



# **Investment Climate Statement - Bangladesh**

**March 2021**

**Mizuho Bank, Ltd.**

**Global Strategic Advisory Department**

---

## **I. Country Profile**

## **II. Investment-related Information**

## **III. Establishing a Local Subsidiary**

## **IV. Regulations, Incentives, Reference Information**

## I-1. Key Economic Indicators for Asia

Country/Region	Bangladesh	Myanmar	Vietnam	Pakistan	Cambodia	India
Population (millions)	166.6	52.8	96.5	204.7	16.5	1,367.6
Nominal GDP (US\$100 million)	3,025	686	3,295	2,761	267	28,689
Real GDP growth rate (y-o-y, %)	8.2	6.5	7.0	1.9	7.0	4.2
GDP per capita (US\$)	1,816	1,299	3,416	1,349	1,620	2,098
Estimated GDP growth rate (2020, %)	3.8	2.0	1.6	-0.4	-2.8	-10.3
Credit rating (S&P) as of Oct. 2020	BB-	n.a.	BB	n.a.	n.a.	BBB-
Country/Region	Sri Lanka	Indonesia	Thailand	Malaysia	The Philippines	China
Population (millions)	21.8	266.9	69.6	32.6	107.3	1,400.1
Nominal GDP (US\$100 million)	840	11,201	5,436	3,647	3,768	147,318
Real GDP growth rate (y-o-y, %)	2.3	5.0	2.4	4.3	6.0	6.1
GDP per capita (US\$)	3,852	4,197	7,807	11,193	3,512	10,522
Estimated GDP growth rate (2020, %)	-4.6	-1.5	-7.1	-6.0	-8.3	1.9
Credit rating (S&P) as of Oct. 2020	B-	BBB	BBB+	A-	BBB+	A+

Notes: 1. Data are for 2019; italicized data are IMF estimates.

2. S&P rating criteria:

A: An obligor rated “A” has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

BBB: An obligor rated “BBB” has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments.

BB: An obligor rated “BB” is less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitments.

Source: Prepared by MHRI based on the IMF's “World Economic Outlook Database” and materials from Bloomberg

## I-2. Basic Data and Overview



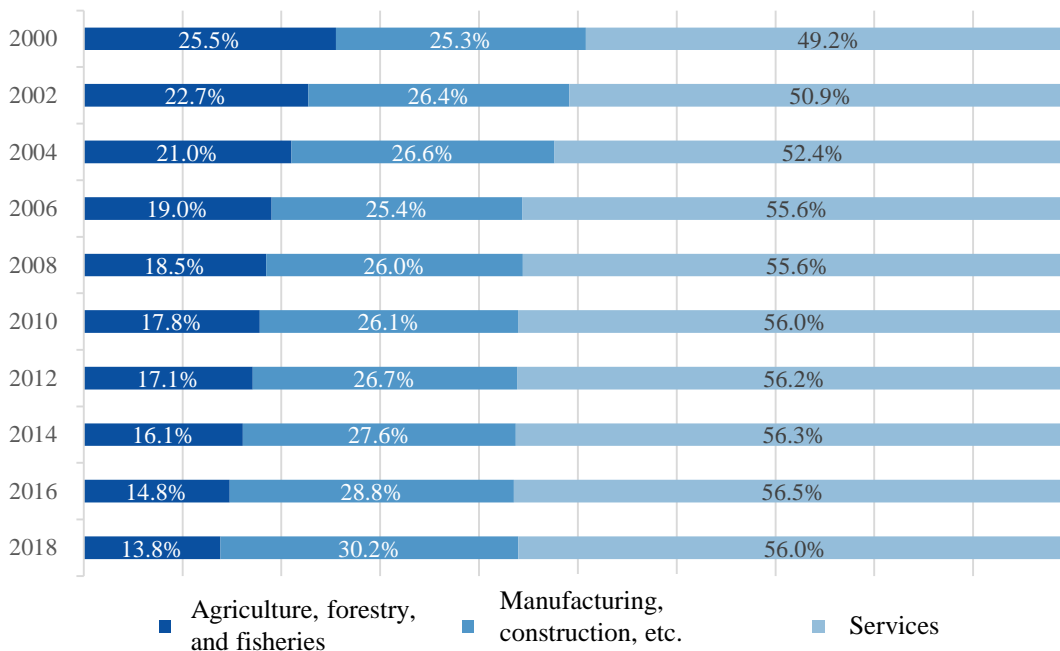
Population	166.66 million persons (2019, IMF)
Square area	147,000 Km <sup>2</sup> approx. (a quarter of Japan's size; 90% of the country is lowlands)
Capital	Dhaka (population: 20.28 million persons approx.)
Language	Bengali (national language, official language), adult literacy rate: 72.9%
Ethnicities	Bengali, 98% approx.
Religions	Islam (90% approx.), Other (10% approx.)
Currency	Taka (BDT) (1US\$ = 84.31 taka, 1JPY = 0.81 taka, as of December 2020)
Politics	Republic; Head of State: President Mohammad Abdul Hamid; Prime Minister: Sheikh Hasina (President of Awami League); Legislature: Unicameral (350 legislators total), 5-year term
History	1947: Became part of Pakistan (East Pakistan), gaining independence from India 1971: Became Bangladesh, gaining independence from Pakistan
GDP	Nominal: US\$302.5 billion; per capita: US\$1,816 (2019, IMF) Real GDP growth rate: +8.2% (2019, IMF)
Major industries	Clothing, sewing industry
Degree of risk	Dhaka Division and Chittagong Hills (Level 2: Continued) All of Bangladesh, except the above (Level 1: Reduced)
Other	Recognized as a Least Developed Country

Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials from the Ministry of Foreign Affairs and JETRO

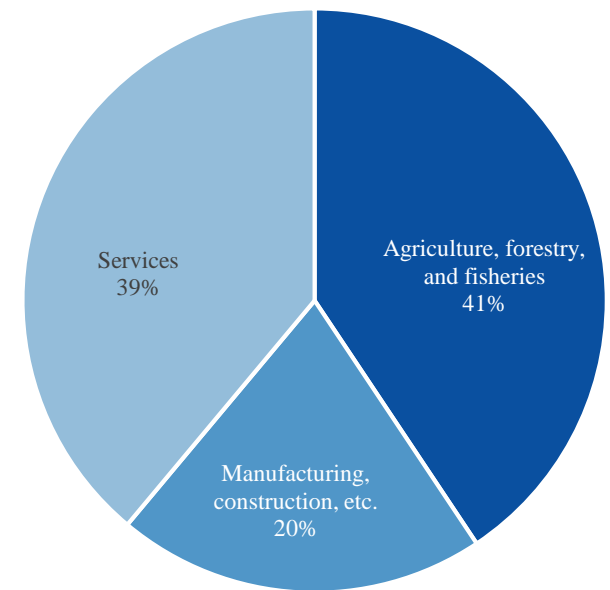
# I-3. Economic Structure (Industry/Trade) (1): Industrial Structure

- While agriculture comprises approximately 14% of the GDP, it employs approximately 40% of the working population. Agriculture is a source of employment.
- The largest agricultural product is rice. However, irrigation equipment is not widespread, and the country is subject to flooding and cyclones.
- The textile industry which produces off-the-rack clothing and knit products is a key industry that accounts for 90% of exports. In addition, development is visible in agricultural fertilizer manufacturing and the pharmaceutical sector.
- The service industry, which accounts for half the GDP, is mainly wholesale, retail, and ICT, for which there is a nationwide effort to train workers.

**GDP Composition by Industry**



**Working Population by Industry (%) (2017)**

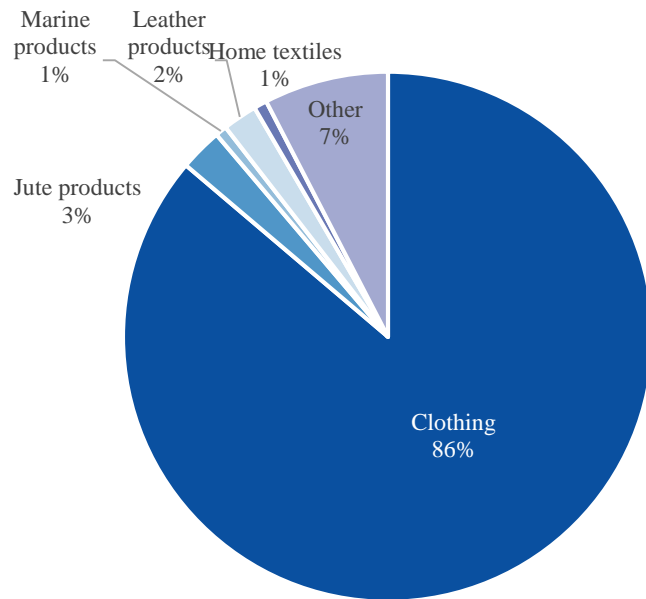


Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials of the Asian Development Bank

## I-3. Economic Structure (Industry/Trade) (2): Export Structure

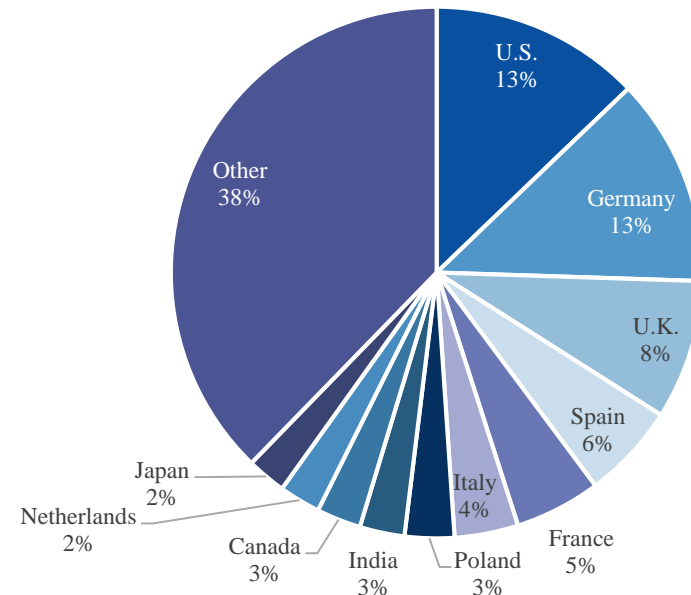
- Approximately 90% of export items is clothing-related (particularly fabric and knit products).
- The export destination countries which account for approximately 60% of exports are the US, Germany, and the UK. One reason for this may be their exemptions on custom duties under the Generalized System of Preferences (GSP).

**Breakdown of Exports by Goods (2019)**



Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials from the Ministry of Foreign Affairs

**Breakdown of Exports by Country/Region (2019)**

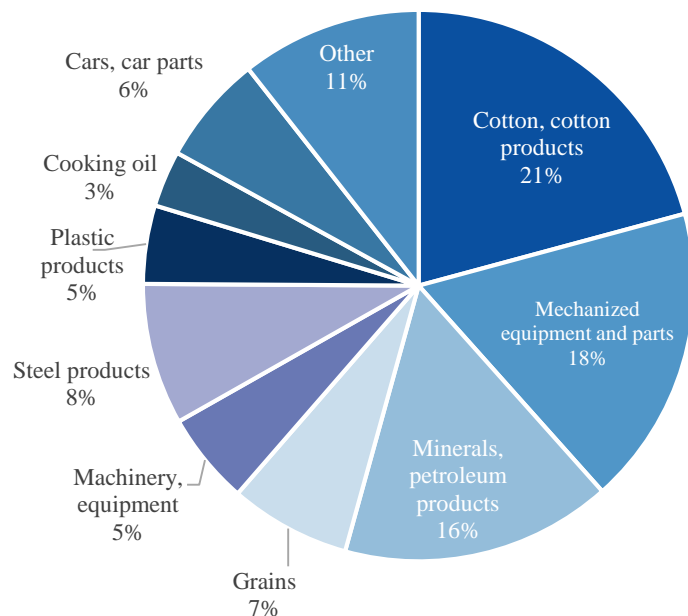


Source: Prepared by MHBK's Global Strategic Advisory Dept. based on the IMF's "Direction of Trade Statistics"

## I-3. Economic Structure (Industry/Trade) (3): Import Structure

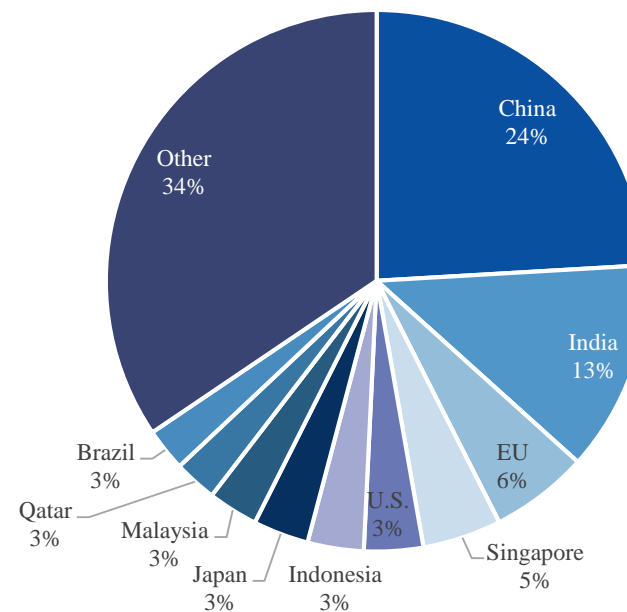
- Bangladesh imports capital goods such as clothing materials and related equipment from neighboring Asian countries such as China and India. After processing them, Bangladesh exports to Europe and the US.
- Due to increased demand for capital investment and infrastructure development, there is an increase in imports of mechanical equipment and steel/metals which are difficult to produce in Bangladesh as well as petroleum products necessary for infrastructure for daily living.

### Breakdown of Imports by Goods (2019)



Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials from the Ministry of Foreign Affairs

### Breakdown of Imports by Country/Region (2019)



Source: Prepared by MHBK's Global Strategic Advisory Dept. based on the IMF's "Direction of Trade Statistics"

## I-4. Social, Economic and Industry Characteristics

- Social development is Bangladesh's most important policy issue. Bangladesh aims to join the ranks of developed countries in 2041 by raising the level of its society.
- The UN positively evaluated the strong outcomes in the Millennium Development Goals (MDGs) which were set as goals to be achieved by 2015. Bangladesh has begun full-scale efforts to achieve the Sustainable Development Goals (SDGs) which have been newly introduced.

### Economics

- Bangladesh is one of the next 11 countries following the BRICs. With its cheap and abundant labor force, it is attracting attention as a place for implementation of the China Plus One strategy.
- The real GDP growth rate has been stable at over 5% for the past 10 years, reaching a high of 8.2% in FY2019.

### Politics

- In July 2016, a terrorist attack occurred at a restaurant in Dhaka. After that, the extremist organizations were thoroughly wiped out.
- In January 2019, Prime Minister Sheikh Hasina launched a new cabinet. Ms. Hasina was appointed as prime minister for her third consecutive term and her fourth in total.
- In December 2020, Rohingya refugees were transferred to uninhabited islands that may be flooded by cyclones. Challenges are posed by the difficulty of finding exit strategies for the Rohingya issue and how to strengthen support for the host communities.

### Foreign diplomacy

- When Bangladesh became independent, Japan was the first developed country to recognize its independence, and with Bangladesh taking a pro-Japanese stance, the friendly relationship has continued. Japan is the largest ODA country and is positioned as a useful partner for Bangladesh, which has poor infrastructure.
- In October 2016, Xi Jinping, General Secretary of the Chinese Communist Party, visited Bangladesh, and Bangladesh's relationship with China rapidly strengthened. China promised economic cooperation focused on infrastructure development, including power plants and railway/road networks, based on China's Belt and Road Initiative.
- In April 2017, Prime Minister Hasina made an official visit to India for the first time in seven years. To strengthen the two countries' relationship, India's Prime Minister Modi promised an additional US\$5 billion in assistance, including defense-related cooperation, peaceful use of nuclear energy, and US\$500 million in military spending.

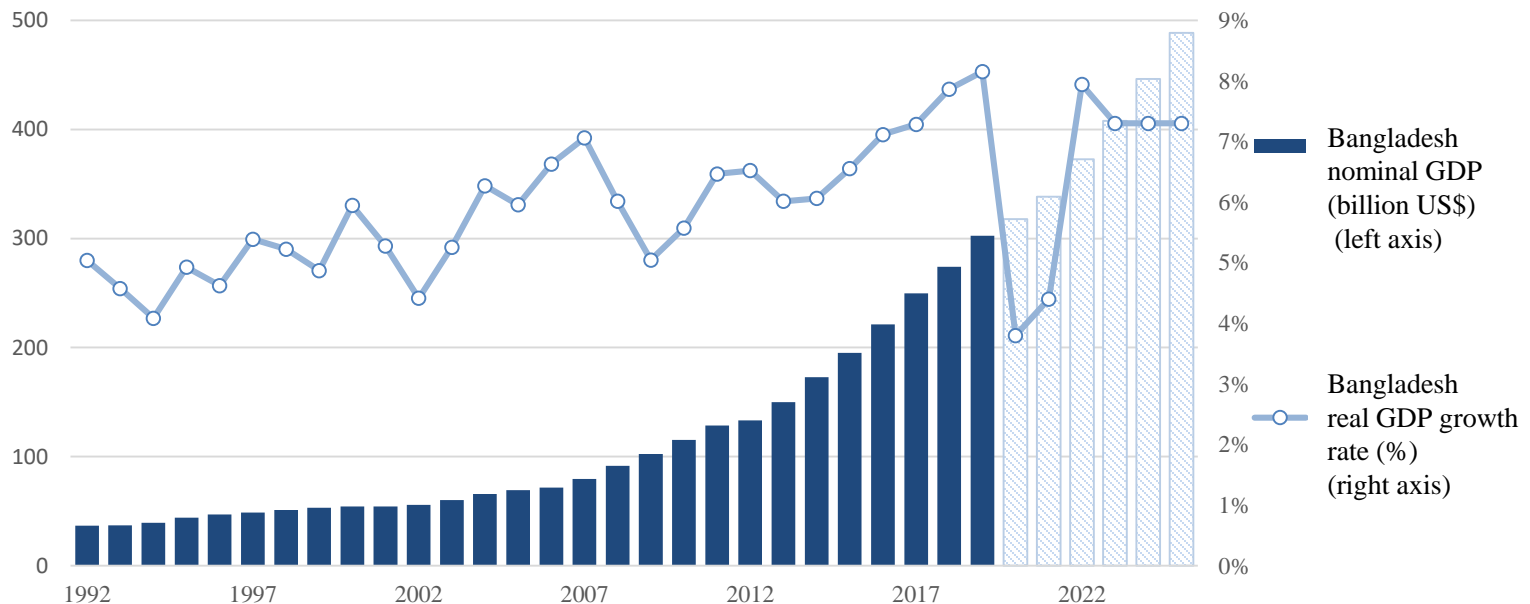
Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials from the Ministry of Foreign Affairs and various reports



## I-5. Economic Environment (1): Mid- to Long-term Growth Trends

- Since the 1990s, the government has implemented economic restructuring consisting of deregulation and incentives to promote private investments, with priority placed on development of the export industry. The real GDP growth rate averaged 4.8% during the 1990s and rose to an average of 5.8% during the first decade of the 2000s.
- The high economic growth rate since 2003 is a result of the expansion of domestic demand accompanying increased exports, mainly of textile products, and the increased inflow of remittances from Bangladeshi workers overseas.
- The real GDP growth rate in 2019 was 8.2% due to robust domestic demand from the population of 160 million people and steady clothing exports. In 2020, the GDP growth rate is forecast to decline significantly due to the impact of the COVID-19 pandemic.

### Trends in Nominal GDP and Real GDP Growth Rates

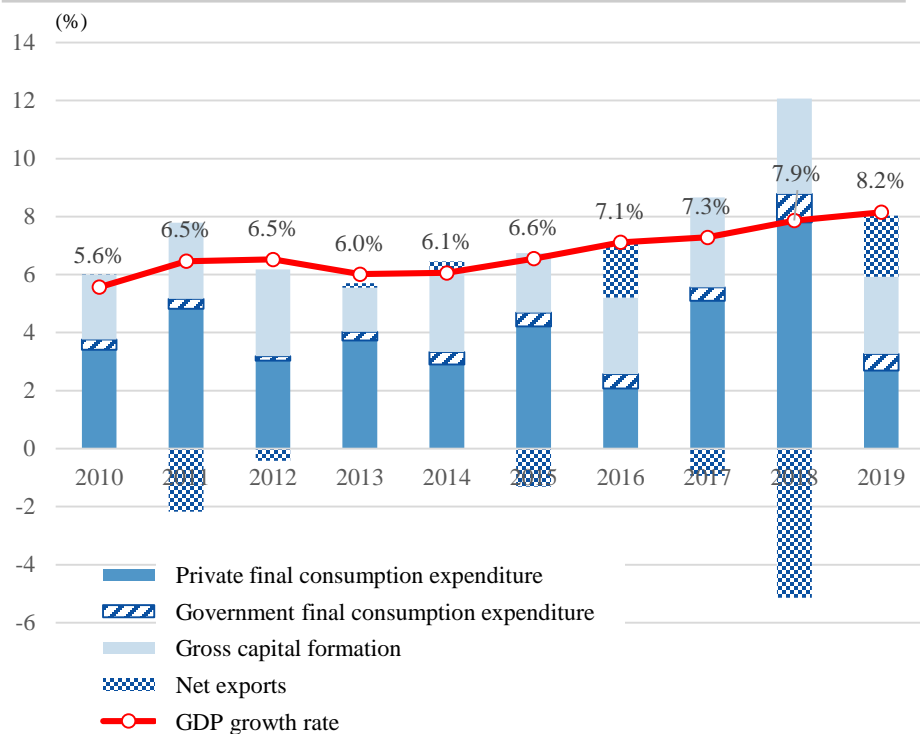


Source: Prepared by MHBK's Global Strategic Advisory Dept. based on the IMF's "World Economic Outlook Database"

# I-5. Economic Environment (2): Real GDP Growth Rate and Taka Exchange Rate

- In 2019, supported by growth of clothing exports and solid domestic demand, the real GDP growth rate reached a record 8.2%. In 2020, in part because the impact of the COVID-19 pandemic on private consumption was limited, the real GDP growth rate is expected to remain positive.
- The central bank conducts currency interventions with the intention of maintaining a stable exchange rate for the Bangladeshi currency, the taka, vis-à-vis the US dollar. In the long term, the trend of taka depreciation continues.

### Real GDP Growth Rate (by demand type)



Source: Prepared by MHBK's Global Strategic Advisory Dept. based on the UN's National Accounts

### Bangladeshi Taka Exchange Rate (BDT/USD)

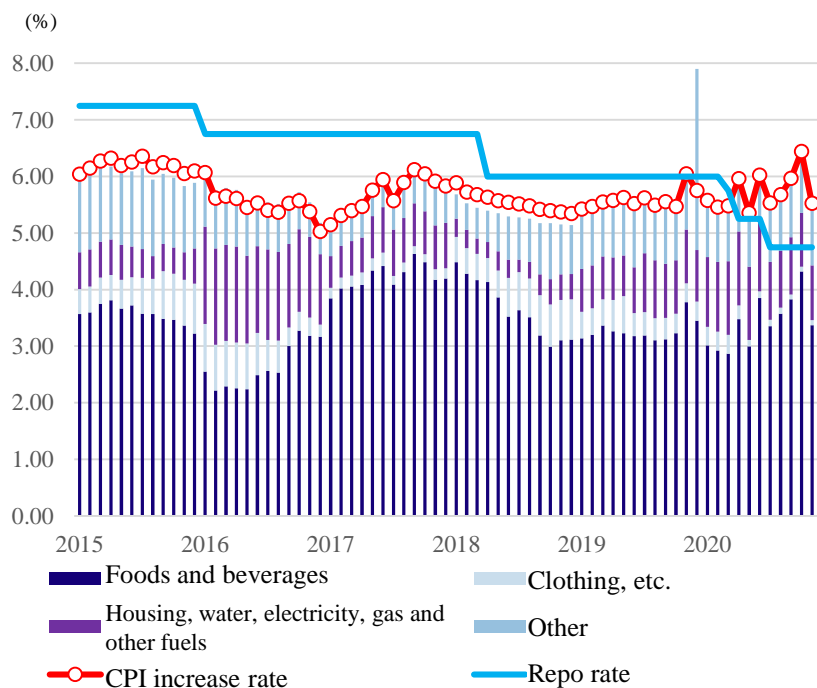


Source: Prepared by MHBK's Global Strategic Advisory Dept. based on the IMF's "International Financial Statistics"

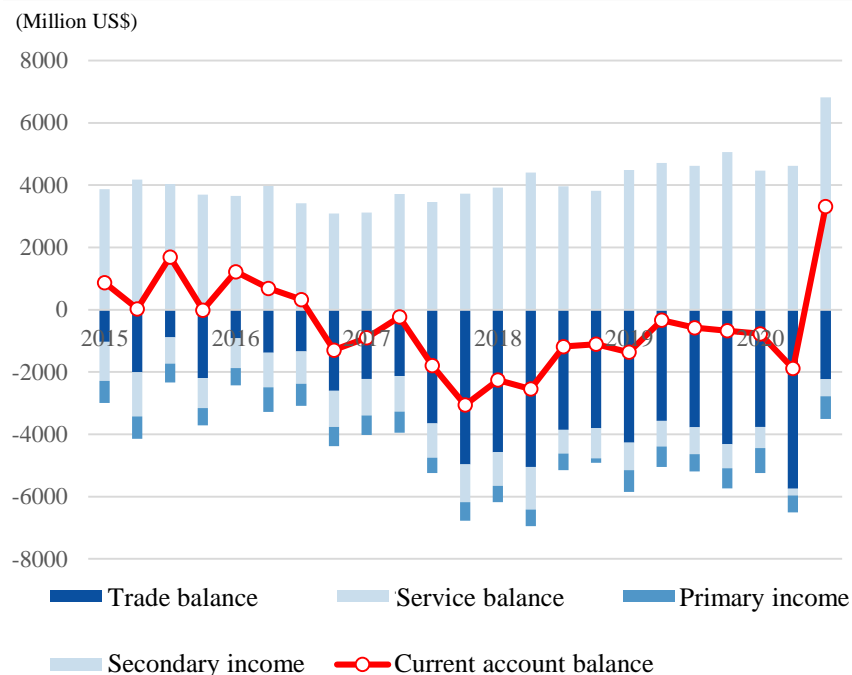
## I-5. Economic Environment (3): Consumer Price Index (CPI) and Current Account Balance

- The FY2019 CPI rate of increase was 5.6%. In 2020, the CPI increase rate declined due to the impact of the COVID-19 pandemic, overproduction of agricultural products, and the global decline in oil prices.
- The current account balance is structured such that the deficit due to the negative trade balance is offset by family-to-family remittances and ODA. In FY2020 (July–November), because of the combined effects of the significant increase in family-to-family remittances and the shrinking of the trade deficit due to the impact of the COVID-19 pandemic, there was a current account surplus.

### CPI Rate of Increase (contribution by sector)



### Current Account Balance



Source: Prepared by MHBK's Global Strategic Advisory Dept. based on the IMF's "International Financial Statistics"

Source: Prepared by MHBK's Global Strategic Advisory Dept. based on the IMF's "BOP/IIP"

## I-6. Political Situation

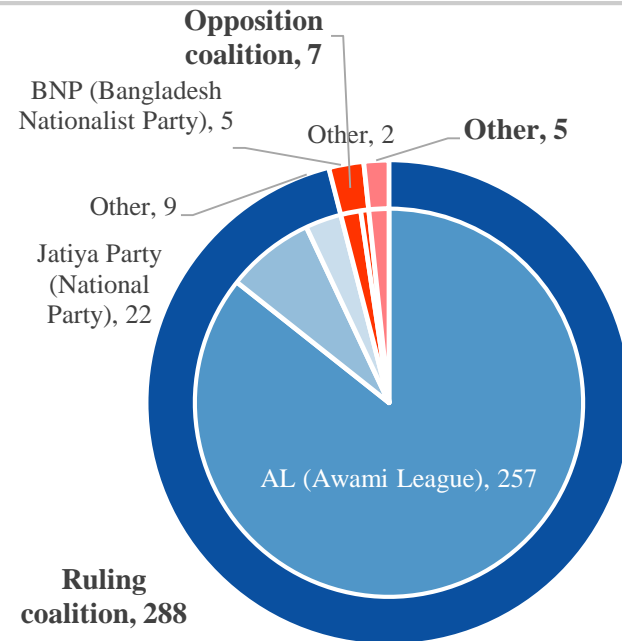
- In the general election held in December 2018, the ruling Awami League (AL) overwhelmed the Bangladesh Nationalist Party (BNP). With over 95% of seats held by the ruling coalition and 85% held by AL alone, it essentially became a one-party dictatorship.
- AL traces back to Sheikh Mujibur Rahman, who is known as the “Father of the Nation,” and is currently headed by Prime Minister Hasina, the eldest daughter of Mujibur. Hasina, who has held office since 2009, will be the first prime minister in Bangladesh's history to hold a third consecutive term.

### Structure of Bangladesh's Parliament

Unicameral	<ul style="list-style-type: none"> <li>▪ 5-year term</li> <li>▪ 350 seats</li> </ul> <p>300 seats: Single member districts 50 seats (reserved for women): Proportional representation</p>
------------	---

Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials from Japan's Ministry of Foreign Affairs

### Results of December 2018 General Election

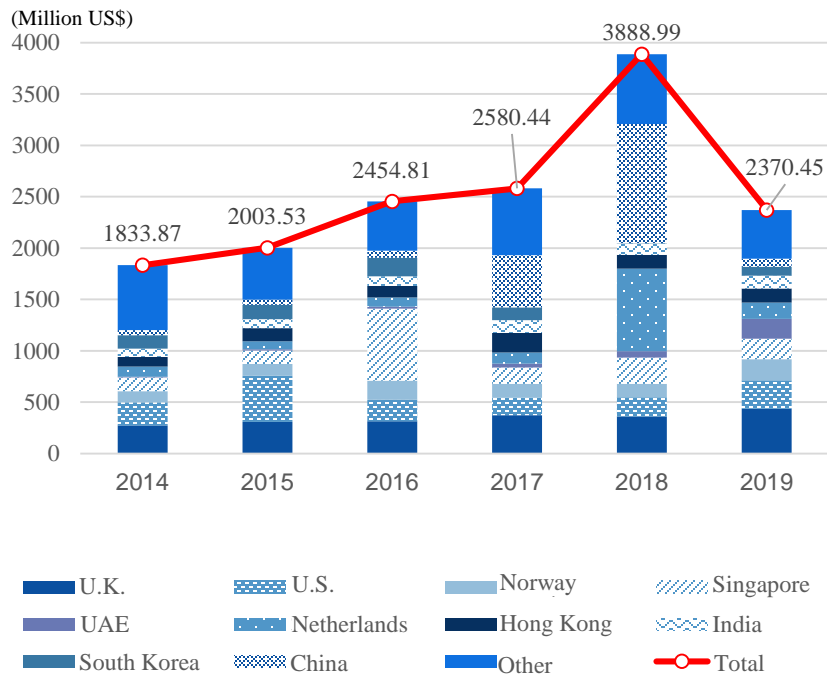


Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials from JETRO

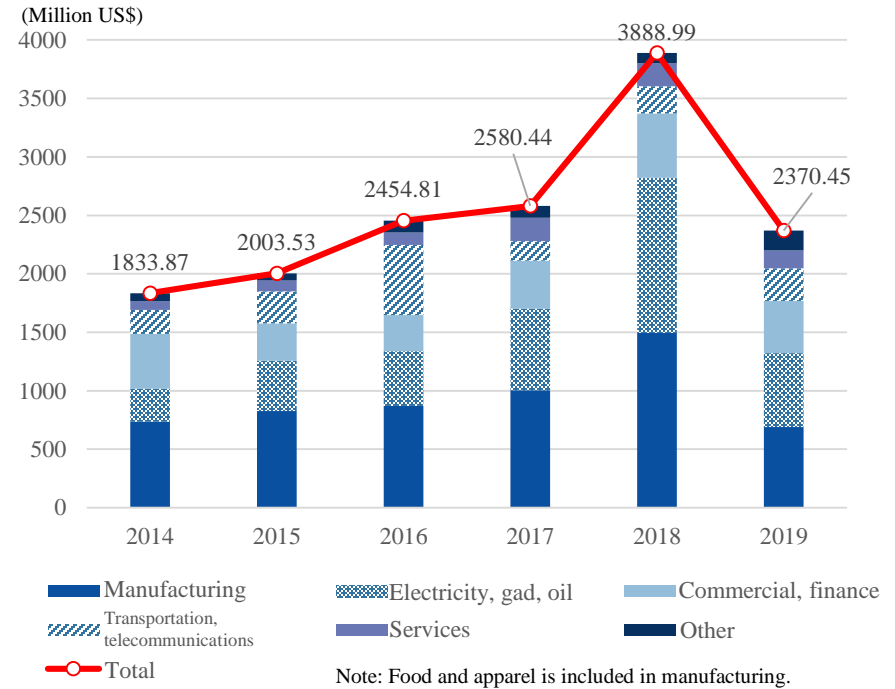
# I-7. Direct Investment Trends: Inward Investment

- In 2018, inward investment increased due to investment from China against the backdrop of economic cooperation of approximately US\$40 billion and Japan Tobacco's acquisition of the tobacco business of the local Akij Group, a major industrial conglomerate, via a Dutch intermediate holding company.
- In FY2019 (July 2019–June 2020), inward investment was only US\$2.37 billion, which was slightly less than in 2017 due in part to the impact of the COVID-19 pandemic.

## Trends by Country/Region



## Trends by Industry



Source: Prepared by MHBK's Global Strategic Advisory Dept. based on Bangladesh Bank's "Foreign Direct Investment and External Debt"

## I-8. Potential as an Investment Destination

- Bangladesh is attracting attention, particularly from the garment industry, as an export base and consignment production base for labor-intensive industries that are aiming for a cheap and abundant labor force.
- In recent years, there have been conspicuous entries by industries supplying domestic demand and aimed at the huge market approaching 200 million people, but policy issues such as high custom duties remain.
- Entries by infrastructure-related companies involved in Japanese ODA are currently increasing.

### Attractiveness of Investing

Domestic market	<ul style="list-style-type: none"> <li>• Abundant population (160 million) and expansion of domestic demand due to rising incomes</li> <li>• Undeveloped market for foreign capital including Japanese capital</li> </ul>
Human resources	<ul style="list-style-type: none"> <li>• Cheap and abundant labor force</li> <li>• English-speaking environment</li> </ul>
Foreign relations	<ul style="list-style-type: none"> <li>• Pro-Japanese national sentiment</li> </ul>
Industry	<ul style="list-style-type: none"> <li>• Textile industry with a solid foundation</li> </ul>

### Investment Considerations (issues)

Infrastructure	<ul style="list-style-type: none"> <li>• Underdeveloped infrastructure, traffic congestion</li> </ul>
	<ul style="list-style-type: none"> <li>• Unstable power and water supply</li> <li>• Depletion of natural gas</li> </ul>
Society, politics, etc.	<ul style="list-style-type: none"> <li>• Already difficult to enter major EPZs</li> <li>• Other EPZs need access improvement</li> </ul>
	<ul style="list-style-type: none"> <li>• Political instability, deteriorating security</li> </ul>
	<ul style="list-style-type: none"> <li>• Lack of skilled workers</li> </ul>
	<ul style="list-style-type: none"> <li>• Fragility of governance and compliance</li> </ul>

Source: Prepared by MHBK's Global Strategic Advisory Dept. based on various materials

---

**I. Country Profile**

**II. Investment-related Information**

**III. Establishing a Local Subsidiary**

**IV. Regulations, Incentives, Reference Information**

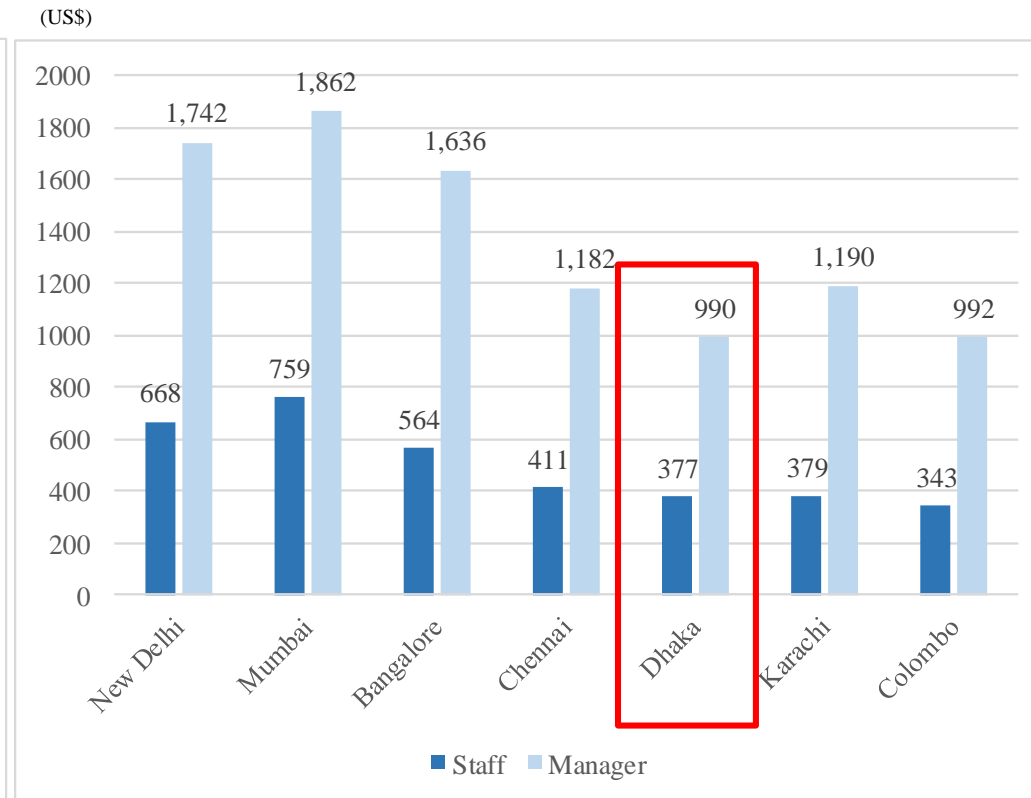
## II-1. Labor-related Information: Labor Cost

- Manufacturing workers' wages in Dhaka, at US\$109 per month, are well below India and are low compared to other major South Asian countries. Non-manufacturing wages are slightly below those in Chennai, India.

### Manufacturing Wage Comparison (monthly)



### Non-manufacturing Wage Comparison (monthly)

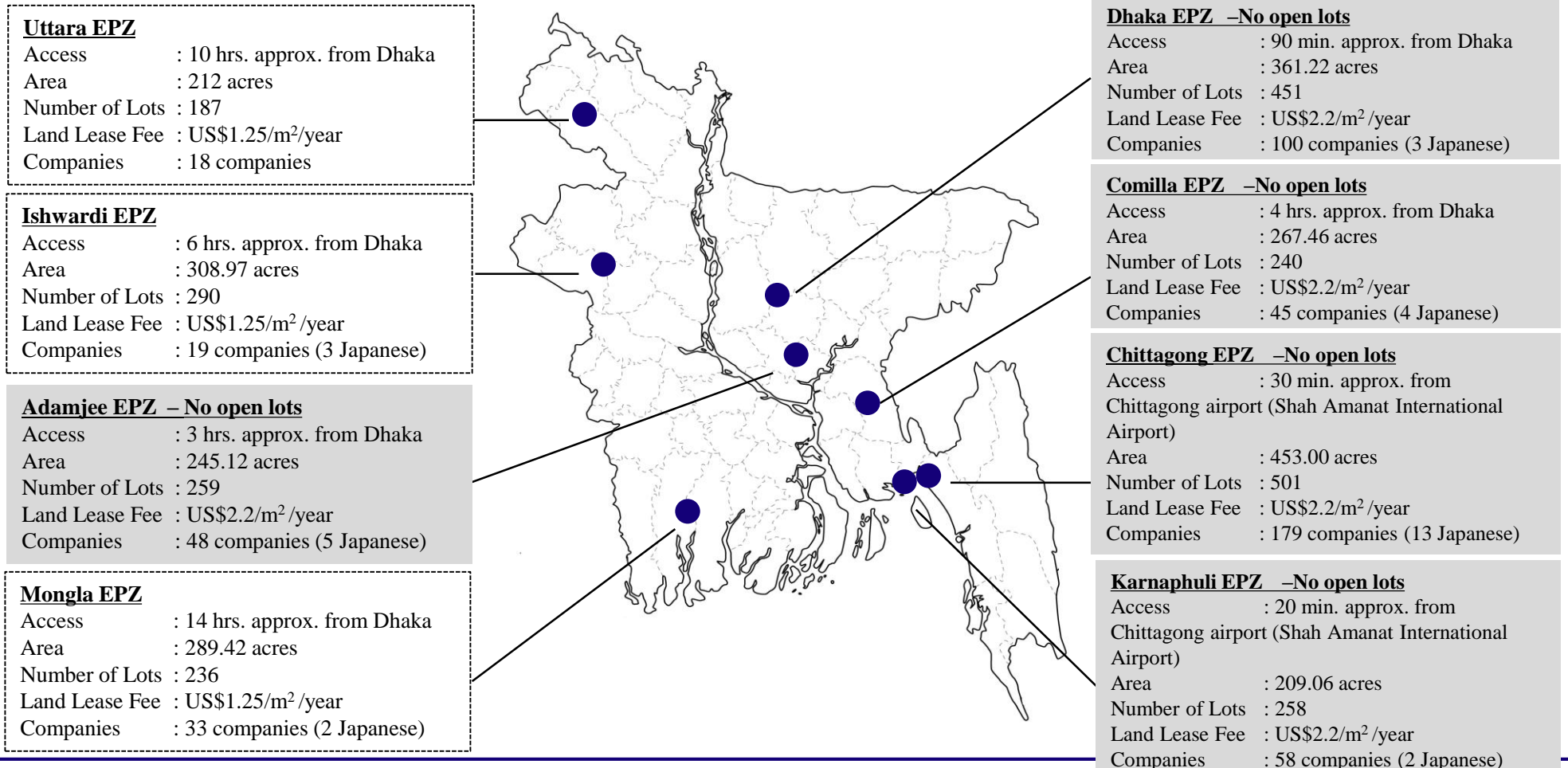


Source: Prepared by MHBK's Global Strategic Advisory Dept. based on JETRO's "Comparative Survey of Investment-Related Costs in Major Cities and Regions" (as of December 2020)



## II-2. Key Industrial Parks/SEZs: Export Processing Zones (EPZs)

- There are eight special economic zones for exports developed and operated by the Bangladeshi government. The EPZs near Dhaka and Chittagong has no vacant lots due to their abundant investment incentives and persistent popularity.
- About half of the 60 Japanese manufacturing companies that have expanded into Bangladesh have invested in an EPZ.



Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials from BEPZA and JETRO (as of August 2020)

## II-3. Tax-related Information (1): Direct Taxes

- Tax rates change frequently and need to be confirmed each time.

Corporate Income Tax	Target Industries	Tax Rates for Listed Companies	Tax Rates for Unlisted Companies
	Listed/unlisted companies (excluding the following)	25%	32.5%
	Mobile communications industry	40%	45%
	Finance and insurance industries	37.5%	40%
	Commercial banks	37.5%	37.5%
	Tobacco manufacturing industry	45%	45%

If an unlisted company transfers at least 20% of its capital stock for an initial public offering (IPO), the corporate tax will be reduced by 10% for the fiscal year.

Personal Income Tax	Men Under 65	Men 65 and Older and Women	Tax Rates
	300,000 taka or less	350,000 taka or less	No tax
	Over 300,000 to 400,000 taka	Over 350,000 to 450,000 taka	5%
	Over 400,000 to 700,000 taka	Over 450,000 to 750,000 taka	10%
	Over 700,000 to 1.10 million taka	Over 750,000 to 1.15 million taka	15%
	Over 1.10 million taka to 1.60 million taka	Over 1.15 million taka to 1.65 million taka	20%
Over 1.60 million taka	Over 1.65 million taka	25%	

Divided into 6 levels according to the annual income. Minimum tax amount is 5,000 taka.

Withholding Tax	Types of Payments	Applicable Tax Rates	Limited Rates of Taxation According to Tax Treaties
	Interest	10%	10%
	Dividends	20%	15%
	Royalties, technical fees	10%	10%
	Salary, compensation	Progressive taxation	—

A convention for the avoidance of double taxation was concluded between Bangladesh and Japan in February 1991.

Source: Prepared by MHBK's Global Strategic Advisory Dept. based on various materials (as of February 2021)

## II-3. Tax-related Information (2): Indirect Taxes

- Tax rates change frequently and need to be confirmed each time.

### VAT

- ✓ Basically, VAT is 15%, but there are several cases in which VAT varies.

Target Services	Tax Rate
Expenditures at air-conditioned restaurants	15%
Purchases of clothing	5%
Purchases at supermarkets	5%
Garages and car repair, shipyards, freight and transportation contractors (except for petroleum products)	10%
Construction companies, furniture manufacturers, and credit rating companies	7.5%
Furniture logistics, procurement providers, freight and transportation contractors (petroleum products), purchases of products through bidding, IT support services	5%
Land development	2%

### Custom Duties

- ✓ Supplementary tax, VAT, etc., is added depending on the item.

Taxable Items	Tax Rate	Notes
General taxation	0–25%	Divided into 5 levels
Adjusted tax	3–35%	Some items are not taxed
Supplementary tax	10–500%	Tax rates are high for items subject to local industry protection (e.g., vacuum cleaners 61%, refrigerators 108%, TVs 61%, fruit juice beverages 108%, instant noodles 155%). Some items are not taxed.
VAT	15%	Some items are not taxed
Prepaid income tax	2% or 5%	Some items are not taxed
Prepaid tax	5%	All items are subject to tax

Source: Prepared by MHBK's Global Strategic Advisory Dept. based on various materials (as of February 2021)

## II-4. Information on Logistics

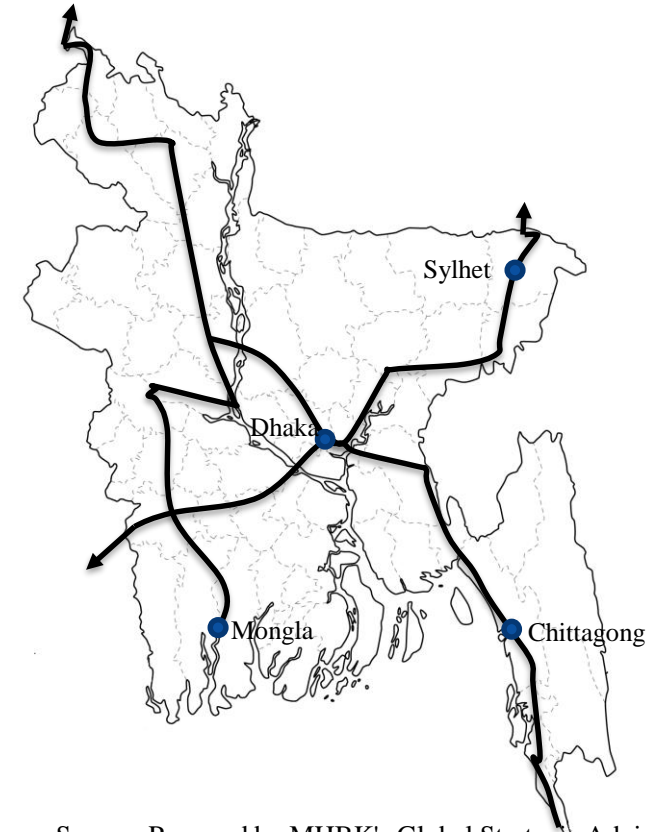
- Although major cities are connected by roads and railroads, it takes a long time to move and transport goods, especially in the city of Dhaka and between Dhaka and Chittagong due to traffic congestion and traffic restrictions.

### Domestic Logistics Environment

Roads	<ul style="list-style-type: none"> <li>• The ports and business centers are nearly all connected by regular roads.</li> <li>• Congestion is particularly heavy in the city of Dhaka and between Dhaka and Chittagong.</li> </ul>
Railways	<ul style="list-style-type: none"> <li>• The railway network is about 2,800 km.</li> <li>• Rail container service is available between Dhaka and Chittagong.</li> <li>• There is a railroad between Dhaka and Kolkata.</li> </ul>
Air	<ul style="list-style-type: none"> <li>• There are three international airports: Dhaka, Chittagong, and Sylhet.</li> <li>• Flights operate from Dhaka to major cities around the world. There are no direct flights to Japan; travel to Japan is via Hong Kong, Thailand, Singapore, etc.</li> <li>• Local airlines operate between Dhaka and Chittagong.</li> </ul>
Shipping	<ul style="list-style-type: none"> <li>• There are ports in two cities, Chittagong and Mongla.</li> <li>• Most of the commercial use is at Chittagong Port. The water is shallow, and large ships cannot enter the port.</li> </ul>

Source: Prepared by MHBK's Global Strategic Advisory Dept. based on various materials

### Bangladesh's Asian Highway Routes



Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials from the Ministry of Land, Infrastructure, Transport and Tourism

---

**I. Country Profile**

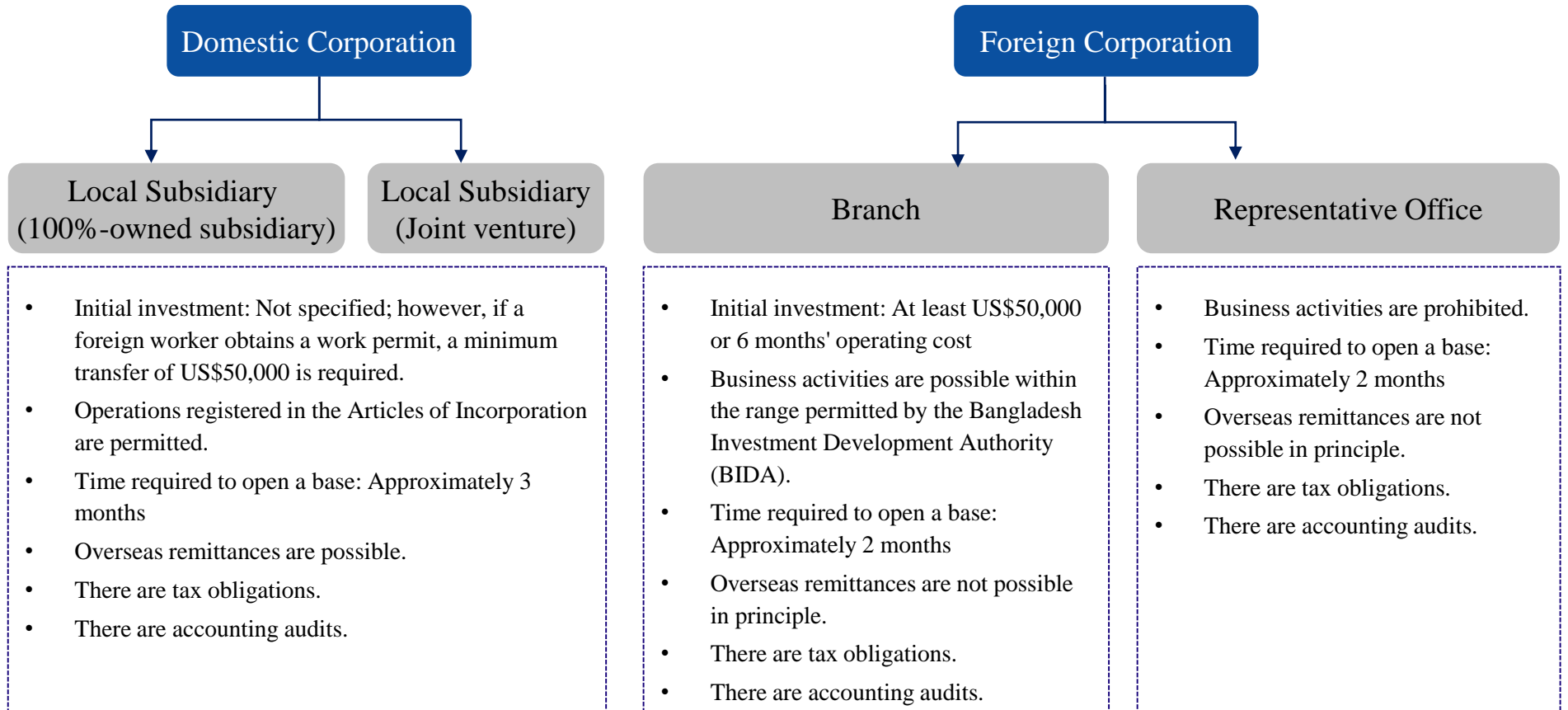
**II. Investment-related Information**

**III. Establishing a Local Subsidiary**

**IV. Regulations, Incentives, Reference Information**

## III-1. Business Models

- There are three ways to establish a base in Bangladesh: a local subsidiary, a branch, or a representative office.
- The initial validity period of approval to open a branch or representative office is three years, and the period can be renewed every two years thereafter.



Source: Prepared by MHBK's Global Strategic Advisory Dept. based on various materials

---

**I. Country Profile**

**II. Investment-related Information**

**III. Establishing a Local Subsidiary**

**IV. Regulations, Incentives, Reference Information**

# IV-1. Regulations for Foreign Investors (1): Prohibited Industries and Regulated Industries

- For regulated industries, approval of businesses, mainly by the government, is required. Foreign capital joint ventures are possible in both the private and public sectors.
- In principle, 100% foreign capital is possible, but depending on the type of industry, there are restrictions on the amount of investment and the investment ratio.

## Prohibited Industries (4 industries)

1. Weapons, ammunition, military equipment
2. Nuclear power
3. Logging of timber by mechanical methods in afforested and forest conservation areas
4. Banknote printing/minting

## Regulated Industries (22 industries)

1. Deep sea fishery
2. Banking/financial industry
3. Insurance industry -Foreign investment ratio up to 60%
4. Electric power-related industries
5. Surveying, mining, and supplying natural gas and oil
6. Surveying, mining, and supplying coal
7. Other mineral resources-related industries
8. Large-scale infrastructure industry
9. Oil refining
10. SMEs and large companies that use gas and mineral resources as raw materials
11. Communication services
12. Satellite broadcasting services
13. Air passenger/transportation industry
14. Shipping industry
15. Port construction
16. Voip/IP phone services
17. Industries that uses heavy metals collected in coastal areas
18. Explosives manufacturing industry
19. Acid manufacturing industry
20. Chemical fertilizer manufacturing industry
21. Industrial sludge and industries that use sludge as raw material
22. Quarrying industry

Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials from JETRO



## IV-1. Regulations for Foreign Investors (2): Other

Capital Regulations	<ul style="list-style-type: none"><li>✓ In principle, there is no minimum paid-in capital regulation for industries other than the financial industry. However, for the financial industry, the minimum amount of capital is set as follows. The financial industry requires a special government permit.<ul style="list-style-type: none"><li>• Banks: 4 billion taka</li><li>• General insurance companies: 400 million taka</li><li>• Life insurance companies: 300 million taka</li><li>• Other special insurance companies: 15 million taka</li><li>• Other financial institutions: 1 billion taka</li></ul></li><li>✓ Issuance of new shares by in-kind investment is also permitted, and there are cases where foreign investors invest in machinery and equipment in-kind.</li></ul>
Regulations on Employment of Foreign Persons	<ul style="list-style-type: none"><li>✓ The ratio of foreigners to the total number of employees including management should not exceed 5% (1:20) in the manufacturing industry and 20% (1:5) in the service industry.</li></ul>
Obligation to Hire Local Persons	<ul style="list-style-type: none"><li>✓ According to the screening criteria of the Bangladeshi government for foreign investment applications, the guideline for employment of Bangladeshi people is 20 or more per foreigner in the manufacturing industry and 5 or more per foreigner in the commercial sector.</li></ul>

Source: Prepared by MHBK's Global Strategic Advisory Dept. based on materials from JETRO, BOI, and BEPZA

## IV-3. Real Estate Regulations

- The State Acquisition and Tenancy Act (1950) stipulates regulations regarding the ownership of land by individuals and businesses.

<p>Ownership of Real Estate</p>	<ul style="list-style-type: none"> <li>✓ Ownership of private land and real estate is recognized. In actual operation, the State Acquisition and Tenancy Act (1950) prohibits certain individuals and companies from owning more than 33 acres of land. Similarly, usage of another person as the land titleholder is prohibited.</li> <li>✓ The Land Reforms Ordinance (1984) stipulates 21 acres as the upper limit of land acquisition in the case of agricultural land acquisition.</li> <li>✓ Special land can be acquired from the government for registered industrial projects.</li> </ul>
<p>Ownership of Foreign Companies</p>	<ul style="list-style-type: none"> <li>✓ Even a foreign company can own the land if it is registered as a company. The procedure for purchasing land is as follows. <ul style="list-style-type: none"> <li>• Purchase revenue stamps equivalent to 3%–5% of the total land cost (varies depending on location).</li> <li>• Pay tax equivalent to 3%–5% of the total land cost.</li> <li>• Deposit 1% to 4% of the total land cost as a registration fee.</li> </ul> </li> <li>✓ Only 30-year long-term use rights are granted for Export Processing Zones (EPZs). The usage fees per square meter (as of August 2020) are as follows. <ul style="list-style-type: none"> <li>• Chittagong EPZ, Dhaka EPZ, Comilla EPZ, Adamjee EPZ, Karnaphuli EPZ: US\$2.20/year</li> <li>• Mongla EPZ, Ishwardi EPZ, Uttara EPZ: US\$1.25/year</li> <li>• Rental factory in EPZ: US\$1.60–US\$2.75/month</li> </ul> </li> </ul>
<p>Foreign Ownership</p>	<ul style="list-style-type: none"> <li>✓ Foreigners are not allowed to own land.</li> </ul>

Source: Prepared by MHBK's Global Strategic Advisory Dept. based on Japan's Ministry of Land, Infrastructure, Transport and Tourism's "Overseas Construction And Real Estate Market Database"

© 2021 Mizuho Bank, Ltd.

These materials have been prepared solely for the purpose of providing information relating to financial solutions, and are not intended to induce or introduce readers to engage in any particular financial transaction. Nor do they assume any transaction with any Mizuho Financial Group company.

These materials have been prepared based on information adjudged to be reliable and accurate, but Mizuho Bank, Ltd., does not guarantee its reliability or accuracy. Readers are requested to exercise their own judgment when using these materials and, if necessary, to consult with lawyers, certified public accountants, tax accountants, and other experts in this regard.

The entire content of these materials is subject to the copyright of Mizuho Bank, Ltd., with all rights reserved. Accordingly, these materials, in whole or in part, may not be (i) copied, photo copied, or reproduced in any other means, or (ii) redistributed without written consent of Mizuho Bank, Ltd