the challenge [31].

Figure 19: RMG- A Major Export Contributor (in million USD)



Source: BGMEA

[31] Trade Preferences Outlook 2025: Navigating in Times of Uncertainty, United Nations,2025 https://unctad.org/system/files/official-document/ditctsce2026d1_en.pdf

Table 4: Export Loss of Bangladesh Compared to Comparator Countries

Vegetable Category	Export loss (Million $)	Impact (%)	Preferential market share* (%)
Bangladesh	17667.1	-32.24	90.9
Myanmar	4184.4	-17.38	92.0
Cambodia	5939.5	-16.35	80.5

Source: UNCTAD, 2025

In this context, export diversification becomes imperative for sustaining growth, requiring Bangladesh to expand its export basket beyond traditional sectors into higher-value and intermediate goods while deepening its integration into regional value chains, particularly in East Asia. This transition creates a strong policy and market push toward sectors such as agro-processing, which can drive value addition and support export competitiveness. To facilitate this shift, the country is strengthening its trade and investment framework through streamlined regulations, effective one-stop service delivery, enhanced infrastructure, and competitive incentives. Taken together, these developments create a compelling opportunity for investors to enter a sector that is both strategically prioritized and positioned to benefit from Bangladesh's evolving export landscape.

B. A High-Value Import Substitution Opportunity for Investors:

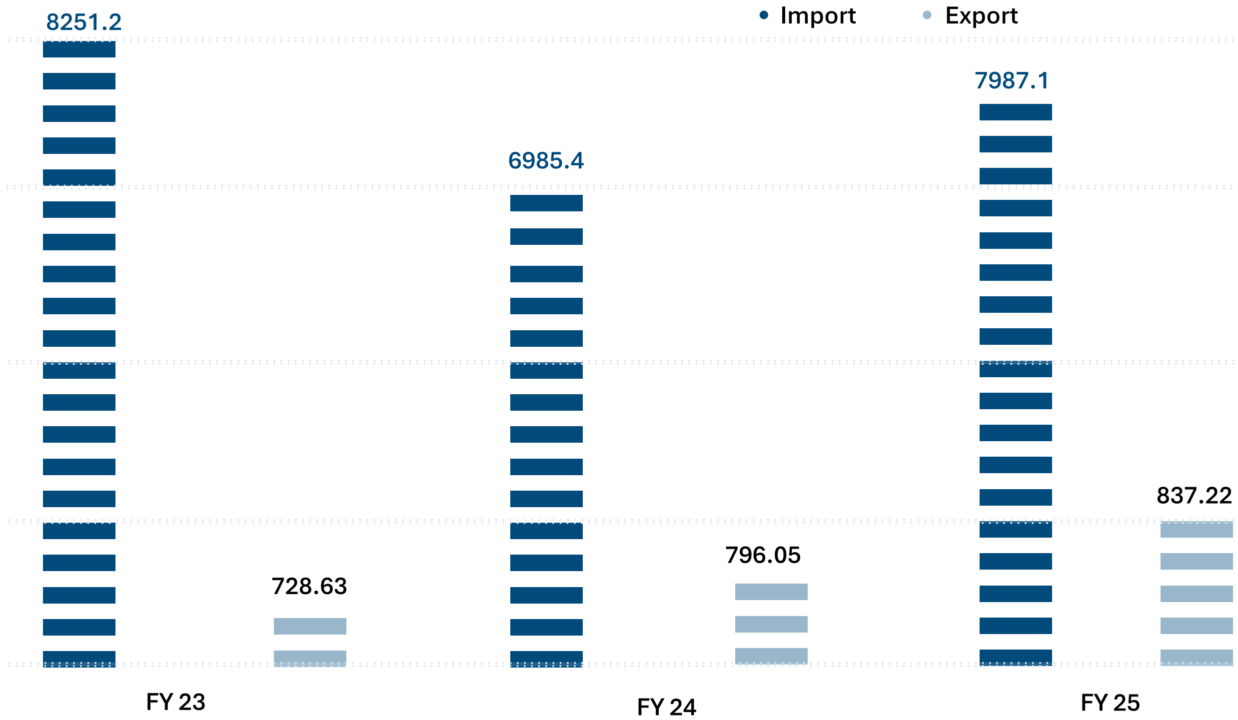
Despite these favorable demand trends and a domestic food processing industry, Bangladesh remains a net importer of consumer-oriented food products, importing nearly USD 2 billion annually compared to exports of approximately USD 0.4 billion [32]. Export performance is constrained by limited processing depth, only about 25 percent of output is processed [33] , and inadequate cold-chain infrastructure, resulting in post-harvest losses of 25–40 percent [34] across major commodities. Targeted public and private investment to expand processing capacity and cold-chain systems is therefore critical to reducing losses, enhancing value addition, and enabling Bangladesh to capitalize on rising demand while strengthening export diversification beyond RMG.

[32] Exporter Guide Annual: Bangladesh, USDA, 2025,
https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter%20Guide%20Annual_Dhaka_Bangladesh_BG2025-0008.pdf

[33] Bangladesh's Agro-Processing Revolution, BIDA, n.d.,
https://investbangladesh.gov.bd/investment-sector/agribusiness#:~:text=The%20industry%20has%20recorded%20a,%2C%20GCC%2C%20and%20ASEAN%20regions.

[34] Bangladesh for 2023 Investment Forum, Hand-in Hand Initiative, United Nations,
https://www.fao.org/media/docs/handinhandlibraries/countries/bangladesh/hih-investment-forum-2023_bangladesh_v1610_final3_compressed.pdf?sfvrsn=dd2f3018_1

Figure 20: Bangladesh's Food Import Surpasses Export (in Million USD)



Source: BGMEA

Current Situation:

- Only around **25%** of agricultural output is processed.
- Cold-chain infrastructure is inadequate, weakening product quality and export readiness.
- As a result, post-harvest losses are high **(25–40%)** across major commodities.

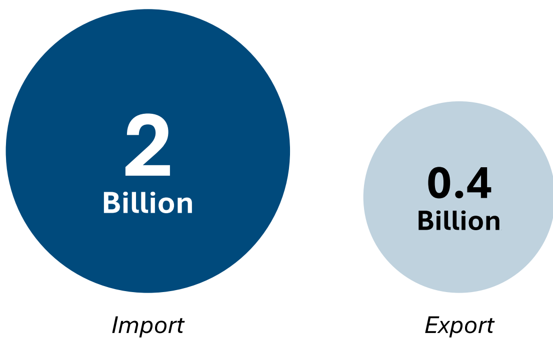
Import:

Includes the value of food grains (rice, wheat) and consumer goods (milk and cream, spices, edible oil, pulses, sugar)

Export:

Includes the value of Frozen & Live Fish (live fish, fish, shrimps, crabs and others) and agricultural products (tea, vegetables, fruits, spices, dry food)

Figure 2 : Annual Import vs. Export of Consumer - Oriented Food Products



C. Rising Demand for Traceable, Compliant, and Sustainable Food Systems:

Global food markets are increasingly shifting toward traceable, compliant, and sustainability-driven systems, driven by tightening regulatory standards, evolving consumer expectations, and growing emphasis on environmental, social, and governance (ESG) practices. The global food traceability market alone is projected to expand from USD 23.8 billion in 2024 to USD 38.5 billion by 2029 [35] , reflecting the rising importance of transparency, safety, and real-time monitoring across food supply chains.

At the same time, ESG considerations are becoming central to how food is produced, processed, and traded globally. From environmental impacts such as emissions, water use, and waste management, to social factors including labor practices and food safety, and governance requirements around transparency and ethical sourcing, compliance is no longer optional but a key determinant of market access and competitiveness. Increasingly stringent regulations, particularly in major export markets such as the European Union, are reinforcing the need for traceability, certification, and disclosure across the entire value chain.

For Bangladesh, this evolving landscape presents a significant opportunity. Gaps in traceability systems, cold-chain infrastructure, and compliance capabilities provides an opportunity for targeted investments which can enable producers and processors to meet global standards and access higher-value markets. For investors, this transition creates a clear opportunity to invest in systems, technologies, and processes that enhance traceability, ensure compliance, and align with ESG expectations, thereby unlocking premium markets, strengthening export competitiveness, and building long-term, sustainable value.

D. Government Prioritization of Agro-Processing:

To accelerate economic diversification, the Bangladesh Investment Development Authority (BIDA) has introduced the country's first FDI Heatmap in 2025 [36] , a data-driven tool designed to attract targeted foreign investment and raise FDI's contribution from just 0.5 percent of GDP toward global norms [37]. The Heatmap identifies 19 high-potential sectors based on market readiness, growth potential, input availability, and strategic alignment with international priorities, including ESG and the SDGs.

Within this framework, agro-processing has been classified as an "Immediate Target" sector, reflecting its strong commercial viability, rapid growth prospects, and competitive advantages, and reinforced by its designation as a priority sector under both the National Industrial Policy 2022 and the Export Policy 2024–27 [38].

[35] Global Food Traceability Market to Hit $38.5 Billion by 2029, BCC Research, 2025, https://www.bccresearch.com/pressroom/fod/global-food-traceability-market?srsltid=AfmBOopT0kBtoUaP6oEhQaeCCTXiG9v7gXT5LrmF9auRudt7xb3j7OBw

[36] BIDA creates 'FDI Heatmap' prioritizing 19 sectors to boost investment, The Business Standard, 2025, https://www.tbsnews.net/economy/bida-creates-fdi-heatmap-prioritising-19-sectors-boost-investment-1043876

[37] BIDA creates 'FDI Heatmap' prioritizing 19 sectors to boost investment, The Business Standard, 2025, https://www.tbsnews.net/economy/bida-creates-fdi-heatmap-prioritising-19-sectors-boost-investment-1043876

[38] BIDA creates 'FDI Heatmap' prioritizing 19 sectors to boost investment, The Business Standard, 2025, https://www.tbsnews.net/economy/bida-creates-fdi-heatmap-prioritising-19-sectors-boost-investment-1043876

Figure 21: FDI Heat Map- Agro-Processing as a Priority Sector

Source: BIDA

Similarly, the National Export Policy 2024–27 places strong emphasis on diversifying Bangladesh's export basket beyond the RMG sector, identifying agro-processing and processed food as priority focus areas. In addition to promoting traditional and emerging manufacturing sectors, the policy underscores the strategic importance of export-oriented agricultural products, including fish and frozen fish, fruits, vegetables, and dairy to strengthen value addition and global competitiveness. By prioritizing processed food and agribusiness development alongside key service sectors, the policy reinforces agro-processing as a critical pillar of Bangladesh's product diversification and investment strategy [39]. This high level of policy prioritization and market readiness offers investors a commercially viable opportunity with strong growth prospects and supportive policy backing for attractive returns.

[39] Export Policy 2024-2027, GoB, Ministry of Commerce, and Bangladesh Secretariat, https://www.bangladeshtradeportal.gov.bd/kcfinder/upload/files/Legal_1756180440.pdf

Figure 22: Priority Sector Identified by the National Export Policy 2024-27

Priority Sector Identified by the National Export Policy 2024–27

- RMG Sector
- Leather Goods and Footwear
- Jute and Jute Products
- Processed Food
- Export-Oriented Agriculture Products (Frozen Fish, Fruits, and Vegetables)
- Pharmaceutical Products
- Light Engineering Products
- ICT Services
- Software
- Business Process Outsourcing (BPO)
- Tourism Sector

Figure 23: Invest in Agro-Processing: Why Now?

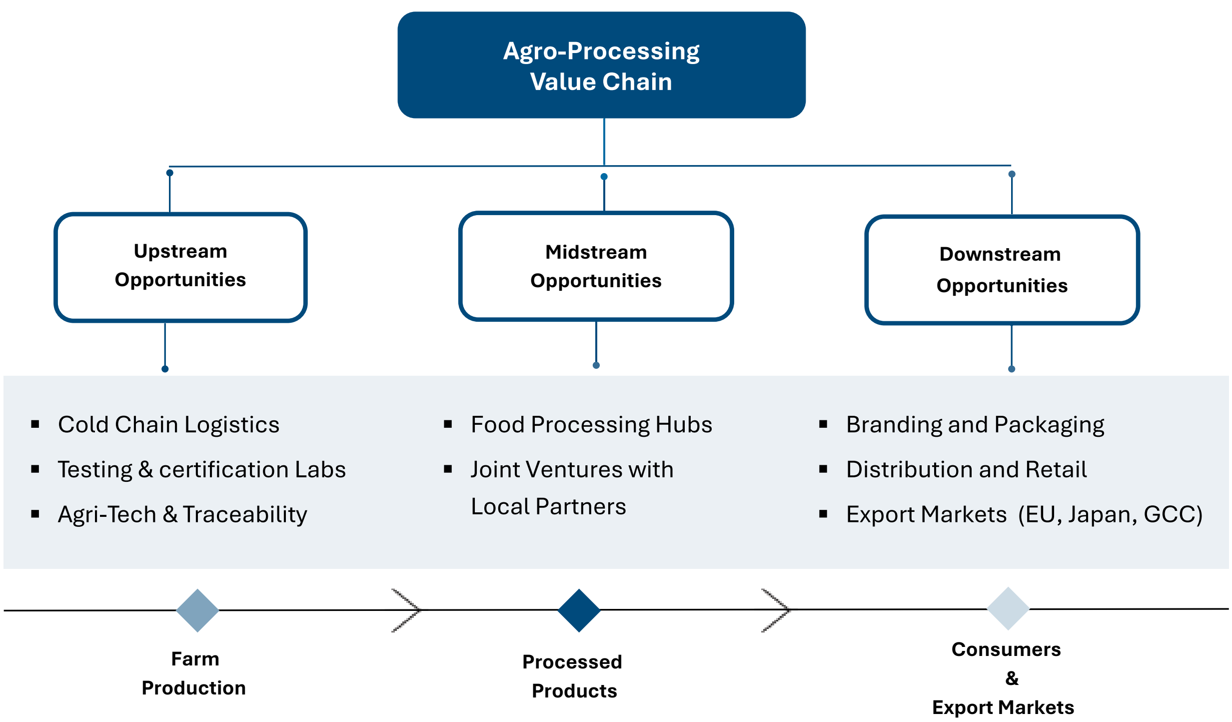
Invest in Agro-Processing: Why Now?

- Strategic Opportunity for Investment through **Export Diversification and LDC Transition**
- A High-Value **Import Substitution Opportunity** for Investors
- Rising Demand for **Traceable, Compliant, and Sustainable Food Systems**
- **Government Prioritization** of Agro-Processing

03. STRATEGIC INVESTMENT ENTRY POINTS ACROSS THE AGRO-PROCESSING VALUE CHAIN

The strong market momentum of the agro-processing sector in Bangladesh, with a Compound Average Growth Rate (CAGR) of 13 percent [40], provides a compelling case for investment. As previously stated, opportunity for value-addition in this sector is massive with 75 percent of produce still ending up unprocessed and duty-free access to 52 markets, including the EU, GCC, and ASEAN [41]. To identify where and how investors can enter the sector, the section examines upstream enablers, midstream processing assets, and downstream market-facing opportunities to highlight the full spectrum of investment entry points from infrastructure and compliance services to value-added manufacturing and export branding. This section, therefore, serves as an investor's menu with mini opportunity profiles to guide investors through comprehensive data-driven insights.

Figure 24: Agro-Processing Value Chain: Opportunities Across Upstream, Midstream, and Downstream



[40] Agribusiness: The Delta of Agro-Investment Opportunities, BIDA, https://investbangladesh.gov.bd/investment-sector/agribusiness

[41] Agribusiness: The Delta of Agro-Investment Opportunities, BIDA, https://investbangladesh.gov.bd/investment-sector/agribusiness

3.1 Upstream Opportunities

Upstream opportunities are the value-chain enablers that reduce post-harvest losses and make agro-processing commercially viable at scale. Bangladesh loses a significant share of perishables due to gaps in storage, handling, and distribution. Industry estimates suggest 20–44% of fruits and vegetables are wasted, translating into around USD 2.4 billion in annual losses [42]. For fish, post-harvest losses typically range from 15–30%, with a recent study recording 17.75% total loss of marine fish at the fishermen level (9.86% physical and 90.14% market/quality loss) [43]. These losses create a clear investment case for cold chain logistics, modern testing and certification, and digital traceability/agri-tech all of which improve supply reliability, strengthen food safety, and unlock higher-value domestic and export markets (including GCC, EU and beyond) [44].

A. Cold Chain Logistics (Storage, Distribution, Temperature Controlled Transport):

Bangladesh's cold chain is an immediate "build-and-scale" opportunity because it directly tackles the country's largest inefficiency avoidable loss of perishable produce. Public and industry discussions around the Cold Chain Investment Conference highlight that temperature-controlled logistics can sharply reduce wastage and protect product quality, while market demand for these services is rising with organized retail, export-oriented agriculture, and higher consumer expectations.

Cold storage capacity in Bangladesh estimated at 2.4–2.7 million MT across 300–400 facilities, far below the 4.5 million MT demand, while over 90% of storage is used for potatoes, leaving other perishables exposed to 20–44% post-harvest losses [45]. This gap creates strong entry opportunities for private investors in multipurpose cold storage, solar-powered mini cold storage, and reefer transport systems, supported by investment pipelines of around USD 250 million for multipurpose facilities with reefer vans and USD 90 million for decentralized mini cold storage units.

Opportunity Profile (Cold Chain)

> **Market Size / Potential Growth :** The Bangladesh cold chain market is estimated at USD 1.10B (2025) and projected to reach USD 2.03B by 2033 (8.1% CAGR), driven by rising temperature-controlled logistics demand [46].

> **Competitive Advantage:** Lower labor costs and strategic location for exports to South Asia and the Middle East give Bangladesh an edge over India (higher energy costs) and Vietnam (more mature but saturated markets).

> **Potential Investors:** EU/Japan logistics operators and cold chain developers; exporters and retailers seeking GCC/ASEAN market reliability.

> **Estimated ROI / Investment Size:** FAO investment cases indicate 14.47%–20% IRR for solar-grid mini-storages; investment sizes range from $90 million for 1,000 community-level units (10-ton capacity) to $250 million for medium-scale facilities [47].

[42] Bangladesh faces $2.4b annual post-harvest losses: LixCap, The Business Standard, 2024, https://www.tbsnews.net/bangladesh/bangladesh-faces-24b-annual-post-harvest-losses-lixcap-800682

[43] Post-harvest losses of marine fish at fishers in Bangladesh, Fisheries Research, Volume 281, 2025, https://doi.org/10.1016/j.fishres.2024.107198

[44] Positioning Bangladesh as a trusted agro-trade partner 2020 – 2025, Venture37 and Land O'Lakes https://www.landolakesventure37.org/projectspotlight/113

[45] Bangladesh faces $2.4b annual post-harvest losses: LixCap, The Business Standard, 2024, https://www.tbsnews.net/bangladesh/bangladesh-faces-24b-annual-post-harvest-losses-lixcap-800682

[46] Bangladesh Cold Chain Market Size, Share and Trends Analysis Report – Industry Overview and Forecast to 2033, Data Bridge Market Research, 2025, https://www.databridgemarketresearch.com/reports/bangladesh-cold-chain-market

[47] Bangladesh Investment Forum 2025, Hand-in-Hand Initiative, United Nations, https://www.fao.org/hand-in-hand/hih-investment-forum-2025/bangladesh/en

Market Potential	Competitive Advantage	Potential Investors	Estimated ROI
▪ USD 1.10B (2025) ▪ USD 2.03B by 2033 ▪ 8.1% CAGR ▪ Growing Demand for temperature-controlled logistics	▪ Low Labor Costs 30-50% Below Vietnam & Thailand ▪ Strategic Export Hub to South Asia & Middle East	▪ EU & Japan Logistics Firms Cold Chain Developers ▪ Exporters & Retailers Targeting GCC & ASEAN	▪ 14.47%–20% IRR for solar-grid mini-storages ▪ $90 million for 1,000 community- level units (10-ton capacity) ▪ $250 million for medium-scale facilities

B. Modern Testing & Certification Labs

Testing and certification infrastructure is a strategic upstream investment opportunity because it directly determines Bangladesh's ability to access premium export markets and reduce rejection risks in high-value segments such as seafood, processed fruits, spices, dairy, and ready-to-eat foods. While Bangladesh's agro-export base is expanding, laboratory capacity remains insufficient for international compliance standards. According to the Bangladesh Food Safety Authority (BFSA), the country has 47 laboratories covering 2,129 testing parameters across 167 food types, yet only 18 labs have accredited tests, highlighting a major gap in globally recognized certification systems [48].

Most of these labs fall short of fulfilling the rigorous testing needs for exports, particularly for parameters like pesticide residues, heavy metals, microbiological contaminants, antibiotic residues (e.g., nitrofurans in shrimp), and aflatoxins, which are mandatory for accessing high-value markets. Exporters frequently send samples abroad for testing often to facilities in India, Thailand, or Singapore resulting in higher costs, shipment delays, and increased rejection risks. Key destination markets requiring such internationally accredited tests include the EU (strictest SPS and EFSA standards for seafood, fruits, and spices), GCC countries (pesticide and hygiene compliance), the USA (FDA requirements), the UK, and increasingly East Asian and Japanese buyers.

EU buyers are also placing growing emphasis on ESG compliance covering environmental sustainability, social standards (e.g., labor practices and traceability), and governance as part of corporate due diligence and regulations like the Corporate Sustainability Due Diligence Directive. Non-compliance risks losing up to 30% of EU market access in the coming years [49].

This creates strong entry opportunities for private investors in ISO 17025-compliant testing labs, residue and microbiological testing facilities, and third-party certification services, which are increasingly required by EU, GCC, and East Asian buyers. While international firms such as SGS, Control Union, Bureau Veritas, and TÜV already provide inspection, auditing, and some testing services in Bangladesh (frequently sending samples overseas for full accreditation), the local capacity for cost-effective, on-shore, and internationally accepted testing remains significantly limited. The case is further reinforced by ongoing trade facilitation reforms and donor-supported programs prioritizing improved inspection systems, faster clearance, and upgraded laboratory infrastructure making quality assurance a key enabler of agro-processing competitiveness and export growth.

[48] Bangladesh Food Safety Authority, https://labrepository.bfsa.gov.bd

[49] ESG failure may cost Bangladesh 30% of EU exports: Sanem, The Daily Star, 2025, https://www.thedailystar.net/business/news/esg-failure-may-cost-bangladesh-30-eu-exports-sanem-3951941

Opportunity Profile (Modern Testing & Certification Labs)

> **Market Size / Potential Growth:** Agro-exports require compliance with standards like HACCP and ISO; current labs are insufficient, forcing reliance on India/Thailand, adding 10-20% to costs. Sector growth aligns with $1.2 billion agro-export market, expanding at 9.3% YoY [50].

> **Competitive Advantage:** Bangladesh's lower setup costs and GSP access to EU markets outperform Thailand's higher compliance fees, though peers like India have more accredited labs.

> **Potential Investors:** International firms like SGS or Intertek (recent expansions in Bangladesh for toys/ hardlines, extensible to agro). Focus on EU and Japan exports.

> **Estimated ROI / Investment Size:** EBITDA margins in the global TIC sector typically range between 12–20%, Initial investment for an ISO 17025-accredited food testing lab is estimated at $5–10 million [51].

Agro-Export market	YoY Growth	Estimated ROI
$1.2B	**9.3%**	**12-20%**

Competitive Advantage

- Lower set-up cost
- GSP access to EU

Constraints

- Agro-exports require compliance with standards like HACCP and ISO, current labs are insufficient
- Reliance on India/Thailand

Potential Investors and Growth

- International firms like SGS or Intertek. Focus on EU and Japan exports
- Initial investments $5-10 million for ISO 7025-accredited labs

[50] Skills, compliance, and coordination vital for agro export readiness, The Daily Star, 2025, https://www.thedailystar.net/roundtables/news/skills-compliance-and-coordination-vital-agro-export-readiness-3971856

[51] TIC Company Valuations: Testing, Inspection, and Certification M&A Report, Aventis Advisors, 2025, https://aventis-advisors.com/tic-company-valuations/

C. Supply Chain Traceability and Agri-Tech Solutions

Traceability and agri-tech solutions are the digital layer that makes upstream improvements "bankable" by ensuring visibility, control, and accountability across the supply chain. As buyers and regulators increasingly demand transparent documentation and risk-based clearance, digital tools QR traceability, IoT temperature monitoring, e-certification integration, and compliance dashboards reduce transaction costs and strengthen trust with importers. Digital traceability is increasingly essential for meeting ESG requirements demanded by EU buyers, particularly under the Corporate Sustainability Due Diligence Directive (CSDDD) and related regulations. It enables verifiable proof of environmental sustainability (e.g., responsible sourcing and reduced post-harvest loss), social standards (e.g., labor practices and smallholder inclusion), and governance through auditable origin, temperature history, and test result records.

This aligns directly with BTF's focus on digitizing and simplifying agro-trade processes and improving transparency across trade agencies and systems [52]. The strongest investment logic is bundling traceability becomes most profitable when integrated with cold chain and testing labs, allowing exporters to demonstrate product integrity (temperature history, test results, origin records) and command better pricing in premium markets, including GCC (quality/halal-sensitive segments) and high-standard buyers.

Opportunity Profile (Supply Chain Traceability and Agri-Tech Solutions)

> **Market Size / Potential Growth:** Bangladesh's agricultural machinery market (a core component of agri-tech) is valued at USD 1.72 billion annually, with 28% locally manufactured and spare parts at USD 307.9 million (77% local) [53]. This posed for strong expansion through government-backed mechanization and climate-smart irrigation initiatives.

> **Competitive Advantage:** Bangladesh offers 30-50% lower labor costs than Vietnam and Thailand, supported by a 73.4 million labor force (45% in agriculture), enabling cost-effective adoption of traceability and digital tools [54]. This contrasts with Thailand's higher expenses and Vietnam's pricier IoT systems, while government incentives for solar irrigation and mechanization provide edges over peers' saturated markets, with duty-free access to EU/GCC enhancing export traceability.

> **Potential Investors:** Gulf Cooperation Council (GCC) funds like Shorooq Partners and Sabr Capital target halal-compliant supply chains (global halal market USD 2.4 trillion) [55] , alongside Indian/EU firms via FAO collaborations, focusing on GCC exports and sustainable tech.

> **Estimated ROI / Investment Size:** ROI for agri-tech/traceability initiatives (e.g., mechanization, solar/IoT) averages 14-20% in PPP models, with overall sector IRR at 17.3%; investments for blockchain platforms and related tools typically range USD 1-5 million [56].

[52] Positioning Bangladesh as a trusted agro-trade partner 2020 – 2025, Venture37 and Land O'Lakes https://www.landolakesventure37.org/projectspotlight/113

[53] Bangladesh Investment Forum 2025, Hand-in-Hand Initiative, United Nations, https://www.fao.org/hand-in-hand/hih-investment-forum-2025/bangladesh/en

[54] Asian Development Outlook 2021 Update-Theme Chapter: Transforming Agriculture in Asia, Asian Development Bank, 2021, https://www.adb.org/sites/default/files/publication/726556/ado2021-update-theme-chapter.pdf#:~:text=By%20raising%20agricultural%20productivity%2C%20it%20also%20freed,the%20region's%20vibrant%20manufacturing%20and%20services%20sectors

[55] Seeing the Potential of the Global Halal Industry, Indonesian Sharia Economic Festival, https://isef.co.id/en/cat-article/seeing-the-potential-of-the-global-halal-industry/

[56] Bangladesh Investment Forum 2025, Hand-in-Hand Initiative, United Nations, https://www.fao.org/hand-in-hand/hih-investment-forum-2025/bangladesh/en

Supply Chain Traceability & Agri-Tech Solutions

Agri-Tech Market (2024)	Overall IRR	Estimated ROI
$1.72 Bn	**17.3%**	**14–20%**

Competitive Advantage

- Tech adoption costs 40% lower than Thailand
- Young, digital workforce enables rapid rollout
- Bundling advantage: combines well with cold chain + labs to prove quality (origin + temp + test results)

Constraints

- Export buyers require credible documentation (origin, handling, compliance)
- Fragmented data across farms, traders, processors, and agencies
- Limited integration with e-certification / customs systems
- Adoption barriers, training, connectivity, and change management

Potential Investors and Growth

- Investors: India & EU tech firms (e.g., ByteAlly-type vendors), integrators, logistics platforms
- Target markets: GCC halal/quality-sensitive segments + high-standard importers
- Investment size: $1-5M (blockchain/QR platform + onboarding + dashboards)
- Value driver: premium pricing + faster clearance through verified origin + temperature history + test results

[46] Bangladesh Cold Chain Market Size, Share and Trends Analysis Report – Industry Overview and Forecast to 2033, Data Bridge Market Research, 2025, https://www.databridgemarketresearch.com/reports/bangladesh-cold-chain-market

[47] Bangladesh Investment Forum 2025, Hand-in-Hand Initiative, United Nations, https://www.fao.org/hand-in-hand/hih-investment-forum-2025/bangladesh/en

3.2 Midstream Opportunities

Midstream opportunities represent the core value-add segment of Bangladesh's agro-processing value chain, where raw agricultural output is transformed into higher-value processed goods for domestic and export markets. This segment is expanding rapidly, supported by a growing base of 1,000+ processed food factories and a strong domestic packaged food market currently valued at USD 4.8 billion, projected to reach USD 5.8 billion by 2030 [57] [58] [59]. With export revenue from agricultural products and processed foods exceeding USD 1.5 billion in FY24, midstream investments are increasingly positioned as a key driver of export diversification and industrial upgrading.

Despite strong base of raw materials, Bangladesh remains under-positioned in higher-end processing due to capacity constraints, limited access to advanced machinery, and insufficient quality and certification readiness. Midstream investment therefore offers a scalable pathway for foreign investors to develop processing hubs, expand industrial supply chains, and enter the market through joint ventures with established Bangladeshi conglomerates and export-oriented SMEs.

A. Food Processing Hubs

Food processing hubs represent a high-impact investment opportunity as they directly connect Bangladesh's abundant raw material base with export-ready value addition. Bangladesh holds strong positions in global agricultural production ranking 1st in Hilsa production, 3rd in freshwater fish, 6th in potato, and 8th in mango and guava creating a reliable supply foundation for scalable industrial processing clusters [60]. However, a large share of agro-exports still consists of bulk or semi-processed products, limiting value capture, shelf-life expansion, and branding competitiveness in premium international markets.

Strategic investments in modern processing hubs such as seafood processing plants, livestock and dairy facilities, fruit pulp and juice units, frozen vegetable lines, and ready-to-eat food manufacturing can enable Bangladesh to shift toward higher-margin products with stronger export competitiveness. The opportunity is reinforced by rising demand for frozen foods, processed fruits, spices, and ready-to-cook products across GCC, East Asian, and European markets, where compliance-ready and branded food products command significantly higher unit value.

[57] Agribusiness: The Delta of Agro-Investment Opportunities, BIDA, https://investbangladesh.gov.bd/investment-sector/agribusiness

[58] Packaged food market poised to reach $5.8b by 2030, The Daily Star, 2025, https://www.thedailystar.net/business/news/packaged-food-market-poised-reach-58b-2030-4032741

[59] Farmers fetching dollars as agro-processing exports flourish, Dhaka Tribune, 2025, https://www.dhakatribune.com/business/397986/farmers-fetching-dollars-as-agro-processing

[60] Invest in Bangladesh, BIDA, 2025, https://cdn.prod.website-files.com/6820331d027084bef793fadb/68bd37809cdf82cd18ad8abe_BIDA%20_%20Tri%20Fold%20Brochure%20_%2013-07-25%20Final.pd

Opportunity Profile (Food Processing Hubs)

> **Market Size / Potential Growth:** Bangladesh's packaged food market is estimated at USD 4.8 billion, projected to reach USD 5.8 billion by 2030 [61] , while broader industry estimates place the processed food sector near USD 8 billion in 2025, growing at around 8% annually [62].

> **Competitive Advantage:** As the world's 4th-largest inland fish producer with strong high-volume crop output, Bangladesh offers a reliable raw material base, low import dependency, and labor costs roughly 20% lower than Vietnam and Thailand, though scaling into premium markets requires stronger certification and branding [63].

> **Potential Investors:** Japanese trading houses and food processors, EU-based seafood and fruit processing firms, and GCC-linked food importers and distributors seeking reliable sourcing and scalable processing partnerships [64].

> **Estimated ROI/Investment Size:** Fruit processing plants show strong profitability potential, with investment cases indicating IRR of 20% (pulp segment) to 60% (juice segment) [65]. The current pipeline includes around USD 49 million for 10 large-scale processing units, while typical investment size per plant ranges from USD 4–15 million, depending on scale, product category, and level of integration [66].

Supply Chain Traceability & Agri-Tech Solutions

Processed Food Market	Annual Growth	Estimated ROI
$8 Bn	**8%**	**20–60%**

Competitive Advantage

- World's 4th-largest inland fish producer strengthens raw material base
- Cost advantage: 20% lower than Vietnam for production setup/operations
- Vs Thailand: lower wages, but requires quality and standards upgrades to access premium buyers

Constraints

- Quality upgrades needed (food safety, packaging, traceability) to meet export standards
- Processing depth remains limited → value capture stays low
- Gaps in cold chain + testing capacity increase spoilage and rejection risk

Potential Investors and Growth

- Potential investors: Japan (e.g., Mitsubishi) and EU food/processing firms)
- Export focus: GCC markets (quality-sensitive segments)
- Investment size: $49M for 10 large-scale fruit processing units
- Growth lever: upgrading processing can lift margins and enable higher-value export lines

[62] Bangladesh's food processing market hits $8b, The Daily Star, 2025, https://www.thedailystar.net/business/news/bangladeshs-food-processing-market-hits-8b-3921466

[63] Agribusiness: The Delta of Agro-Investment Opportunities, BIDA, https://investbangladesh.gov.bd/investment-sector/agribusiness

[64] Bangladesh eyes foreign investment to unlock agro-processing potential, Agro Food Industry Skills Council (AFISC) https://www.agrofoodisc.org/activity/bangladesh-eyes-foreign-investment-to-unlock-agro-processing-potential

[65] Bangladesh Investment Forum 2025, Hand-in-Hand Initiative, United Nations, https://www.fao.org/hand-in-hand/hih-investment-forum-2025/bangladesh/en https://storage.googleapis.com/hih-resources/Investment%20Forum%202025/Investment%20cases/Bangladesh/Bangladesh.pdf

[66] Bangladesh Investment Forum 2025, Hand-in-Hand Initiative, United Nations, https://www.fao.org/hand-in-hand/hih-investment-forum-2025/bangladesh/en https://storage.googleapis.com/hih-resources/Investment%20Forum%202025/Investment%20cases/Bangladesh/Bangladesh.pdf

B. Joint Ventures with Local Conglomerates and SMEs

Joint ventures offer one of the most practical and scalable entry pathways for foreign investors, particularly given Bangladesh's established base of local agro-processors and diversified conglomerates. Local partners provide land access, supply networks, farmer procurement systems, and domestic distribution reach, while foreign partners contribute advanced technology, machinery, food safety systems, branding expertise, and export market access. This structure allows investors to reduce market-entry risk while accelerating scale and compliance readiness.

JV-led investment is especially relevant in segments such as dairy, processed snacks, frozen foods, spices, and export-grade seafood, where strong local distribution combined with global compliance standards creates competitive advantage. Bangladesh's flexibility in partnership structuring also provides an edge compared to more restrictive regulatory environments in some competing markets.

Mini Opportunity Profile

> **Market Size / Potential Growth:** JV expansion is supported by a growing agro-processing ecosystem aligned with a USD 4.8 billion domestic packaged food market projected to reach USD 5.8 billion by 2030 [67] underpinned by combined agro-sector export earnings exceeding USD 1.5 billion in FY2024 (inclusive of processed food, fish, vegetables, spices, and tea), with processed food exports alone contributing USD 342 million and growing at a 16.6% annual rate [68].

> **Competitive advantage:** Joint ventures provide faster market access, lower operating costs, and access to established local supply chains compared to peer markets such as India and Thailand.

> **Potential investors:** International firms such as Danone-type dairy players, ASEAN retail and distribution firms, and EU/Japan-based food processors.

> **Estimated ROI / Investment size:** Typical JV ROI ranges between 15–25%, with investment sizes varying from USD 5–20 million for SME-level partnerships to USD 100+ million for vertically integrated ventures such as the USD 120 million Kazi Farms–Alfamart joint venture [69].

Sample JV Models (Investor-ready formats):

> **Equity-based joint venture (50:50 or minority stake):** Foreign partner provides technology, quality assurance systems, and export expertise, while the local partner contributes sourcing capacity and established distribution networks.

> **Contract manufacturing with scale-up pathway:** Partnership begins through toll manufacturing and gradually transitions into an equity joint venture once volume and market targets are achieved.

> **Technology transfer partnership (non-equity):** Collaboration focused on upgrading machinery, improving packaging, and strengthening export compliance without formal equity participation.

[67] Bangladesh's food processing market hits $8b, The Daily Star, 2025, https://www.thedailystar.net/business/news/bangladeshs-food-processing-market-hits-8b-3921466

[68] Farmers fetching dollars as agro-processing exports flourish, Dhaka Tribune, 2025, https://www.dhakatribune.com/amp/business/397986/farmers-fetching-dollars-as-agro-processing

[69] Tri-national JV investing $120m to run countrywide retail outlets, The Financial Express, 2025, https://today.thefinancialexpress.com.bd/trade-market/tri-national-jv-investing-120m-to-run-countrywide-retail-outlets-1759945299




Benefits of Joint Ventures

- Local Access & Distribution
- Advanced Technology & Safety
- Branding & Export Access
- Reduced Market Risk

Supply Chain Traceability & Agri-Tech Solutions

Processed Food Market (2024)	SME-Level JV Investment Size	Typical ROI Range
$4.8 Bn	**$5-20 Mn**	**15–25%**

Competitive Advantage

- Flexible joint venture models provide easier market access, in contrast to India's more restrictive FDI regulations.
- 50-50 equity with reputed local brands such as PRAN

Potential Investors

DANONE

Alfamart

Sample JV Modelsv

- Equity Based: AK Khan–WaterHealth (50:50 JV with IFC equity).
- Non Equity: PRAN–Dutch partnerships (technology transfer model for mushroom cultivation).

3.3 Downstream Opportunities

Downstream opportunities focus on capturing value at the market end of the agro-processing chain through branding, packaging, distribution, and retail where margins are highest and customer loyalty is built. This segment is expanding as Bangladesh's consumer market shifts toward higher-quality, convenience, and branded food products, while the country continues to import a large volume of consumer-oriented food items worth USD 2.1 billion in 2024 highlighting both domestic demand depth and substitution potential [70]. At the same time, Bangladesh's retail ecosystem is scaling through modern trade and e-commerce channels, creating strong entry points for investors who can build brands, improve packaging and shelf-life, and develop modern distribution systems that connect processors to domestic shelves and export buyers.

However, a critical structural challenge constrains downstream value capture: compliance readiness. Only 12% of agro-processors in Bangladesh are certified to meet international safety standards such as ISO or HACCP, severely limiting access to high-value export markets [71] [72]. Compliance with Sanitary and Phytosanitary (SPS) standards particularly for high-end destination markets such as the EU and the US remains a persistent challenge, with certification bodies such as BSTI not widely recognized by many export destination countries [73]. Weak coordination among domestic regulatory agencies and difficulties in aligning domestic laws with global standards further restrict export market access. Beyond food safety certification, ESG (Environmental, Social, and Governance) practices are increasingly becoming a non-negotiable prerequisite for EU market access.

A. Branding, Packaging, Distribution & Retail of High-Value FMCG Food Lines

This opportunity targets the fast-growing market for branded, packaged, consumer-ready food products, where investors can introduce higher-value FMCG lines and strengthen route-to-market infrastructure. Bangladesh's modern food retail sector already includes 750+ supermarket outlets and 1,000+ small chain outlets, generating around USD 600 million in annual turnover, indicating an established distribution base for scaling branded products [74]. At the same time, the domestic market is becoming more quality-sensitive, with urban consumers increasingly associating branded products with safety, consistency, and convenience.

Investment entry points include packaging conversion and eco-friendly packaging, private label partnerships with leading retailers, cold-chain-enabled distribution, and building branded FMCG categories such as juices, snacks, ready-to-eat meals, frozen items, dairy, and condiments segments that are expanding alongside lifestyle and urban consumption trends.

[70] Exporter Guide Annual-Bangladesh, USDA & GAIN, 2025, https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter+Guide+Annual_Dhaka_Bangladesh_BG2025-0008.pdf

[71] How agro-processing can secure Bangladesh's export resilience, The Daily Star, 2025, https://www.thedailystar.net/opinion/views/news/how-agro-processing-can-secure-bangladeshs-export-resilience-3884621

[72] Export 2.0: The untapped potential of Bangladesh's agro-processing sector, The Business Standard, 2025, https://www.tbsnews.net/features/panorama/export-20-untapped-potential-bangladeshs-agro-processing-sector-1268061

[73] Challenges of the agro-processing industry in Bangladesh, The Business Standard, 2022, https://www.tbsnews.net/supplement/challenges-agro-processing-industry-bangladesh-366286

[74] Exporter Guide Annual-Bangladesh, USDA & GAIN, 2025, https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter+Guide+Annual_Dhaka_Bangladesh_BG2025-0008.pdf

Mini Opportunity Profile (Branding, Packaging, Distribution & Retail of High-Value FMCG Food Lines)

> **Market Size / Potential Growth:** Domestic consumer-oriented food market estimated at USD 9.6 billion, supported by rising demand for high-value and quality products; consumer-oriented food imports reached USD 2.1 billion (2024), showing large unmet local substitution space [75].

> **Competitive Advantage:** Growing modern retail footprint and evolving consumer preferences provide room for brand creation versus saturated regional FMCG markets; packaging cost competitiveness can support export-linked branding economics.

> **Potential Investors:** FMCG manufacturers, packaging companies, retail-linked brand builders, and e-commerce grocery platforms targeting high-growth urban consumers.

> **Estimated ROI / Investment Size:** Specific agro-processing sub-sectors indicate IRRs of 15–18% (e.g., cold storage, seed processing) [76]. Entry investments range from BDT 5–10 lakh for small-scale units [77] , while branding, packaging, and distribution expansions typically require USD 5–15 million, depending on scale and product category [78].

Branding, Packaging, Distribution & Retail of High-Value FMCG Lines

Consumer-Oriented Food Market (2024)	Annual Growth	Estimated ROI
$9.6 Bn	**8%**	**15–18%**

Competitive Advantage

- Expanding modern retail footprint supports branded product growth
- Rising demand for high-value and quality food products
- Strong scope for brand creation vs. saturated regional FMCG markets
- Packaging cost competitiveness strengthens export-linked branding economics

Market Opportunity

- Growing urban middle- class consumption
- Increasing preference for quality, traceability, and packaged foods
- Shift toward branded and convenience- oriented products
- E-commerce grocery platforms accelerating distribution reach

Potential Investors and Growth

- E-commerce grocery platforms targeting high-growth urban consumers
- FMCG manufacturers, packaging companies, retail-linked brand builders
- Investment Size: BDT 5-10 lakh (small-scale units)
- USD 5-15 million (branding, packaging & distribution scale-up)

[75] Exporter Guide Annual-Bangladesh, USDA & GAIN, 2025, https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Exporter+Guide+Annual_Dhaka_Bangladesh_BG2025-0008.pdf

[76] Bangladesh Investment Forum 2025, Hand-in-Hand Initiative, United Nations, https://www.fao.org/hand-in-hand/hih-investment-forum-2025/bangladesh/en

[77] বিনিয়োগ, https://www.biniyog.com.bd/blogs/profitable-investments-bangladesh-beyond-stock-market

[78] The Hand-in-Hand Initiative, United Nations, 2025, https://www.fao.org/hand-in-hand/en/

B. Export-Oriented Product Branding Opportunities

Bangladesh's preferential trade access significantly enhances the commercial viability of export-oriented agro-processing investments. The country benefits from preferential entry into multiple global markets, including the European Union under GSP arrangements, alongside strong trade linkages with GCC and ASEAN markets. In addition, Bangladesh maintains Double Taxation Avoidance Agreements (DTAAs) with 42 countries—among them key partners such as India, Japan, China, the UAE, Saudi Arabia, the UK, the USA, and Singapore—reducing withholding tax exposure and improving cross-border structuring efficiency for multinational investors.

As Bangladesh seeks to upgrade its agro-processing export profile beyond bulk and semi-processed shipments, export branding represents the next strategic step. Global market access increasingly depends on packaging integrity, labeling standards, traceability systems, and brand credibility, particularly in premium destinations such as the EU, Japan, and GCC. This shift creates a clear opportunity for investors to develop compliant, branded, shelf-ready products built around halal-certified, organic, and ethnic-premium segments, supported by strong quality assurance and origin-based positioning.

Mini Opportunity Profile (Export-Oriented Product Branding Opportunities)

> **Market Size / Potential Growth:** Agro-exports reached approximately USD 1.03 billion in 2024, recording 9.3% year-on-year growth [79] targeting $3 billion by 2027 [80]. Branding and premiumization offer strong upside through higher unit values and repeat export contracts.

> **Competitive Advantage:** A rising middle class and 15% annual e-commerce growth support domestic brand expansion [81]. Lower production and eco-packaging costs (10–15% below India) enhance margins, while halal positioning strengthens access to GCC markets [82]. Upgraded compliance and packaging can shift exports from bulk to premium segments.

> **Potential Investors:** European FMCG multinationals, Japanese trading houses, and regional retail-focused investors seeking branded sourcing platforms.

> **Estimated ROI / Investment Size :** Export branding initiatives offer 16–25% ROI potential, with investment needs ranging from USD 10–50 million, depending on scale and market strategy [83].

[79] Agribusiness: The Delta of Agro-Investment Opportunities, BIDA, https://investbangladesh.gov.bd/investment-sector/agribusiness

[80] Export 2.0: The untapped potential of Bangladesh's agro-processing sector, The Business Standard, 2025, https://www.tbsnews.net/features/panorama/export-20-untapped-potential-bangladeshs-agro-processing-sector-1268061

[81] Rise of the Digital Consumer Class: Time to Make for Bangladesh in E-space, LightCastle Partners, 2016, https://lightcastlepartners.com/wp-content/uploads/2020/06/Rise-of-the-Digital-Consumer-Class_LightCastle-Partners.pdf

[82] GCC Halal Food Market Report and Forecast 2026-2034, Report Cube, https://www.thereportcubes.com/report-store/halal-food-market-gcc

[83] Bangladesh Investment Forum 2025, Hand-in-Hand Initiative, United Nations, https://www.fao.org/hand-in-hand/hih-investment-forum-2025/bangladesh/en

Export-Oriented Product Branding Opportunities in Agro-processing

Market Size and Growth (Agro-Processing)		Estimated ROI	Investment
At Present	$1.03 Bn	16-25%	$10-50M
Target by 2027	$3.00 Bn		Export branding initiatives

Competitive Advantage

- Duty Free EU Access Vs Vietnam's Tariffs Halal Focus for GCC Markets

Potential Investors and Growth

- Branding Firms for Halal/Organic Lines

Key FMCG Categories



- **Juices**
- **Snacks**
- **Frozen Items**
- **Ready-To-Eat-Meals**
- **Condiments**



04. Successful Investment Cases and Lessons from Peer Countries

4.1 Brief Examples of Successful Agro Investments in Bangladesh

A. Envoy Group Investment Drives Turnaround of Bengal Meat

Bengal Meat underwent a significant transformation following an investment by Sheltech Group, alongside stakeholders associated with Envoy Group, at a time when the company was facing sustained losses due to export constraints, limited financing, and operational challenges. The investment facilitated a strategic shift from an export-oriented model to a stronger focus on the domestic market, along with the introduction of value-added meat products. This repositioning enabled the company to achieve profitability and establish a more stable business foundation. Over time, Bengal Meat expanded its market presence, strengthened its production capacity, and developed an extensive distribution network. The company also generated employment and built a broad supply chain by engaging a large number of farmers, contributing to its continued growth and sustainability.

Positive Investment Outcomes

- **Market Expansion: 80%** of products distributed locally through **40** district- level outlets; **20%** exported to international markets
- **Production Capacity:** Annual production reached approximately **4,000** tonnes of meat.
- **Financial Growth:** Total equity investment increased to **Tk. 250** crore from a paid-up capital of **Tk. 105** crore.
- **Employment Generation:** Created employment for approximately **600** individuals.
- **Farmer Engagement:** Built a supply chain involving more than **1,000** farmers.

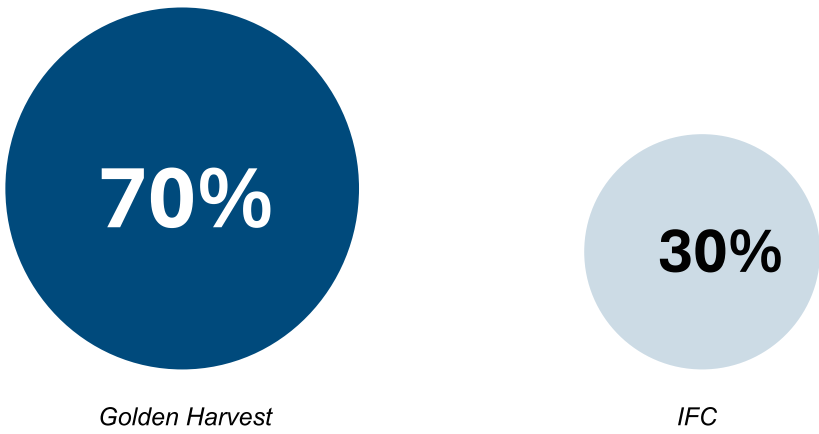
[84] Bengal Meat shines after Envoy joins hands, The Business Standard, 2021, https://www.tbsnews.net/economy/industry/bengal-meat-shines-after-envoy-joins-hands-346078

B. BYETS Approach in Agro-Processing through Workplace-Based Training

Golden Harvest's partnership with the International Finance Corporation (IFC) marks a major milestone in strengthening Bangladesh's cold chain and logistics ecosystem. Through an equity-based joint venture under Cold Chain Bangladesh Limited, 70 percent owned by Golden Harvest and 30 percent by IFC, the partners invested USD 22 million to establish the country's first integrated, temperature-controlled third-party logistics network. Operating across 12 storage locations nationwide and supported by a specialized transport fleet, the initiative enables safe storage and movement of perishable goods including frozen foods, dairy, meat, fruits, vegetables, and pharmaceuticals. By reducing spoilage, improving food safety, and supporting export–import activities, the investment demonstrates how strategic private capital can address critical infrastructure gaps and support agro-processing and broader industrial growth.

- **Investment Type:** Equity-based joint venture
- **Initiative Under:** Cold-Chain Bangladesh Limited
- **Investment:** $22 Mn
- **Operating Across:** 12 Storage Locations

Investment Proportion by Golden Harvest and IFC



IMPACT:

- Established the country's first integrated, temperature-controlled third-party logistics network
- Enables safe storage and movement of perishable goods including frozen foods, dairy, meat, fruits, vegetables, and pharmaceuticals

[85] Golden Harvest Joins Hands with IFC for Integrated Cold Chain Network, Golden Harvest, https://www.goldenharvestbd.com/cold-chain-bangladesh-limited-ccbl/

4.2 Lessons from Peer Countries

Countries with comparable development trajectories show that consistent, well-designed investment incentives can rapidly transform agro-processing into a high-growth, competitive industry. Tunisia and Vietnam demonstrate how policy certainty, private-sector-led investment, and targeted upgrading unlocked scale, productivity, and export readiness in food processing. Bangladesh is positioned to replicate and surpass these successes, with a large agricultural base, growing domestic and export demand, and rising policy focus on agro-industrialization. For investors, agro-processing in Bangladesh offers a timely opportunity to enter a sector where returns can be driven by scale, value addition, and integration across production and markets.

A. Vietnam: Strengthening Food Processing through Investment-Friendly Policies

SUCCESS FACTORS

Vietnam's experience highlights how targeted, investment-friendly policies can accelerate the development of a competitive food processing sector. Through a series of reforms, including contract farming, large-field production models, and incentives for land access, infrastructure, taxation, technology adoption, and streamlined procedures, the government strengthened linkages between production, processing, and markets while ensuring stable raw material supply.

ACHIEVEMENTS

These measures catalyzed rapid sectoral growth, with agro-forestry-fishery enterprises increasing and production–processing linkage chains expanding by 2018. In 2019, high-tech investments in fruit and vegetable processing surged.

IMPACT AT A GLANCE:

- Agro-forestry-fishery enterprises increased 3.6 times since 2010 to reach **9,235** by 2018.
- Production–processing linkage chains expanded to **1,096** by 2018.
- Seafood processing reached **2.5** million tons annually.
- In 2019 high-tech investments in fruit and vegetable processing exceeded VND **20,000** billion.

These impacts demonstrate the effectiveness of coherent investment incentives in driving agro-industrial transformation.

[86] Policy on Development of Food Processing Industry in Vietnam, 2022, DOI: 10.56794/VSSR.6(212).17-37

B. Tunisia's Food Industry: Model of Sustained Investment Growth and Competitiveness

Tunisia's food industry illustrates the impact of sustained, investment-focused reforms. Following the introduction of the Investment Incentives Code (1993) and the National Upgrade Program (1996), agro-food investment increased sharply. With around 90 percent of agro-food investment financed by the private sector, Tunisia's experience underscores how coherent incentives and targeted upgrading can drive sustained growth and competitiveness.

SUCCESS FACTORS

- **1993: Introduction of the Investment Incentives Code**
- **1996: Formulation of the National Upgrade Program**

ACHIEVEMENTS:

- Agro-food investment increased from 24 million TND in 1986 to 270 million TND by 2007
- During 2003-2007, agro-food accounted for nearly 24 percent of total manufacturing investment
- By 2007, the National Upgrade Program had mobilized 2,594 million TND across 4,187 firms with strong results:
  - ✓ Improved Equipment Use: 82%
  - ✓ Introduced New Products: 78%
  - ✓ Adopted Quality and Certification Systems: 75%

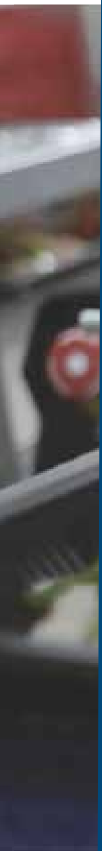
TABLE 5: Transformation in Production in Major Sectors Across Food Industry in Tunisia

	1988–1992	1993–1997	1998–2002	2003–2007	Average annual growth 1988–2007
Cereal processing (1000s tonnes)	1184.48	1412.52	1520.16	1 482	1.63%
Canned food (tonnes)	97928.2	95203.8	135889	148100	3.61%

Source: Ministry of Agriculture, Yearbook of Agriculture Statistics, 2007

[87] Innovative policies and institutions to support agro-industries development, 2011, FAO, https://www.fao.org/4/i2420e/i2420e00.pdf

4.3 Lessons for Bangladesh from Regional Comparators



The experiences of Tunisia and Vietnam highlight the central role of sustained, investment-centric policy frameworks in driving growth and competitiveness in the agro-processing sector. Together, these examples suggest that Bangladesh can benefit from a dual approach that combines targeted investment incentives with systemic value chain strengthening. This includes strengthening stronger producer–processor linkages, encouraging private sector-led investment, supporting modernization and technology adoption, and ensuring that policy frameworks are both predictable and aligned with sector-specific development goals.

KEY TAKEAWAYS FOR BANGLADESH

Tunisia

- Prioritizing long-term policy continuity with a focus on targeted fiscal and financial incentives
- Design programs such as the National Upgrade Program to achieve structured modernization
- Aligning incentives with measurable performance outcomes such as: product diversification, improved equipment utilization, adoption of quality and certification systems
- Promoting strong private sector participation in financing sectoral growth.

Vietnam

- Strengthening linkages across the agricultural value chain through coordinated policy measures
- Promoting policies centering contract farming, cooperation between farmers and enterprises, and integration of production, processing, and consumption to ensure stable raw material supply and reduce inefficiencies.
- Combining investment incentives with administrative simplification and post-investment support facilitated rapid enterprise growth and expansion of production-processing chains
- Focusing on scaling high-capacity and high-technology processing infrastructure further illustrates the importance of moving beyond primary production toward value-added processing.

05. BUILDING HUMAN CAPITAL FOR A COMPETITIVE AND EXPORT-READY AGRO-PROCESSING SECTOR

5.1 Strengthening Productivity and Investor Confidence Through Workforce Transformation

A. Skills Gap Analysis in the Agro-Food Processing Sector: BYETS TNA Findings

Overview of the Byets Project

The Building Youth Employability Through Skills (BYETS) project conducted a Training Need Assessment (TNA) in seven large agro-food processing factories located in Dhaka and Chattogram that manufacture consumer packaged foods, beverages, candies, and frozen dairy products. The assessment covered factories employing an average of 1,116 workers each, with women accounting for 49% of the workforce.

Findings from the TNA highlight a significant constraint in the availability of skilled and semi-skilled workers within the assessed factories with limited knowledge of food safety, quality management, productivity, and compliance standards. Skill gaps were also evident at the mid-management level, where supervisors and line leaders lack adequate capacity to guide workers and ensure compliance. Overall, the assessment underscores the urgent need for targeted upskilling and reskilling initiatives to strengthen the supply of skilled and semi-skilled workers in the agro-food processing sector.

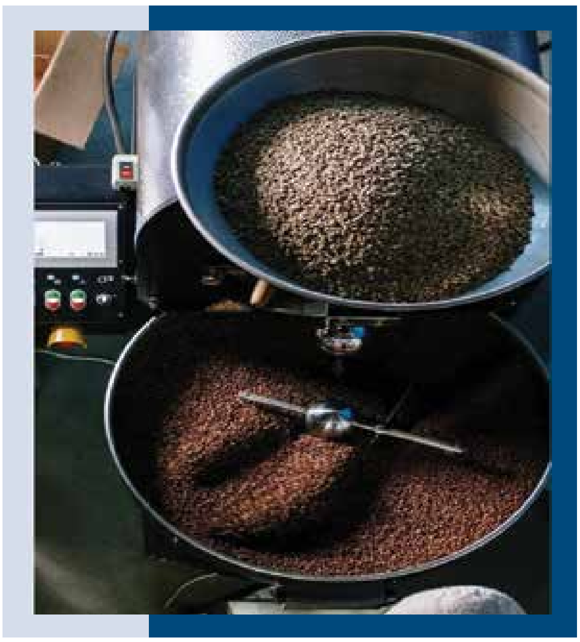
FINDINGS FROM BYETS:

> Only **30%** of workers were identified as skilled

> The remaining **70%** were unskilled or semi-skilled, with limited knowledge of food safety, quality management, productivity, and compliance standards.

> **86%** of factories reported a strong need for structured training to improve workers' performance and efficiency.

> While **50%** of factories have dedicated training rooms and most have assigned in-house trainers, women represent only **18%** of trainers, indicating limited diversity in training capacity.



[88] Findings from Training Need Assessment (TNA) of Agro-Food Processing Sector, BYETS

B. Export-Oriented Product Branding Opportunities

Implemented by Swisscontact with support from the Embassy of the Kingdom of the Netherlands, the Building Youth Employability Through Skills (BYETS) project is strengthening Bangladesh's agro-processing sector through a needs-driven, industry-led workplace-based training (WBT) model. Developed in close collaboration with the private sector and national and international experts, the model was piloted and refined in eight leading FMCG factories to ensure practicality, scalability, and inclusivity, including gender sensitivity, decent work, and environmental responsibility. Building on this success, BYETS has expanded support to small and medium enterprises (SMEs), helping address skills gaps, improve productivity and compliance, and enhance export readiness while creating youth employment in rural and peri-urban areas. The initiative is further anchored by a nationally endorsed Competency Standard adopted by the National Skills Development Authority (NSDA), enabling wider replication and supporting a more inclusive and sustainable agro-processing ecosystem.

C. TVET Opportunities for Agro-Food Processing Skills Development

In Bangladesh, a wide range of public and private TVET institutions are actively delivering training programmes for the agro-food, food processing, and packaging sector. At present, around 22 different courses or trades relevant to agro-food processing skills development are available in the market, each designed with its own curriculum, training duration, entry requirements, and assessment procedures, contributing to the ongoing expansion of sector-specific skills development initiatives.

D. Strengthening Industry-Led Skills Development through BAPA

The Bangladesh Agro-Processors' Association (BAPA) is playing an active role in advancing skills development in the agro-processing sector through its SEIP-BAPA project. As part of this initiative, BAPA has introduced Training of Trainers (ToT) programmes to build a strong pool of skilled resource persons in key areas, including entrepreneurship development and business plan preparation, industry assessor training for managers and supervisors, and entrepreneurship-focused capacity building for TVET teachers. In collaboration with Daffodil International University, Narsingdi Polytechnic Institute, and Naogaon Polytechnic Institute, the association plans to develop a total of 60 resource persons to support and expand sector-specific skills development efforts.

E. BYETS in Action: Workplace-Based Training Driving Export Readiness in Agro-processing SMEs

In small agro-processing factories in Kushtia and Feni, cleaner workspaces, more consistent production processes, and greater confidence in meeting buyer and regulatory requirements are increasingly evident as a result of the BYETS project's Workplace-Based Training (WBT) approach. Implemented by Swisscontact, WBT embeds practical skills development directly into daily factory operations, focusing on hygiene, safe handling, cleaning routines, and basic quality checks that progressively align with GMP, HACCP, and TQM standards. By addressing informal production practices through structured, on-the-job training and in-house capacity building, BYETS is helping SMEs reduce operational risks, improve productivity, and move steadily toward national and export market readiness. Individual experiences, such as that of a worker at IFAD Multi Products Ltd. who gained practical skills, confidence, and efficiency through factory-based training, demonstrate how hands-on learning on the factory floor translates into tangible performance gains and stronger workforce capability.

6.0 NAVIGATING INVESTMENT PATHWAYS IN AGRO-PROCESSING SECTOR

6.1. Investment Entry Pathways and Registered Office Requirements

i. Direct Investment and Joint Ventures in Agro-Processing (BIDA)

This pathway is appropriate for agro-processing investors targeting domestic markets, regional supply chains, or integrated farm-to-market operations outside designated zones. Investments may be structured as wholly foreign-owned enterprises, joint ventures with local agribusiness partners, or branch operations.

The Bangladesh Investment Development Authority (BIDA) acts as the primary facilitation agency, overseeing approvals, registration, and aftercare services. Joint ventures involving non-resident partners require prior approval, while post-establishment compliance focuses on foreign exchange reporting, food safety standards, environmental regulations, and tax obligations relevant to agro-processing activities.

BIDA

Domestic Projects

Foreign Joint Venture Projects

ii. Investment through Agro-Focused Economic Zones and Export Processing Zones (BEZA and BEPZA)

This pathway is particularly well-suited for export-oriented agro-processing, large-scale food manufacturing, cold storage, packaging, and value-added agricultural products. Economic Zones and Export Processing Zones offer pre-serviced land, shared utilities, logistics connectivity, and fiscal incentives that reduce start-up and operating costs.

The Bangladesh Economic Zones Authority (BEZA) regulates public and private economic zones, including several zones designed or earmarked for agro-processing and food industries. The Bangladesh Export Processing Zones Authority (BEPZA) oversees Export Processing Zones that support export-driven agro-industrial operations under a simplified regulatory regime.

BEZA

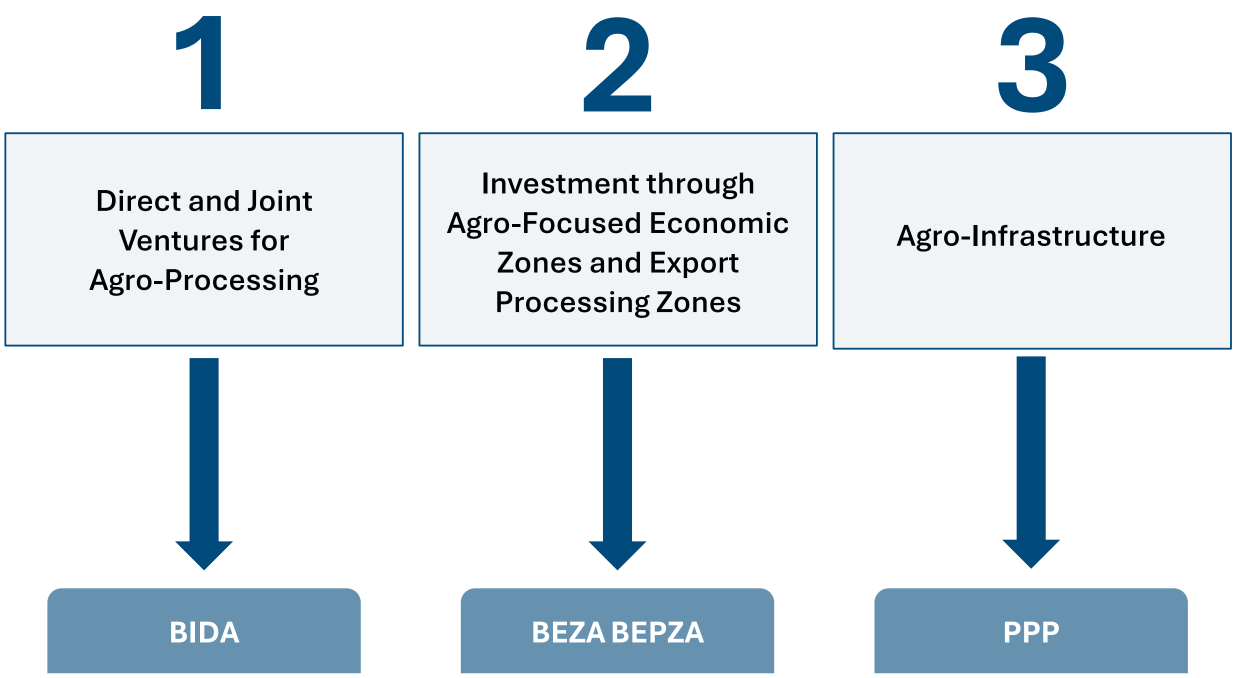
BEPZA

iii. Public–Private Partnership (PPP) Pathway for Agro-Infrastructure

The Public–Private Partnership (PPP) pathway is relevant for large-scale agro-infrastructure projects, including food logistics hubs, cold chain networks, storage facilities, wholesale markets, and agro-processing parks. Under this model, private investors collaborate with public entities to deliver commercially viable infrastructure with shared risk allocation.

The PPP Authority, operating under the Prime Minister's Office, manages the PPP framework, from project identification and feasibility assessment to procurement and contract management. PPPs enable agro-processing investors to participate in long-term infrastructure projects aligned with national food security and export competitiveness objectives.

Figure 25 : Investment Options and Entry Pathways



6.2 Services and Mandates of Major Investment Promotion Agencies Related to Processing

BIDA	BEZA
• Pre-investment counseling • Registration and approval of private industrial projects • Approval of branch/liaison/representative/project offices • Visa recommendations and work permits for foreign nationals • Approval of agreement for remitting royalty/franchise fee/technical knowledge fee/technical assistance fee/technical know-how fee • Facilitation of import of capital machinery and raw material • Approval of the foreign loan and supplier credit • Aftercare	• Develop and service fully integrated economic zones with ready infrastructure, connectivity, and skilled labor access • Secure land and deliver zones through public and public–private partnership models • Appoint, regulate, and coordinate professional zone developers to ensure quality and timely delivery • Offer competitively priced land and facilities through transparent leasing and allocation processes • Ensure efficient land use, environmental compliance, and smooth relocation of industries into planned zones • Facilitate backward linkages, workforce development, and job creation to strengthen supply chains • Fast-track national industrial policy implementation by developing industrial cities, agro-based zones, trade hubs, and tourism zones
BEPZA	**PPPA**
• Permission to set up an industry • Allotment of Plot/ Standard Factory Building (SFB) • Visa and Work Permit-related services • Customs-related Services • Issuance of Trade License • Import and Export Permit • Subcontract Permit • Local Purchase Permit • Inclusion of new products in the existing product line • Revision of Project • Changing the Name of the Company • Permission to transfer and Allotment of Shares • Merger & Acquisition/Amalgamation • Changing Ownership of the Company	• Acts as the government's central gateway for identifying, structuring, and delivering bankable PPP projects • Screens and prioritizes high-impact, commercially viable, and sustainable PPP opportunities • Works with line ministries to prepare projects to international standards for competitive bidding • Manages transparent tendering, evaluation, and award processes to ensure speed and credibility • Facilitates project financing through early-stage development support and targeted capital assistance • Supports ministries during implementation to keep projects on schedule and performance-compliant • Oversees PPP contract negotiations to ensure balanced risk sharing and policy consistency

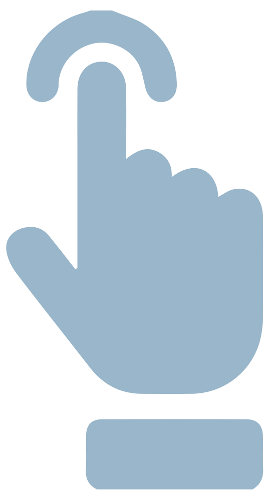
Table 6: Comparative Overview of Agro-Processing Investment Entry Pathways

	BIDA (Direct/ JV)	BEZA/BEPZA (Zones)	PPP Authority
Primary Agro-Focus	Domestic and regional agro-processing	Export-oriented and large-scale agro-industry	Agro-infrastructure and logistics
Land & Infrastructure	Investor-arranged	Pre-serviced industrial land	Public asset with private operation
Ownership Structure	100% foreign or joint venture	100% foreign or joint venture within zones	Private partner under PPP contract
Incentives	Sector-specific incentives	Zone-based fiscal and non-fiscal incentives	Project-specific government support
Risk Allocation	Primary investor-borne	Primarily investor-borne	Shared public-private risk
Regulatory Intensity	Moderate	Low to moderate	High
Typical Project Scale	Small to large	Medium to large	Large and long-term

6.3. Facilitating Investors through Digital Platforms

A. Overview of investment process via BIDA's One Stop Service

To enhance investment facilitation and ease of doing business, the Government of Bangladesh enacted the One Stop Service (OSS) Act, 2017, authorizing the Bangladesh Investment Development Authority (BIDA) to operate a One-Stop Service platform, alongside BEZA, BEPZA, and BHTPA, with BIDA's OSS serving as the single-window interface for investors outside special economic zones. The digital platform streamlines the investment process end to end by integrating over 133 services from 35 government agencies, 12 banks, and 5 chamber associations, enabling online submission, payment, real-time tracking, and direct downloading of approvals. Operated under a Build, Operate, and Transfer (BOT) model in line with the One-Stop Service Rules, 2020, the OSS strengthens inter-agency coordination and accountability. As of December 2024, it has delivered more than 170,390 services to 14,810 organizations and achieved a 4.5-star user rating from over 75,000 users, reflecting high investor confidence [89].



[89] BIDA, OSS Portal, https://bidaquickserv.org/

B. BanglaBiz: An Integrated Digital Gateway for Investment Services in Bangladesh

BanglaBiz is a unified digital platform developed by the BIDA with support from the Japan International Cooperation Agency (JICA) to simplify and accelerate investor services in Bangladesh. Approved in April 2025, it connects the One Stop Service (OSS) platforms of all five Investment Promotion Agencies, BIDA, BEZA, BEPZA, BHTPA, and BSCIC, into a single interface, with direct access to the Public Private Partnership Authority. The platform provides centralized investment information, direct OSS links, and an interactive "How to Apply" tool to guide investors. Designed as the foundation for a future Investor Single Window, BanglaBiz will be expanded in phases to include features such as a BanglaBiz ID and fully digitalized work permit and security clearance services [90].

Building on this integrated framework, BanglaBiz offers several advantages that significantly enhance the investor experience in Bangladesh. The platform adopts a digital-first approach, enabling seamless access to investment-related services across all six Investment Promotion Agencies as well as licenses and permits from relevant government authorities through an end-to-end digitized pathway. By streamlining permits and approvals into a simplified, integrated application process, it substantially improves the ease of doing business, allowing investors to complete core business setup procedures within a significantly reduced timeframe. BanglaBiz also incorporates intelligent guidance tools, such as the IPA Navigator and Know Your Approval (KYA) features, which help investors identify the appropriate agencies and understand required approvals based on their business activities. In addition, the platform provides personalized support through dedicated Relationship Managers, ensuring tailored assistance throughout the investment journey. As a consolidated access point, it enables investors to apply for, track, and manage services across multiple agencies in one place, thereby improving transparency, reducing administrative burden, and enhancing overall efficiency in the investment process [91].

Key Advantages of Bangla Biz:

- **Digital-First Access:** Enables seamless access to investment-related services across the six Investment Promotion Agencies (BIDA, BEZA, BEPZA, BHTPA, BSCIC, and PPPA), along with licenses and permits from relevant authorities, through a fully digitized end-to-end platform.
- **Improved Ease of Doing Business:** Simplifies and integrates approval processes through a unified application system, allowing investors to complete key business setup procedures within a significantly reduced timeframe, potentially within three working days.
- **Intelligent Investor Guidance:** Offers interactive tools and wizards to guide investors through the investment ecosystem, including the IPA Navigator for identifying the appropriate agency and the Know Your Approval (KYA) feature for understanding required approvals based on business activities.
- **Personalized Support Services:** Provides access to dedicated Relationship Managers who offer tailored guidance and support throughout the investment process.
- **Integrated Service Delivery:** Functions as a single access point for applying, tracking, and managing investor-facing services across multiple agencies, including IPAs, certificate and permit issuing authorities, and other relevant government institutions.

[90] BanglaBiz, https://banglabiz.gov.bd/

[91] BanglaBiz, https://banglabiz.gov.bd/

7.0 CATALYZING INVESTMENT IN AGRO-PROCESSING: ADDRESSING CONSTRAINTS AND DRIVING REFORMS

While this position paper has primarily highlighted Bangladesh's agro-processing investment potential, competitive advantages, and emerging opportunities, it is equally important to acknowledge the structural and systemic constraints that must be addressed to fully unlock the sector's growth trajectory. Sustained investment attraction and export competitiveness will depend not only on market opportunities, but also on a supportive policy environment, efficient regulatory systems, improved infrastructure, access to finance, and strengthened value chain coordination. For policymakers, this underscores the need to complement opportunity promotion with targeted reforms that reduce bottlenecks and enhance investor confidence. The following Challenges and Recommendations Matrix therefore outlines priority actions required to maximize investment potential, deepen global market integration, and position Bangladesh's agro-processing sector as a resilient and globally competitive industry.

7.1. Strategic Reform Matrix for Agro-Processing Sector Development

A. Governance, Policy and Regulatory Environment

Sl.	Key Constraint	Strategic Action	Responsible Agencies	Timeline
1	Formal enterprises face unfair competition from informal operators avoiding compliance	Develop a transparent tax and compliance alignment framework to formalize informal operators while protecting compliant firms.	MoF, NBR	12 Months
2	Multiple approvals from different agencies delay investments	Introduce an integrated single-window clearance system for licensing and regulatory approvals	BIDA, BEZA, BFSA, BSTI, MoC	6 Months
3	Frequent tax changes create investment uncertainty	Publish a predictable multi-year tax policy roadmap for agro-processing	MoF, NBR	12 Months
4	National standards are not fully aligned with international benchmarks	Align food safety regulations with Codex, HACCP, and GAP standards	BFSA, BSTI, MoC	12 Months

B. Trade and Market Access

Sl.	Key Constraint	Strategic Action	Responsible Agencies	Timeline
5	Lack of accredited labs forces exporters to rely on foreign testing	Establish internationally accredited domestic testing facilities	MoI, BFSA, BSTI, Private Sector	12-24 Months
6	Exporters face tariff and non-tariff barriers	Strengthen trade diplomacy to address tariffs and technical barriers	MoC, MoFA	6 Months
7	Export incentives are limited in scope	Expand export incentives to include processed food, livestock, and fisheries	MoF, EPB	6-12 Months
8	High logistics costs reduce competitiveness	Develop agro-logistics hubs and improve multimodal transport systems	MoRTB, MoS, Private Sector	24 Months
9	Port congestion and repetitive testing delay shipments	Digitize customs and eliminate redundant inspections	MoS, NBR, Customs	12 Months
10	SMEs lack knowledge of global integration pathways and export readiness	Launch SME export readiness and global market integration programs	MoC, EPB, Dev Partners	6-12 Months

C. Finance and Investment

Sl.	Key Constraint	Strategic Action	Responsible Agencies	Timeline
11	Limited access to affordable finance for SMEs and farmers	Expand low-interest loan schemes with simplified procedures	Bangladesh Bank, Banks, NBFIs	6 Months
12	Exposure to climate and price risks discourages investment	Introduce crop insurance and weather-indexed risk products	MoF, Bangladesh Bank, Insurance Companies	12 Months
13	SME financing gap limits scaling potential	Develop blended finance and guarantee schemes for agro-SMEs	MoF, Bangladesh Bank	12 Months
14	Low investment in cold chain and agri-tech	Create targeted financing windows and PPP incentives	MoF, Banks, Dev Partners	12-24 Months

D. Value Chain Strengthening and Diversification

Sl.	Key Constraint	Strategic Action	Responsible Agencies	Timeline
15	Weak coordination between producers and processors	Promote contract farming and cooperative supply chain models	MoA, Private Sector	6–12 Months
16	Traditional farming methods limit productivity	Expand extension services and modern farming training programs	MoA, SME Foundation, DAE	12 Months
17	Overdependence on rice limits diversification	Encourage diversification into horticulture, pulses, livestock, fisheries	MoA, MoFL	24 Months
18	Low livestock productivity due to genetic and feed issues	Support genetic improvement and veterinary outreach programs	MoFL, Private Sector	24 Months

E. Infrastructure, Technology and Innovation

Sl.	Key Constraint	Strategic Action	Responsible Agencies	Timeline
19	Insufficient cold chain and storage facilities	Expand decentralized cold storage with energy backup systems	MoI, MoA, Private Sector	24 Months
20	Poor rural connectivity increases transport costs	Upgrade feeder roads and improve last-mile connectivity	MoRTB, LGED	24 Months
21	Limited adoption of digital agriculture technologies	Provide incentives and PPP models for AI, IoT, and drone solutions	MoA, ICT Division, Private sector	12 Months
22	Limited advanced food testing labs	Develop state-of-the-art food safety labs via academia-private partnerships	MoI, Private Sector, BSTI	24 Months
23	Low irrigation efficiency increases production costs	Modernize irrigation systems and rehabilitate canals	BWDB, MoA	12 Months
24	Flood control infrastructure underutilized	Repurpose FCDI systems for aquaculture and rainwater retention	BWDB, LGED	24 Months
25	Limited rainwater harvesting systems	Promote community-based rainwater management initiatives	BWDB, NGOs	24 Months
26	Irrigation planning not tailored to agro-ecological zones	Develop zone-specific irrigation and cropping strategies	MoA, Research Institutes, Private Sector	12 Months
27	High dry-season irrigation costs	Promote water-efficient crop alternatives	MoA	6–12 Months

F. Climate and Environmental Sustainability

Sl.	Key Constraint	Strategic Action	Responsible Agencies	Timeline
28	Rising climate risks threaten productivity	Scale climate-smart agriculture practices	MoA, MoEFCC	6–12 Months
29	Overuse of chemicals affects environment and food safety	Strengthen regulation and training on safe pesticide use	DoF, MoFL BSTI, MoEFCC	12 Months
30	Soil degradation and biodiversity loss	Expand salinity control and soil conservation measures	MoA, BWDB	24 Months
31	Long-term climate risks threaten food security	Invest in R&D for resilient seeds and adaptive technologies	Universities, Research Institutes, Private Sector	24 Months

G. Awareness, Skills and Inclusion

Sl.	Key Constraint	Strategic Action	Responsible Agencies	Timeline
32	Low consumer awareness of nutrition and food safety	Implement national awareness campaigns	MoHFW, NGOs, Private Sector	6 Months
33	Farmers lack knowledge of modern agronomy and post-harvest handling	Strengthen farmer field schools and structured training	MoA, NGOs, Private Sector	6-12 Months
34	Limited expertise in fortified food production	Establish specialized technical training programs	MoI, NSDA, Private Sector	24 Months
35	Youth and women underrepresented in agribusiness	Launch incubation and financing initiatives for youth and women	MoWCA, Banks, NGOs	12 Months
36	Agro-processing training programs exist but awareness is low	Create a centralized digital portal and outreach campaigns on training opportunities	MoA, MoI, ICT Division, NGOs, Private Sector	6 Months

ANNEX-1

A. Bangladesh at a Glance

i. Macroeconomic Snapshot of Bangladesh

Upstream Opportunities							
Cold Chain Logistics	29,514	31,705	35,302	39,717	44,908	50,027	55,528
Modern Testing & Certification Labs	25,617	26,501	28,339	30,351	32,104	33,460	34,790
Supply Chain Traceability and Agri-Tech Solutions	2,122	2,234	2,462	2,687	2,643	2,625	2,671
Growth rate of GDP at constant prices (%)	7.88	3.45	6.94	7.1	5.78	4.22	3.69
Sectoral growth rate of GDP at constant prices (%)							
Agriculture	3.26	3.42	3.17	3.05	3.37	3.3	1.79
Industry	11.63	3.61	10.29	9.86	8.37	3.51	4.34
Services	6.88	3.93	5.73	6.26	5.37	5.09	4.51
Sectoral shares of GDP at constant prices (%)							
Agriculture	12.56	12.52	12.07	11.61	11.3	11.19	10.94
Industry	34.99	34.94	36.01	36.92	37.65	37.37	37.44
Services	52.45	52.54	51.92	51.48	51.05	51.44	51.62
Consumption as % of GDP	73.12	72.92	74.66	74.78	74.24	76.04	76.75
Investment							
Investment as % of GDP	32.21	31.31	31.02	32.05	30.95	30.7	29.38
of which: Private investment	25.25	24.02	23.7	24.52	24.18	23.96	22.48
of which: Public investment	6.96	7.29	7.32	7.53	6.77	6.74	6.9
Gross fixed capital formation/GDP	32.21	31.31	31.02	32.05	30.95	30.7	29.38
Export and import							
Exports (in Billion US$)	40.5	33.7	38.8	52.1	46.4	44.5	48.3
Imports (in Billion US$)	62.88	55.63	61.94	89.34	78.30	72.92	-
Remittance							
Remittance (in billion US$)	16.42	18.21	24.78	21.03	21.61	23.91	30.32

Source: National Account Statistics, BBS; Yearly data of Wage earner's remittance, The overall position of import payments, Bangladesh Bank; Export Performance, BGMEA

ANNEX-1

ii. Bangladesh's Relative Performance Across Selected Development Indicators

Indicators	Bangladesh	India	Pakistan	Cambodia	Viet Nam	Thailand
Infant Mortality Rate [per 1,000 live births], 2023	24	25	50	20	14	8
Life Expectancy [years], 2023	75	72	68	71	75	76
Expected Years of Schooling, 2023	12.3	13	7.9	11.2	15.5	15.4
Mean years of Schooling [years], 2023	6.8	6.9	4.3	5.2	9.0	9.0
Population growth [annual rate %], 2024	1.2	0.9	1.5	1.2	0.6	0.0
Human Development Index [0–1 (better) scale], 2023	0.685	0.685	10.29	0.606	0.766	0.798

Source: World Bank's World Development Indicator Database; Human Development Index, 2023

ANNEX-2

A. Supporting Ministries, Institutes and Agencies

1. Ministry of Industries

- Formulating, implementing, monitoring and updating of appropriate industrial policy
- Developing small, micro & cottage industries
- Determining and harmonizing national standards consistent with international standards of commodities and services
- Standardization, examination and certification of products
- Establishing, developing and regulating eco-friendly and safe industrial infrastructure
- Keep continuing production of salt, sugar, fertilizer and other commodities
- Fortifying edible oil with vitamin A
- Enhancing productivity through providing training support to entrepreneurs on industrial management and technical know-how
- Generating employment opportunities through accelerating industrialization in public and private sector and joint ventures

2. Ministry of Commerce

- Promotion and regulation of internal commerce
- Commercial intelligence and statistics and publications thereof
- Price Advising Boards
- Price Control
- Export policies including protocols, treaties, agreements and conventions bearing on trade with foreign countries
- Review export policies and programmes
- Regulation and control of import trade and policies thereof
- Trade delegation to and from abroad, overseas trade, exhibitions and trade representation
- Purchase and supply of internal and external stores
- State Trading
- International Commodity Agreements
- Export promotion including administration of export credit guarantee scheme
- Tariff commission, tariff policy, tariff valuation and international agreements on tariff
- International trade organizations including UNCTAD and GATT
- Quality control, standardization and marking of agricultural and animal products for export
- Inquiries and statistics on subjects allotted to this Ministry

3. National Board of Revenue

- NBR is responsible for:
- Formulation and continuous re-appraisal of tax policies and tax laws
- Negotiating tax treaties with foreign governments
- Participating in inter-ministerial deliberations on economic issues having a bearing on fiscal policies and tax administration.
- Collect tax revenues (primarily, Value Added Tax, Customs Duty, Excise Duty and Income Tax

4. Bangladesh Bank

- Price stability: Formulating monetary and credit policies by managing inflation, ensuring financial stability, and responding to economic conditions.
- Financial stability: Managing currency to ensure that the money supply is adjusted in a way that supports a healthy and balanced economy.
- Financial Regulation: Supervising banks and finance companies to ensure the stability of the financial system by enforcing regulations, conducting inspections, managing risks and ensuring transparency.
- Payments and Settlement: Smooth payment systems to ensure that the economic transactions are conducted efficiently and securely by providing a steady, resilient and efficient payment infrastructure with technological excellence.
- Resolution and Collaboration: Advising the government on the effects and interactions of fiscal, monetary, and other economic policies to achieve broader macroeconomic goals such as economic growth, employment generation and crisis management.

5. Department of Agricultural Extension

- Increasing production and productivity of food grains and various agricultural products, and enhancing farmers' income
- Promoting crop diversification and safe, nutrition-sensitive agricultural practices
- Developing modern, environmentally friendly extension and management systems adapted to natural disasters, adverse environmental conditions, and climate change
- Providing support to farmers for farm mechanization, development of agricultural product marketing systems, and ensuring fair prices
- Expanding demand-driven, export-oriented and processing-based agricultural industries, promoting agricultural commercialization, and creating new employment opportunities
- Providing support for participatory research activities
- Strengthening institutional development, increasing the use of information and communication technologies, and developing a knowledgeable, skilled, and competent human resource base.

6. Bangladesh Food Safety Authority

- Providing necessary support to the relevant authorities or agencies in scientifically defining foods obtained from plant, animal, and other major sources from a safety perspective, determining their quality standards, and monitoring the implementation of their functions
- Providing necessary support to the relevant authorities or agencies to update or upgrade food standards or guidelines determined by any other authority or agency under existing laws to the highest level of safety
- Determining quality standards or guidelines for relevant food items where no such standards or guidelines have been set under existing laws
- Providing necessary support to relevant authorities or agencies to update or upgrade to the highest safety level the permissible limits for contaminants or microbial contaminants, fertilizer, pesticide or insecticide residues, veterinary or fish disease drug residues, heavy metals, processing aids, food additives or preservatives, mycotoxins, antibiotics, pharmaceutical active substances, and growth promoters in food items, and monitoring their implementation
- Scientifically determining permissible limits of contaminants or microbial contaminants, fertilizer, pesticide or insecticide residues, veterinary or fish disease drug residues, heavy metals, processing aids, food additives or preservatives, mycotoxins, antibiotics, pharmaceutical active substances, and growth promoters where such limits have not been set under existing laws
- Providing necessary support to relevant authorities or agencies in specifying permissible limits of radioactivity in food and monitoring implementation
- Providing necessary support to relevant authorities or agencies in formulating and implementing accreditation policies to be followed by certification bodies for certification of safe food management systems in food businesses
- Providing necessary support to relevant authorities or agencies in formulating and monitoring the implementation of accreditation policies for food laboratories
- Monitoring laboratories involved in detecting food adulteration and determining food quality, and providing necessary advice to relevant authorities for immediate corrective measures regarding any irregularities identified during monitoring
- Determining standards and testing procedures for imported food items where such standards and procedures have not been set under existing laws, and providing necessary support to relevant authorities or agencies to ensure food quality based on those standards and procedures and monitoring implementation
- Determining procedures for food packaging and for making health, nutrition, special dietary properties, and classification claims on packaged food, and providing necessary support to relevant authorities or agencies for implementation
- Determining procedures for risk identification, analysis, communication, and management, and introducing systems for identifying emerging risks and issuing regular alerts; and
- Collecting and analyzing food samples and exchanging related information with law enforcement agencies.

Steps to be Taken by the Authority in Performing Its Assigned Duties

- Providing the government with necessary scientific advice and technical assistance in formulating food and nutrition safety policies or regulations and in amending or updating existing policies or regulations
- Searching for, collecting, and conducting comparative analysis of relevant scientific and technical information on the following matters:
  - i) Identification of health risks arising from food consumption;
  - ii) Identification of the prevalence and extent of biological hazards;
  - iii) Identification of the prevalence and extent of contamination of food items with harmful substances;
  - iv) Identification of the prevalence and extent of residues of contaminants in food items
- Taking necessary initiatives to develop risk assessment methodologies and to update or upgrade existing methods through coordination among all concerned, and monitoring implementation
- Communicating messages related to health and nutrition risks of food to the government and relevant authorities, agencies, and officials, and taking necessary measures to inform the general public
- Providing the government with necessary scientific and technical advice and assistance in implementing food safety crisis management systems
- Facilitating information exchange among authorities or agencies involved in safe food management up to the field level, cooperating in project formulation and implementation, and establishing scientific and technical cooperation networks through sharing experiences and best practices
- Providing the government with necessary scientific and technical advice and assistance in obtaining cooperation from international organizations
- Arranging training on food safety for individuals directly or indirectly involved in implementing this law and for persons engaged in food business operations
- Providing necessary support to relevant authorities or agencies to upgrade existing food and sanitary and phytosanitary standards to international standards
- Coordinating activities undertaken by government, private, and international organizations regarding food quality standards
- Establishing effective communication among authorities or agencies engaged in food testing, research, and standard-setting activities
- Determining strategies to ensure equivalence between international and domestic food quality standards
- Creating public awareness regarding safe food quality
- Performing other activities as directed by the government from time to time to fulfill the objectives of this law.

7. Bangladesh Agricultural Research Institute

The mandates of the Institute as contained in the Bangladesh Agricultural Research Institute Amendment Act. No. 14 of 1996 are to:

- Approve the course study in broad outlines;
- Undertake research to ensure a stable and productive agriculture through scientific management of land, water, evaluation of new varieties of various agricultural products and development of appropriate technologies and pest management methods
- Provide farmers with information necessary for carrying out their farming business efficiently and profitably
- Set up research centers, sub-stations, project areas and farms in different regions on various problems of agriculture
- Carry out demonstrations, tests or trials of new varieties of crops and their management practices;
- Publish annual reports, agricultural manuals, monographs, bulletins and other literatures related to crop research and activities of the Institute
- Train research and extension officers in the improved technology of crop production
- Provide post-graduate research facilities
- Organize seminars, symposia and workshops on selected problems which may afford specialists from different research institutes and stations opportunity to exchange ideas and be acquainted with the recent advancements in agriculture
- Perform such other function as may be necessary for the purpose of the Act.

8. BSTI (testing facilities)

- Issuing New or renewal CM license
- Release letter for imported products
- Chemical or physical testing service
- Weights and measures related services
- Management System Certificate (MSC) service
- Sales of Bangladesh Standard (BDS)

9. Small and Medium Enterprise (SME) Foundation

- Implement SME policy strategies taken by Bangladesh Government
- Undertake policy advocacy and interventions
- Facilitate financial access for SMEs
- Providing skill development and capacity-building trainings, supporting technology adaptation and ICT access, and delivering a wide range of business support services.
- Work for the development of enterprises and entrepreneurs who belong to micro, small and medium categories as per National Industrial Policy 2022.
- Support women entrepreneurs and integrate them into the mainstream business landscape.
- Promote the cluster-based SME development across Bangladesh, aiming to build competitive, sustainable, and inclusive industrial ecosystems throughout the country.

B. Industry Associations

1. Bangladesh Agro-Processing Association (BAPA)

- Bapa is playing an active role for skill development & food safety by arranging of meeting, training, seminar, workshop & inspirational motivation for stakeholders in agro-processing.

2. Bangladesh Frozen Food Exporters Association

Bangladesh Frozen Foods Exporters Association (BFFEA)is the only trade body for about the members of Fish processing Plants in Bangladesh.

- Promote and protect the interest of Frozen Food processors, Packers and Exporters in the Country.
- Acts as a vital link between the trade bodies and the different Government and Private Agencies.
- Establish and promote, contracts with foreign buyers, business association and the chamber of commerce and industries to develop export marketing of Frozen Foods.
- Advise the Government in relevant policy, quality control, packaging, marketing and developing the fishery industries of the Country.

3. Bangladesh Fruits, Vegetables and Allied Products Exporters Association (BFVAPEA)

- **Advocacy & Lobbying:** Influence, and advocates for a contributing to national and international agricultural especially horticultural fresh produce business environment, policies, and trade agreements on behalf of BFVAPEA members and the horticultural industry of Bangladesh.
- **Capacity Building:** Partner with related Government Ministries and different development agencies as other stakeholders to enhance capacity building of clusters farmers, exporters' members and service providers along the exportable horticultural value chain in Bangladesh.
- **Marketing:** Association has a strong link with cluster farmers and exporters and helping them to production exportable fresh fruits and vegetables follow Good Agricultural Practices (GAP), Good Hygienic Practices (GHP), and proper pre- and post-harvest management practices from production level to finally export level in Bangladesh. This is made possible through creating direct international market linkages, supporting exporter members to attend national and international agricultural trade fairs and providing timely market information.
- **Compliance & Standards:** Association has technical expert along with other stakeholders supporting exporter members to comply with national and international market requirements of importing country standard and importer private standard. Always collaborates with standard owner of import country officials and exporters, producers and government officials of Bangladesh to bring compliance closer through participation in understanding and harmonization of standards.

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