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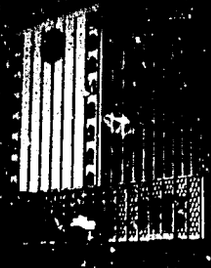
BANGLADESH

A WELCOME CHOICE FOR INVESTMENTS



Bangladesh United States Business Council

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September 1990

B·A·N·G·L·A·D·E·S·H

A WELCOME CHOICE FOR INVESTMENTS

Bangladesh features:

- a modestly growing economy;
- natural resources including rich alluvial soil, plentiful fish and seafood, natural gas, oil and mineral reserves;
- a pool of able workers at competitive wage rates;
- liberalized investment policies; and
- a prime location at the crossroads of Asia-Pacific markets.

These factors make the country attractive to businesses looking for a suitable investment in a location that promises continued economic growth for the 21st century.

Businesses who wish to lower their production costs and gain access to growing Far Eastern markets are finding multiple reasons to choose Bangladesh.

Nearly surrounded by India, Bangladesh, a country the size of Wisconsin (144,000 square miles), won independence from Pakistan in 1971. Today, nearly 60 percent of its people depend on agriculture for their livelihoods, though a growing number are involved in manufacturing and industry.

In the past decade, many small industries have started operations there, as have larger chemical and textile operations. More recently, Bangladesh has become an important exporter of ready-made garments, frozen seafood and leather hides.

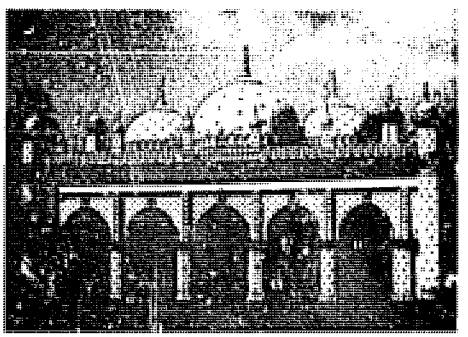
A Climate Conducive to Investment Growth

In recent years, the Bangladesh government liberalized its investment policies to attract capital and know-how from around the world. As well, in 1989, Bangladesh established a Board of Investment (BOI) to provide one-stop-service for investors.

Investment Focus

The government especially welcomes investment capital which results in:

- technology transfer;
- export market expansion and diversification; and
- skills development.

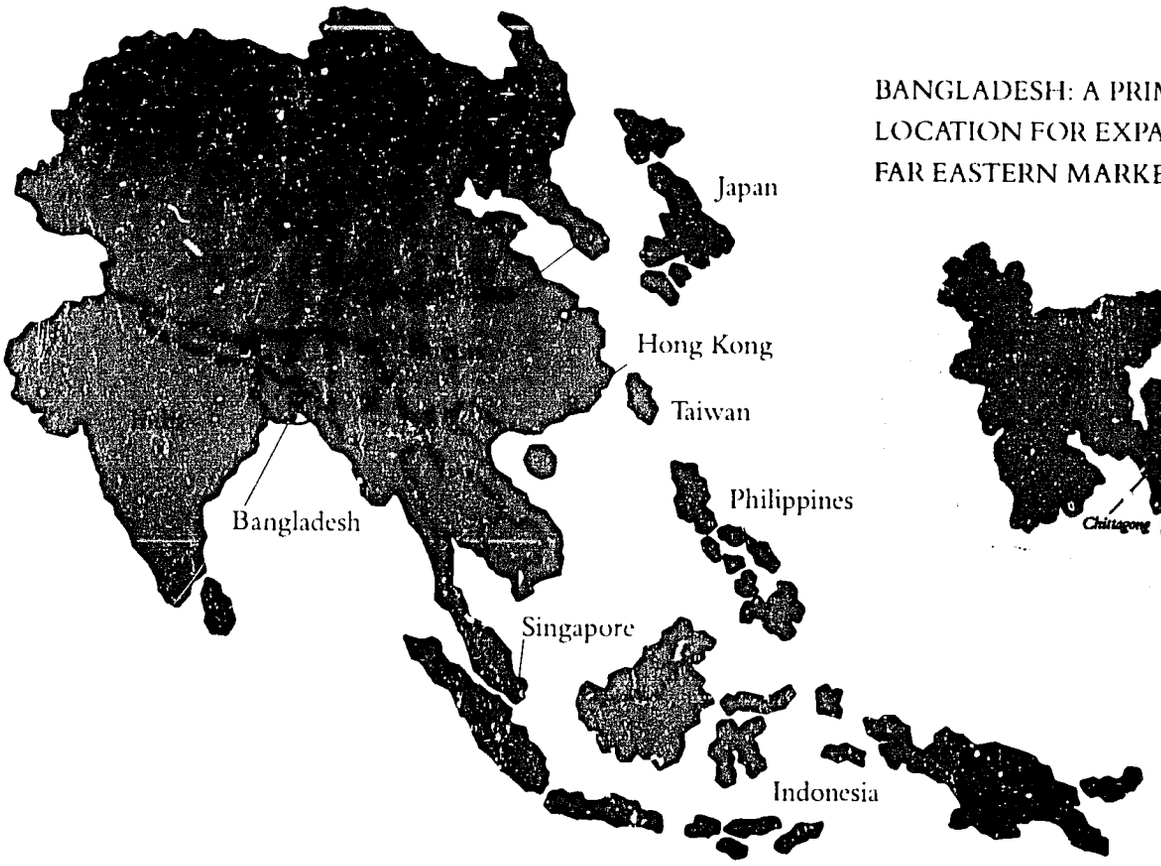


25 Years in Bangladesh: A Personal Endorsement

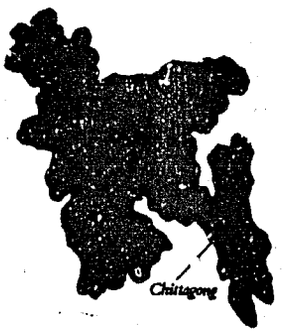
Twenty-five years ago, my company invested in and began operating a vegetable oil mill and a bulk-liquid terminal in Bangladesh's main seaport, Chittagong. As a foreign direct investor, International Matex Tank Terminals has flourished in Bangladesh. I can personally attest to the support which foreign investors receive from the government, and for the potential for new investment ventures.

Please take a few minutes to browse through this publication for an overview of the country and specifics on the investment climate. I personally invite you to call me to answer any of your questions. My number is (504) 586-8300.

James J. Coleman, Sr.
Chairman
Bangladesh United States Business Council



BANGLADESH: A PRIME LOCATION FOR EXPANDING FAR EASTERN MARKETS



Bangladesh represents a promising business opportunity in the Asia-Pacific region, an area bounded by China to the north, New Zealand to the south, Japan to the east and India to the West. These Far Eastern markets show tremendous business potential for the 21st century.

A stable economy, an emerging work force, a sound infrastructure, and government policies that support private investment are some of the key factors helping Bangladesh make economic progress.

A Stable Economy

In its 20 years as a free nation, Bangladesh has shown modest economic and political stability. The country has averaged a steady 3.8 percent gross domestic product (GDP) compared to 1.8 percent for the European Community and 3.3 percent for the United States in the past decade. Per capita income has also progressed slightly averaging $180 by 1990. Inflation averaged 10 percent/annually over the past decade.

In the 1990s, industrial production will contribute more than 12 percent to GDP with industrial growth estimated at 6 percent.

Non-Traditional Sectors Show Promise

Bangladesh's economy is primarily based on agriculture, with most crops grown for domestic consumption. While in recent years the agricultural sector continues to expand, the country has increasingly developed such non-traditional sectors as leather hides, ready-made garments and frozen seafood (shrimp and fish).

Two decades ago companies involved in light industry and manufacturing performed traditional parts assembly. Today many firms assemble and manufacture various consumer electronic products and components.

External trade increased by more than 5 percent to $1.3 billion in 1989, with 60 percent of this balance coming from the non-traditional sectors of leather, seafood and ready-made garments. Such successful expansion points to economic strides.

A Diversity of Business Opportunities

As Bangladesh approaches the 21st century, firms with expertise in agribusiness, oil exploration, fishing, textiles, light industry, electronics, and tourism will find expanding opportunities. Other markets will unfold as these businesss take hold and prosper. The plethora of business opportunities in Bangladesh means companies of all kinds and sizes can find a niche.

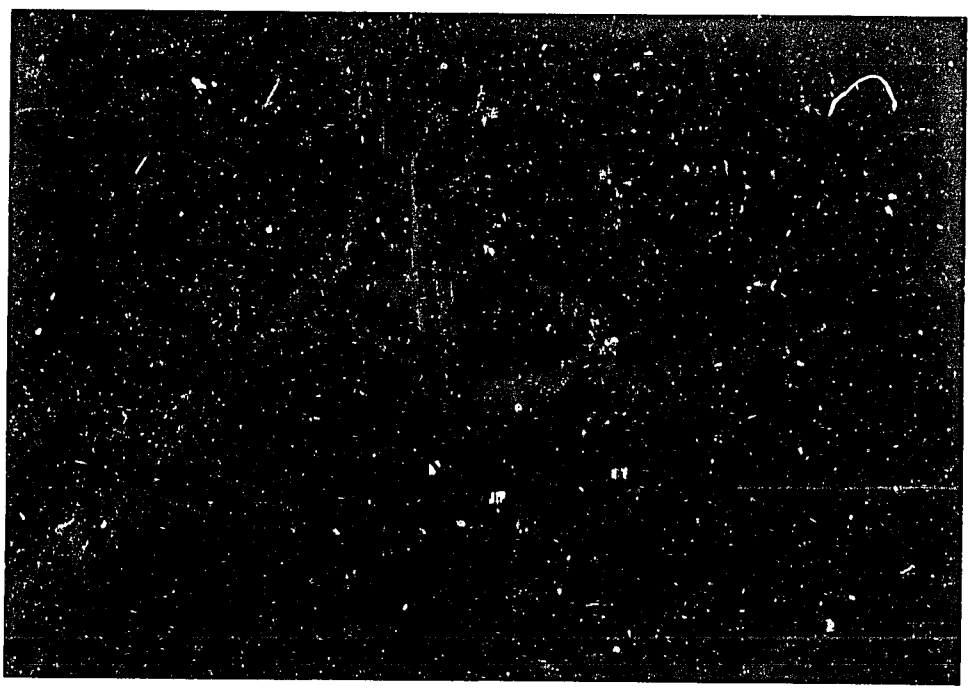
An Energetic, Plentiful Labor Force

Today, Bangladesh has a growing number of managers, engineers, technicians and skilled laborers available for wages that are the lowest in Asia and competitive worldwide. An average manager's salary ranges from $500 to $800 per month, and a skilled laborer's

Bangladesh has the lowest average wage rate in Asia, and Bangladeshi workers have shown their willingness to learn skills that support modern production techniques.

wages are as little as $2 per day. This energetic and underutilized labor force of 33 million is projected to grow to 42 million by the year 2000.

During the 1980s, the government increased support for education, including technical and vocational education. This decade-long effort has paid off; more and more of its growing



population is entering the workforce with a complete education.

A number of American, European and Asian entrepreneurs who originally set up business in other Asia-Pacific rim countries have recently relocated to Bangladesh to lessen their labor costs and maintain operations without the stress of political unrest and rising production costs. (See page 10 for a chart on the Comparative Advantages of Asian Countries.)

The official national language is Bengali, though English is widely spoken in business and government circles.

A Government Supportive of Foreign Investment

During the 1980s, the government set a new tone to economic policies which reflects its commitment to private sector growth and investment. In the coming decade, a number of measures set Bangladesh squarely on the road to economic progress. Government strategies to support and promote private investment include:

- Continued denationalization of public businesses and industries. As a result of the government's successful privatization campaigns, most industrial sectors are now open to private investment;
- Liberalized investment policies which allow 100 percent foreign ownership anywhere in the country and investment in the public and private sector;
- Liberal import policies;
- Fiscal incentives including tax holidays and repatriation of profits;
- Legislation to protect foreign investors;
- International and regional agreements such as its reciprocal investment treaty with the United States, and, of particular significance, the country's role in launching the South Asian Association for Regional Cooperation (SAARC).

Sound Business Infrastructure

A sound level of infrastructure remains a central goal of Bangladesh's government and, in the next decade, the country plans huge capital investments to expand its already adequate infrastructure.

Transportation Systems

By Air: Bangladesh's central location in South Asia makes it easily accessible by air from Europe, Asia, and the United States. More than a dozen international carriers have regular flights to Dhaka.

Biman, the national airline, links over 20 cities in Asia, Europe and Africa to the country's international airport in Dhaka.

By Ground: A growing network of waterways, roads, bridges and railroads support the continued development of Bangladesh. Sufficient transportation systems link the major cities of Bangladesh. Factories in the bustling capital of Dhaka, the hub of most commercial activity, may choose to transport essential imported goods from the country's main seaport, Chittagong via railroad or roads.

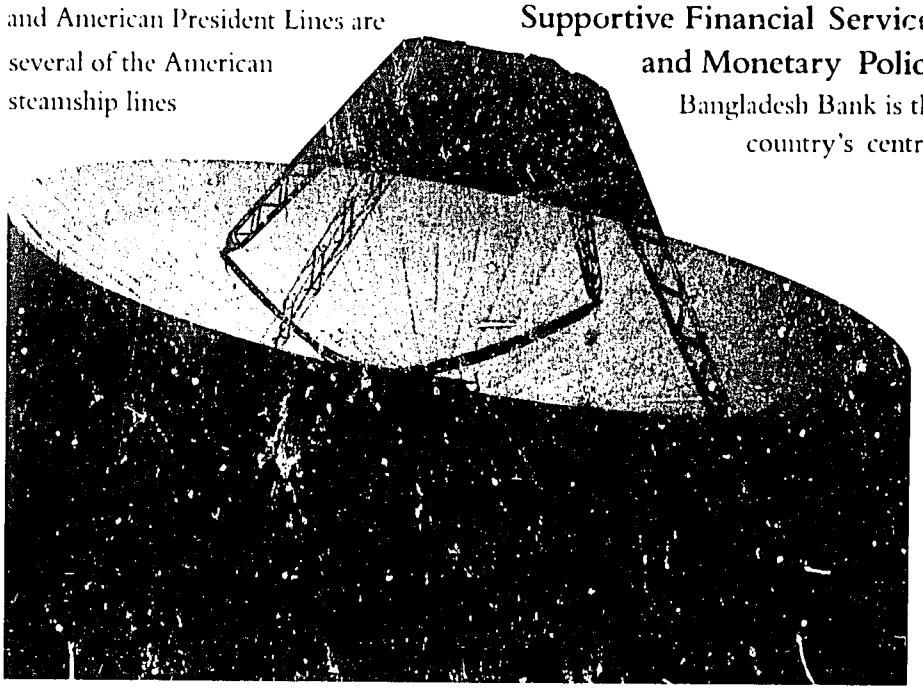
By Sea: Nearly all shipping lines trading in the Indian and Pacific oceans call on Chittagong, the country's busiest port, located 180 miles southeast of Dhaka. Waterman Steamship, Sea Land, and American President Lines are several of the American steamship lines with scheduled liner services to this port. With aid from the World Bank, the Chittagong port is expanding to support an increased volume of containerized shipments.

Mongla, the second largest port, is located in southwest Bangladesh, and handles roughly 20 percent of the country's sea cargo.

Telecommunications and Utilities

Bangladesh's international communication network bolsters the country's expanding industrial base. International telex, fax, and telephone services connect Bangladesh directly with almost every country of the world. These publicly-owned telecommunications services serve the needs of businesses at competitive rates and plan to expand dramatically in the coming decade to keep pace with increasing demands.

Electricity, gas and water are public service utilities. The government has undertaken major development efforts to ensure readily available access and continual supplies of these services.



Supportive Financial Services and Monetary Policy

Bangladesh Bank is the country's central bank; it controls the money supply and sets credit policies. One of its regulations is that foreign banks must bring capital into Bangladesh equal to the percentage of their loan portfolios.

Four nationalized commercial banks (Agrani Bank, Janata Bank, Rupali Bank, and Sonali Bank) account for some 70 percent of the country's banking business, eight foreign banks account for about 10 percent of bank credit and deposits, and eight private commercial banks account for the balance of 20 percent.

Foreign banks operate in Bangladesh to help facilitate international trade through letters of credit, performance bonds and so forth. American Express is the only American bank offering full banking services.

Several major international financial organizations also support private investment in Bangladesh including:

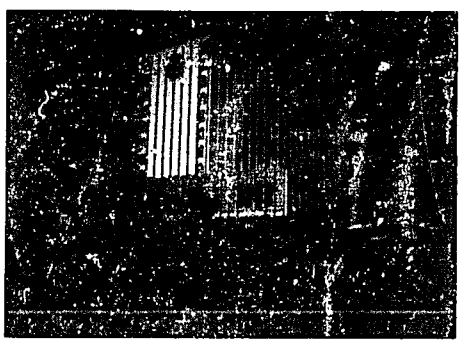
The International Finance Corporation (IFC), a financial arm of the World Bank, which seeks potential investors for loan or equity participation;

The Overseas Private Investment Corporation (OPIC), which provides loan financing and investment insurance to American investors;

The Multilateral Investment Guarantee Agency (MIGA), which provides guarantees against non-commercial risks and advises member countries, of which Bangladesh is one, on investment policies that promote and regulate foreign direct investment.

Sizeable Investments from Around the World

Increasingly foreign investors reflect a diversity of nationalities—from the neighboring countries of Hong Kong, Japan, South Korea and Singapore to other nations around the globe. European businesses continue to inject millions of dollars in capital and technical assistance into the Bangladesh economy. As well, several U.S. manufacturers and numerous businesses maintain profitable operations in Bangladesh. (See page 16 for a chart on Foreign Direct Investment in Bangladesh by Sector.)



Affordable, Comfortable Living Conditions

Bangladesh is an exciting and affordable place to live and visit. Historical and archaelogical sites dot the countryside, some dating as far back as the Third Century, B.C.

For the expatriate, living in Bangladesh is affordable and comfortable.

Expatriate housing is available in centrally located apartments and houses. In several suburban areas, many quiet, more secluded houses are available for rent.

For those visiting Bangladesh, Dhaka offers two international class hotels—the Sheraton and the Sonargaon. Both places provide deluxe accommodations, restaurants, health club facilities and entertainment.

An American International School for grades 1 to 12 is located near the residential area of Ghulshan. The 40-member teaching staff follows American school curriculum. The school's library maintains a substantial collection. Tuition charges are reasonable.

In Dhaka—the commercial, cultural and political capital of Bangladesh—ancient mosques still used for daily prayer give this city its unique character. For recreation, expatriates may visit three private clubs to play tennis, squash, golf, billiards, or to swim or dine. Local entertainment includes plays, art exhibits, lectures, film programs, instrumental groups and singers. Special occassions are often marked by folk or dance festivals.

Basic health care needs can be met at one of the country's hospital or clinics, or a visit to the American physician hired by the United States Embassy. For major surgery or serious health conditions, nearby Singapore or Bangkok provide sophisticated health care services.

A CLIMATE SUITABLE FOR INVESTMENT

With an improved level of infrastructure, a favorable investment climate, a stable economy and a large, competitive work force, Bangladesh provides investors a welcome economic opportunity.

Situated near the major market centers in Asia, the Middle East and Europe, Bangladesh provides a prime location for potential investors. Modern telecommunications systems and a network of airline services allow Bangladesh to tap readily into these and other markets.

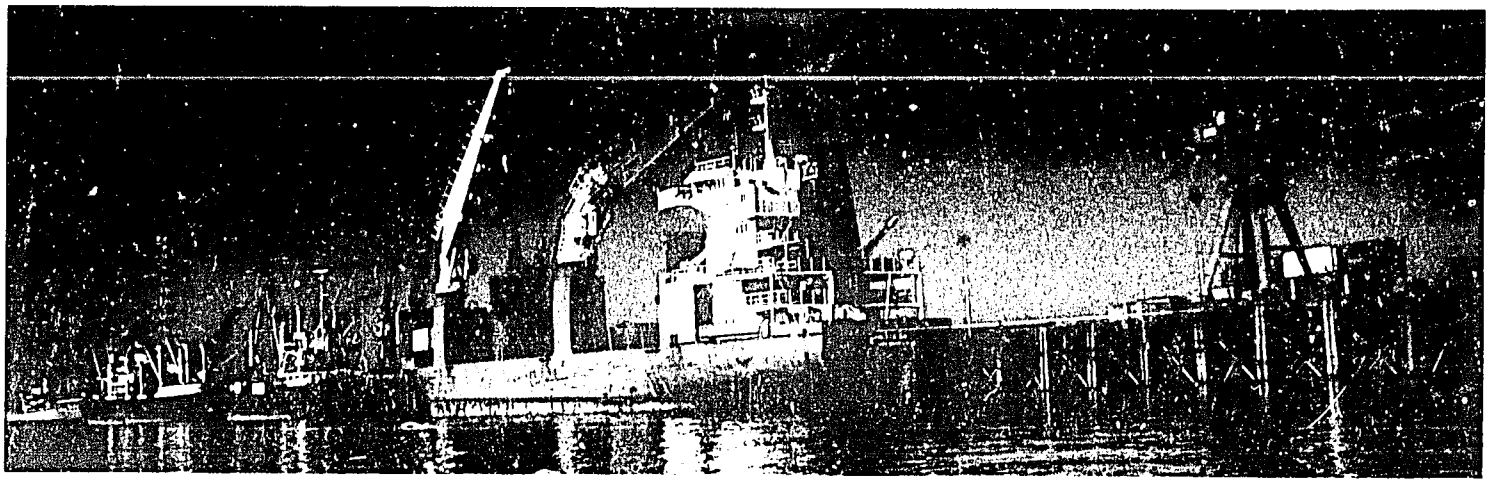
An Investment Environment with Abundant Incentives

In the 1980s, the government revised its industrial policies to protect and promote private sector investment. The reforms introduced a variety of incentives including liberal import policies, withdrawal of ceilings on private investment, exchange rate adjustments, and a package of fiscal incentives.

Today, foreign investors may participate in the public and private sectors, and may own 100 percent of a business located anywhere in the country.

Specific fiscal investment incentives include:

- Tax holidays up to 12 years;
- Nominal import duties on capital machinery;
- Tax exemption on interest for foreign loans;
- Tax exemption on royalty, technical know-how, and technical assistance fees;



- Relief from double taxation for foreign investors;
- Accelerated depreciation at 80 percent of actual cost of machinery or plant for the first year of plant operation, and 20 percent the following year;
- Repatriation of profits and dividends; and
- Export performance bonuses.

Investors in Bangladesh may also take advantage of the *Generalized System of Preferences (GSP)* which allows duty-free access to American, European and Japanese markets. Imports into the United States from Bangladesh also enjoy *most-favored nation (MFN)* status.

Favorable Investment Agreements and Legislation

Investment Legislation

In 1980, the Foreign Private Investment (Promotion and Protection) Act was signed. This act guarantees foreign investors protection against nationalization or expropriation, and provides full indemnification in the event of financial loss due to civil unrest. Full repatriation of investments and fair and equitable treatments are also assured under this act.

International Agreements

The 1989 Bilateral Investment Treaty between the United States and Bangladesh provides reciprocal encouragement and protection of investment. The treaty guarantees unrestricted currency transfers and compensation for expropriation, and also outlines dispute settlement procedures. With this treaty, American investors may feel secure about their investments in Bangladesh.

Investor Support from the Board of Investment

To facilitate and encourage foreign investment, the government created the Board of Investment (BOI) in January 1989 as a one-stop-service for investors. The BOI provides pre- and post-investment services to entrepreneurs.

A Streamlined Approval Process

A streamlined approval process makes investment in Bangladesh a simpler, faster prospect. Foreign investors first secure the BOI's approval before beginning most investment projects. To obtain approval, a company completes a detailed investment application.

Once the BOI approves a company's investment application, the Board then helps entrepreneurs identify land, negotiate the company's tax treatment, and schedules public utility hook-ups.

The BOI plans to expand its post-investment services to provide foreign investors with computerized information on the local investment climate.

The Chittagong Export Processing Zone's proximity to the Chittagong port makes it an attractive investment location.

No BOI approval is needed if the following conditions are met:

- the total project cost does not exceed $3.3 million;
- the foreign equity does not exceed 49 percent; and,
- the investment is not on the government's discouraged list of industries.

For investors setting up in the Export Processing Zone (EPZ), they need only submit an application to the EPZ Authority for approval.

Chittagong's Efficient Export Processing Zone

On the coast of the Bay of Bengal lies the Chittagong-Export Processing Zone (CEPZ). This free trade zone is conveniently located only 3.5 miles from the country's major seaport,

Chittagong, and not far from the Chittagong Airport. Such proximity to air and sea transportation lines makes the CEPZ a desirable location for export-oriented firms.

The Chittagong-EPZ's services are competitive with free trade and export zones in the Asia-Pacific region, and the zone has increasingly become a profitable investment site for many countries. Firms enjoy the free trade zone as it provides a unique combination; companies may use the country's abundant, cheap labor supply, and take advantage of a progressive industrial environment. An Export Credit Guarantee Scheme protects investors against commercial and political risks involved in export transactions. Labor laws in the zone are liberal and unions and strikes are prohibited.

The EPZ's support services and infrastructure meet international standards, and because the EPZ Authority deals directly with customs clearance, goods ship in and out of the zone in a timely, efficient fashion.

Several nations operating units in the CEPZ include Holland, Hong Kong, Japan, Pakistan, Singapore, South Korea, Sweden, the United Kingdom and the United States.

Second EPZ in Planning Stages, A Third Under Consideration

The government plans to build a second EPZ near the Dhaka airport, 35 miles from the capital. Industries targeted for this zone include electronics, leather goods, high-tech engineering and jewelry. As well, given the success of the Chittagong-EPZ, the government is considering plans to develop another free trade zone in Chittagong.

THE COMPARATIVE ADVANTAGES OF ASIAN COUNTRIES, 199

Country	Population	Economic Data
Bangladesh	Pop: 110 m Labor Force: 33.3 m Unemployment Rate: 30%	GDP: $19.3 b GDP per Capital: $181.3 Inflation: 9.4%
China	Pop: 1.1 b Labor Force: 669.6 m Unemployment Rate: 2.0%	GDP: $372 b GDP per Capital: $279 Inflation: 18.5%
India	Pop: 810 m Labor Force: 319 m Unemployment Rate: 9.4%	GDP: $237 b GDP per Capital: $329 Inflation: 9.1%
Indonesia	Pop: 173.6 m Labor Force: 74.5 m Unemployment Rate: 1.2%	GDP: $88.2 b GDP per Capital: $434 Inflation: 8.0%
Malaysia	Pop: 17 m Labor Force: 6.6 m Unemployment Rate: 8.1%	GDP: $34.6 b GDP per Capital: $2,029 Inflation: 2.5%
Pakistan	Pop: 105 m Labor Force: 30.9 m Unemployment Rate: 3.1%	GDP: $34 b GDP per Capital: $353 Inflation: 6.3%
Philippines	Pop: 58.7 m Labor Force: 23 m Unemployment Rate: 9.6%	GDP: $39.2 b GDP per Capital: $667 Inflation: 8.7%
Thailand	Pop: 55 m Labor Force: 29.9 m Unemployment Rate: 5.8%	GDP: $57.9 b GDP per Capital: $1,065 Inflation: 3.8%

KEY
GSP — Generalized System Preferences
m — million
b — billion

Sources:
U.S. Dept. of Commerce
World Bank
Government of Bangladesh

Wages	Exports/Imports (billion US $)	Foreign Ownership Permitted	Free Trade Zones	Major Trading Partners	Bilateral Investment Treaty With U.S.	Most Favored Nation Status	United States GSP Privileges
Unskilled: $36/month* Skilled: $60/month* *Based on a six day work week	Exports: $1.23 Imports: $2.97	100%	YES	Japan USA Singapore UK	YES	YES	YES
Unskilled: $13/month* Skilled: $18/month* Salary often reflects only 20-30% of the total cost for each employee	Exports: $47.5 Imports: $55.3	100%	YES	Japan Hongkong USA	NO	YES	NO
Unskilled: $47/month Skilled: $63/month	Exports: $14.6 Imports: $22.5	100% (with restrictions)	YES	EC USA Japan OPEC USSR	NO	YES	YES
Unskilled: $30/month* Skilled: $124/month Wages lower in heavily populated areas, such as Java and Bali	Exports: $19.7 Imports: $15.7	100% (with restrictions)	YES	Japan USA Singapore W. Germany	NO	YES	YES
Unskilled: $156/month* Skilled: $260/month* Employers must also pay a living allowance to their employees	Exports: $20.8 Imports: $16.6	100% (with restrictions)	YES	Singapore USA Japan UK W. Germany	NO	YES	YES
Unskilled: $60/month Skilled: $220/month	Exports: $4.36 Imports: $7.52	100%	YES	Japan USA W. Germany UK Saudi Arabia	NO	YES	YES
Unskilled: $79/month Skilled: $90/month	Exports: $7.07 Imports: $8.16	100% (with restrictions)	YES	USA Japan Hong Kong W. Germany	NO	YES	YES
Unskilled: $92/month Skilled: $189/month	Exports: $15.8 Imports: $17.9	100% (with restrictions)	YES	USA Japan Singapore W. Germany	NO	YES	YES

Numerous, Varied Investment Opportunities

Bangladesh, traditionally known for its jute and tea exports, has recently attracted attention for its ready-made garments industry and leather exports. In the 1990s, Bangladesh foresees an expansion of its agricultural sector, as well as increased diversity in non-traditional industries and businesses. Below is a glimpse of a few potential investment areas.

AGRICULTURE

With over half of the country's population employed by agriculture, this sector's growth and development remains central to Bangladesh's economy. Raw jute, tobacco, vegetables, spices, and tropical fruits are key crops.

Jute (used in carpet backings and wall hangings) and rice are primary commodities; they account for a large portion of Bangladesh's GDP. In fact, Bangladesh supplies 45 percent of the world's jute goods and 80 percent of the world's raw jute.

Bangladesh's generous supply of jute to world markets contributes a significant share to the country's foreign exchange earnings.

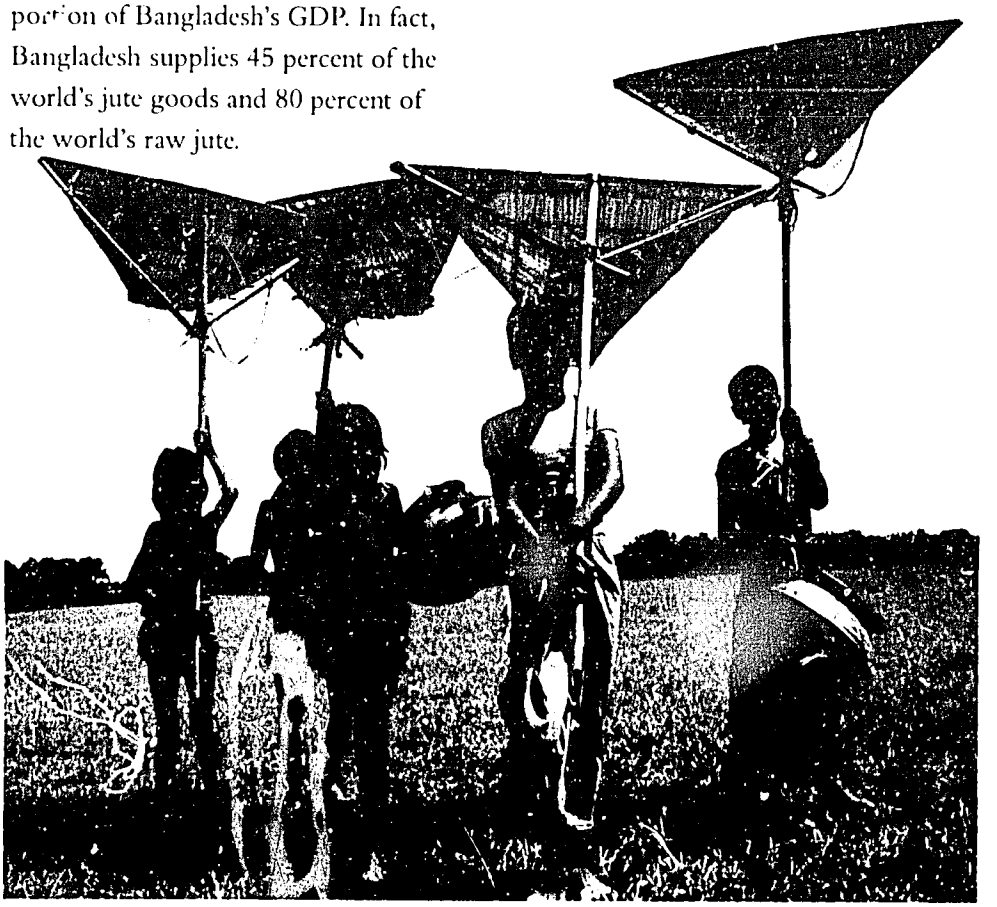
Bangladesh continues to generate about 2 percent of the world's tea at some 150 plantations in the northeast region of Sylhet.

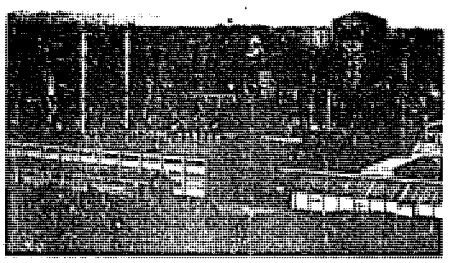
Tropical fruits and vegetables are grown seasonally and have recently begun to be exported in various forms. Tobacco farming is also well established in the agrarian sector.

AGRO-BASED INDUSTRY

Bangladesh has the basic attributes for a successful agro-based industry: rich, alluvial soil, a year-round frost-free environment, an adequate water supply, and an abundance of cheap labor.

Increased cultivation of the vegetables, spices and tropical fruits now grown in Bangladesh could supply a local agro-processing industry for both domestic and export markets. Progressive agricultural practices, improved marketing approaches, and more modern processsing facilities would enable the agro-processing industry to improve its quality and expand production levels significantly.





CHEMICALS

Bangladesh has a sizeable demand for chemical products to meet the needs of local industries such as food and agro-processing, pharmaceuticals, tanneries, cosmetics, paints and varnish, printing and packaging, and textile processing. At present, most chemicals must be imported.

The state-run Bangladesh Chemical Industries Corporation (BCIC) dominates the domestic market, although a range of small, private chemical companies also operate in the country.

BCIC's largest operations, not surprisingly, involve fertilizer production. The company also runs paper and pulp mills, petrochemical, chemical, cement, glass sheet, and sanitary ware operations. BCIC exports products such as urea, newsprint, rayon yarn, TSP, paper, pulp, PVC pipes, glycerine and insulators.

BCIC's five-year expansion plan (1990 to 1995) calls for a $74 million investment in new and current export-oriented projects. To reach this level of investment, BCIC seeks foreign investment partners. Smaller, private firms would also welcome partnership with foreign chemical firms.

Other investment prospects might involve petrochemicals, including fertilizer and pesticides, to make use of the country's plentiful natural gas reserves.

ELECTRONICS

Bangladesh's experience in the basic electronics field spans two decades, and includes the assembly of transistor radios and televisions. In recent years, European and Asian electronics firms have established technical collaboration with Bangladesh firms to produce electronic exports at competitive rates. During 1989, export-oriented operations accounted for 16 percent of this industry's output.

The creation of feeder industries to supply parts such as transformers, fuses, printed circuit boards, and coils to existing electronic operations has begun to a limited degree. The development and expansion of these and other areas offer larger-scale investment opportunities for the manufacture and export of electronic components and products.

The significant unmet demand for electronic goods in the telecommunications market requires the publicly-run Bangladesh Telephone and Telegraph (T&T) to import most of its electronic needs. Bangladesh T&T plans to dramatically expand its operations over the next decade; this scenario offers a range of possibilities for trade, technical assistance, and investment in the telecommunications field.

FISHERIES

At the northern tip of the Bay of Bengal, Bangladesh has plentiful fish and shrimp reserves. There is a large domestic demand for fish, and foreign markets are sizeable. Bangladesh currently exports shrimp worth millions of dollars each year. The fishing industry is of considerable importance and contributes about 3 percent of the country's GDP and provides a large source of foreign exchange for the country.

Fisheries development is a promising field in Bangladesh. In the past, export supplies have been reached by cropping naturally grown fish. However, Bangladesh is preparing for intensive cultivation practives to compete more effectively with better quality, increased quantity and less expensive fish and shrimp.

Bangladesh welcomes foreign participation in the development of shrimp hatcheries and cultivation ponds.

LEATHER

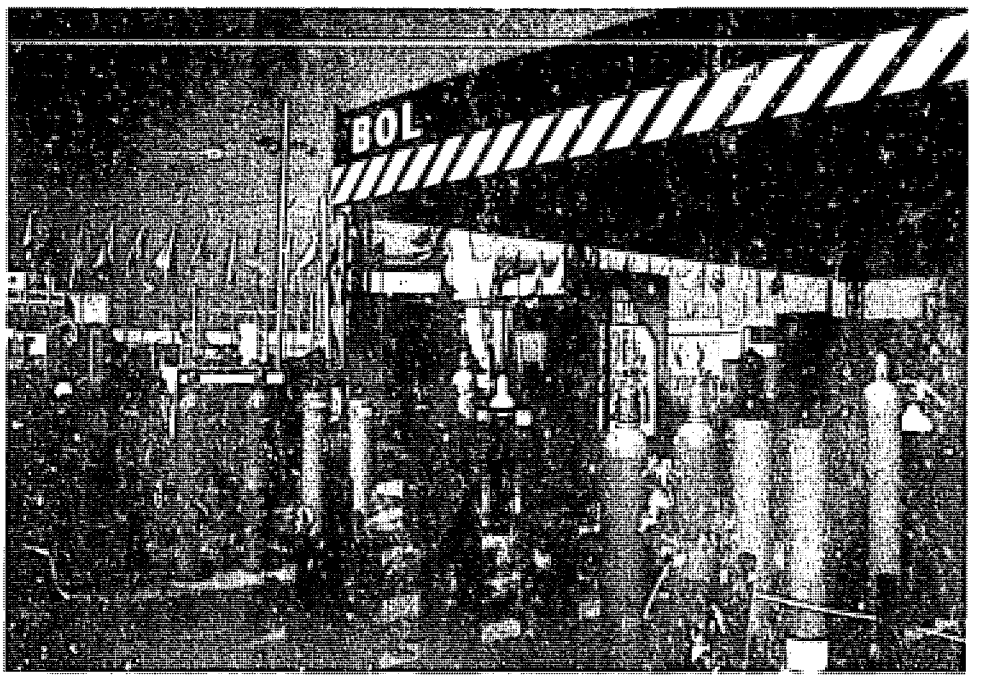
For decades, leather tanning has been a key industry in Bangladesh, with the country producing mainly lower quality wet blue (unfinished) hides. Today however, of the nearly 85 percent of the country's leather production that is exported, half of these are in the higher quality crust and finished form. Leather hides' export earnings have topped $130 million annually, and amount to 11 percent of the country's total export earnings.

According to a 1990 United Nations' study of Bangladesh's leather industry, the supply and quality of Bangladesh's hides could support a variety of increased value-added products such as wallets, handbags and watchbands. The study also noted that Bangladesh's cost of production and productivity rate was extremely competitive with other Asian and Carribean leather product manufacturers.

LIGHT INDUSTRY

Light industries in Bangladesh produce a multitude of labor-intensive goods including toys, consumer goods, small tools and paper products for a large domestic market. Further development of these industries offers various investment opportunities.

Export-oriented production in the light industries field has gained momentum in the past five years. Entrepreneurs from Hong Kong, Japan and Korea have taken advantage of the country's cheap and easily trainable labor and its infrastructure facilities to manufacture products in Bangladesh.

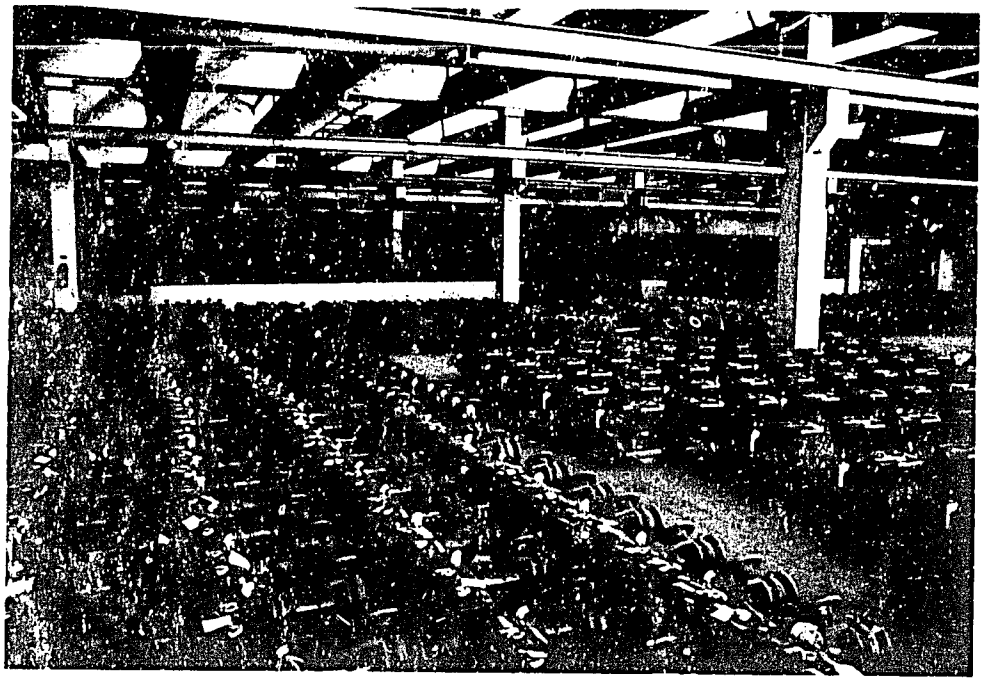


MINERALS, NATURAL GAS AND OIL EXPLORATION

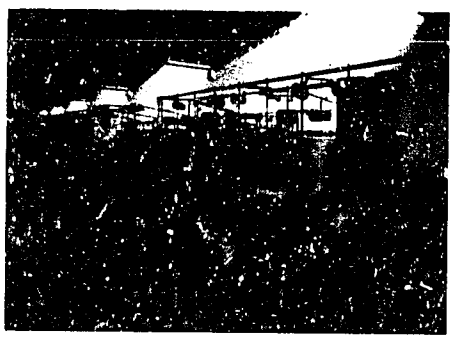
Bangladesh is endowed with a variety of natural minerals and plentiful natural gas reserves in excess of 17 trillion cubic feet. Several major gas wells provide industries and households with energy supplies.

Bangladesh has also reported recent oil reserves in the Sylhet area. Other known natural resources include deposits of limestone in Bogra; hardrock in Rangpur and Dinajpur districts; and coal deposits in the western half of the country.

The exploration and development of Bangladesh's oil and gas resources is a high priority for the country. As such, the government has opened blocks of land to production-sharing contracts. Major finds of gas and selected oil sites have encouraged several leading oil and gas companies to identify Bangladesh as a potential investment location.



Considerable growth is occurring in various light industries, such as the manufacture of water pumps.



Bangladesh's textile industry has flourished so that now it is the second largest in the country. Continued growth is also expected in the ready-made garments industry.

TEXTILES

Thousands of small-scale textile industries in Bangladesh, as well as larger plants operated by the publicly-run Bangladesh Textile Mills Corporation make the textiles industry the second largest in Bangladesh. This field has diversified and grown modestly in recent years to meet domestic demand for locally-made fabrics.

Future potentials in this field include: manufacturing cloth for the domestic market; producing and exporting gray cloth; producing export-quality cloth; manufacturing yarn; and developing backward-linkage facilities for the large local garment industry.

In the past five years the ready-made garments industry has become the leading export earner in the textile sector. Garments exports have boasted an average increase of 34 percent annually since the early 1980s. Some analysts predict that the $450 million in export earnings for this sector in 1988-89 could approach $700 million by 1992.

TOURISM

As international interest in seeing Asia grows, tourism has taken root in Bangladesh. The country's tourism organization, Bangladesh Parjatan Corporation, announced a 51 percent jump in profits from 1988 to 1989.

Bangladesh offers a variety of historically significant and culturally unique sites for tourists. A bit of the country's past can be viewed at Syhlet's tea gardens, historically run by the British. Cox's Bazaar, one of the longest beaches in the world, can be visited for beautiful scenery and seclusion. A glimpse of the Royal Bengal Tiger might be snatched on a trip to the Sundarban forest. Ancient mosques, monuments and landmarks dot the countryside. Most of all, Bangladesh harbors a history and culture still untouched by much of the changes occurring elsewhere in Asia.

Additional hotel and resort accommodations in the Cox's Bazaar area and elsewhere provide opportunities for investment or entrepreneurship. Dhaka and Chittagong also have an unmet need for additional hotel rooms, restaurants, and entertainment and recreational facilities and provide a variety of promising investment and growth opportunities.

Foreign Direct Investments: Bangladesh, A Welcome Choice

As international competition increases for better quality products and lower production costs, many entrepreneurs have begun to look at Bangladesh as a prospective investment site. Investors around the world who have found Bangladesh a welcome choice include: Canada, France, Hong Kong, Japan, the Netherlands, Switzerland, the United Kingdom, the United States and West Germany. The chart following shows Foreign Direct Investment in Bangladesh by Sector.

FOREIGN DIRECT INVESTMENT IN BANGLADESH

	SECTORS										
Country	**Agro-based**	**Chemicals**	**Electronics**	**Fisheries**	**Leather**	**Light Industries**	**Mechanical Industries**	**Pharma-ceuticals**	**Textile**	**Service**	**Invstmt Capital**
Canada					X	X	X				4
China		X		X		X	X				2
France			X			X	X				2
Germany, West		X	X		X			X		X	1
Hong Kong	X		X		X	X			X	X	3
Italy					X	X			X		3
Japan			X	X		X	X		X	X	5
Korea, South	X				X	X			X	X	1
Singapore		X	X	X		X	X		X		2
Sweden		X	X			X	X				1
Switzerland		X	X	X		X		X	X	X	1
Thailand			X			X	X				2
U.K.	X	X	X	X		X	X	X	X	X	5
U.S.A.	X	X		X		X	X	X	X	X	2

KEY

1 — Under $10 million
2 — Between $10–20 million
3 — Between $20–30 million
4 — Between $30–40 million
5 — Over $40 million

Source: Bangladesh Board of Investment
Bangladesh Export Processing Zone Authority
U.S. Department of State

Note: This chart includes figures through January 1990 of industries in operation.

Bangladesh U.S. Business Council Stands Ready to Help

The Bangladesh U.S. Business Council provides members with a number of services helpful to potential investors:

- Assistance and information on the feasibility of business ventures in Bangladesh;
- Introductions to business contacts and trade references;
- Scheduled business appointments for your trip to Bangladesh;
- Up-to-date information on investment requirements, policy regulations and investment procedures.

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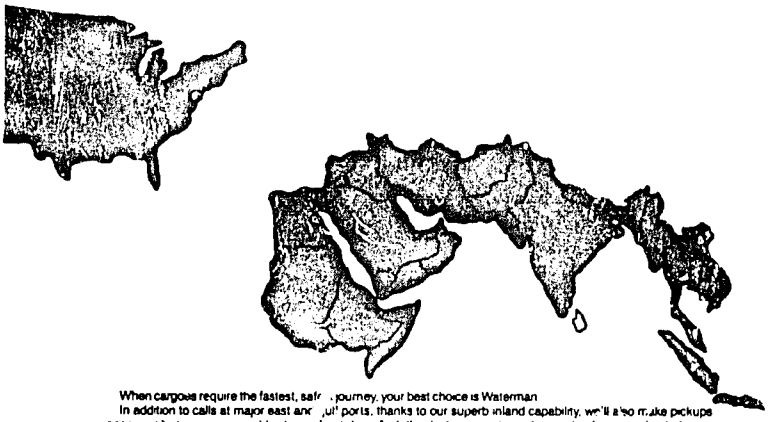

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Mr. K.Z. Islam, Managing Director

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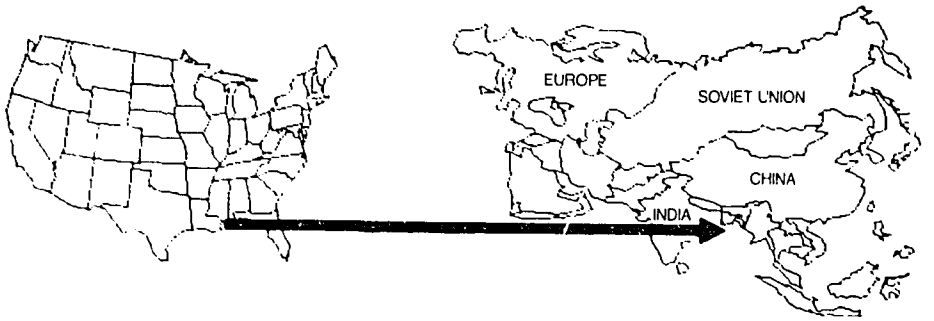

ITT / IOM

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International Tank Terminals, Ltd. and
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