

# Bangladesh

## Business Guide

September 2021

### Contents

<b>1</b>	<b>AN OVERVIEW OF BANGLADESH</b>	<b>1</b>
1.1	BASIC FACTS ABOUT THE COUNTRY	1
1.2	MACROECONOMIC PICTURE	1
1.3	SWITZERLAND AND BANGLADESH: TRADE AND ECONOMIC RELATIONS	2
1.4	OPPORTUNITIES IN BANGLADESH X MARKET CHALLENGES	3
<b>2</b>	<b>DOING BUSINESS IN BANGLADESH</b>	<b>3</b>
2.1	SPECIAL FEATURES ON THE MARKET	3
2.2	SETTING AN OFFICE IN BANGLADESH	4
2.3	TAXES	5
2.4	INVESTMENT PROMOTION AND INCENTIVES	5
2.5	ENTRY CONDITIONS, WORK PERMITS, RECRUITMENT	6
2.6	REGULATORY LAWS AND OTHER LEGAL PROVISIONS	7
<b>3</b>	<b>INITIATING BUSINESS CONTACTS AND TRAVEL INFORMATION</b>	<b>8</b>
3.1	TIPS FOR INITIATING BUSINESS CONTACTS	8
3.2	ARRIVAL AND DEPARTURE	8
3.3	VISA	9
3.4	LANGUAGES USED FOR BUSINESS	9
3.5	TIME ZONE, BUSINESS HOURS AND PUBLIC HOLIDAYS	9
3.6	SECURITY, HEALTH AND INOCULATIONS	10
3.7	ELECTRICITY SUPPLY	10
3.8	METHODS OF PAYMENT	10
3.9	SERVICES IN BANGLADESH	10
<b>4</b>	<b>BASIC ADDRESSES AND SOURCES OF INFORMATION</b>	<b>11</b>

## 1 AN OVERVIEW OF BANGLADESH

### 1.1 BASIC FACTS ABOUT THE COUNTRY

Bangladesh has more than 163 million inhabitants, which makes it the 8<sup>th</sup> most populous country in the world. With a size that is slightly bigger than Greece in area, Bangladesh is also one of the most densely populated countries in the world. Bengali (also called Bangla) is the mother tongue for 98% of the population of the country. It is also the world's 7<sup>th</sup> most spoken language, with more than 250 million speakers, spread mostly over Bangladesh and the Indian State of West Bengal. The Bengali speakers are considered to be the main ethnic population of Bangladesh. Only 2% of the population in Bangladesh is composed by people of different tribal origins. English is used as a second language among the middle and upper classes. Many Bangladeshis also complete their primary and secondary studies in English medium schools.

Sited between India and China, Bangladesh enjoys a strategic location. The Government is trying to explore potentials for expanding intra-regional trade with South and Southeast Asia, two leading economic hotspots in the globe.

Around 12 million Bangladeshis can be considered middle or affluent class today. They are mainly concentrated in Dhaka and Chittagong. Nonetheless, the middle class is growing very fast<sup>1</sup>. Poverty has consistently been reducing in Bangladesh and in 2014 Bangladesh was classified as Lower Middle Income Country by World Bank from Lower Income Country status. Bangladesh is on course to graduate from the Least Developed Country group by 2026.

Bangladesh is a leading garments exporter in the world. Despite negative impacts of the COVID-19 pandemic, in fiscal year 2020-2021 (FY21), its garments exports reached 31.5 US\$ Billion, marking a 15% growth. Bangladesh is the World's 4<sup>th</sup> biggest rice producer. After rice, jute and wheat are the other two most important agricultural products in Bangladesh.

Around 108 million people, 2/3 of the population, are between 15-64 years. The country's workforce is estimated to grow by 2 million each year. Roughly half of the population works in agriculture, one third in services and the rest in the manufacturing sector.

### 1.2 MACROECONOMIC PICTURE

#### AN EXPORT ORIENTED GROWTH STRATEGY

The Bangladesh economy has sustained a long upward trajectory, culminating in a consistent yearly GDP growth above 6% since 2011. The pandemic has slowed this growth momentum to some extent. The GDP grew by only 3.5% in Fiscal Year 2020. Nevertheless, the economy shows strong signs for recovery. Much of the credit for the country's impressive performance in recent years goes to the garments industry, responsible for around 80% of the country's export revenue. This activity benefits from Bangladesh's most important asset: a plentiful supply of a price-competitive labor force. The ambition is to adapt and replicate this model to other promising sectors, such as leather products (1. US\$ Billion in exports in FY19), footwear, jute, small engineering, ship-building, ceramics, bicycles manufacturing, pharmaceuticals and software industries, most of them displaying a robust growth in the last years.

Exporting labor-intensive goods and services has been a successful strategy for Bangladesh, but doesn't seem enough to make the country reach its objectives of becoming a higher middle income country by 2031 and a developed country by 2041. Consequently, policy planners are also looking into both external and internal market opportunities in order to boost economic growth. Drawing increased private investment is a top priority of the government. It has been offering different incentives to the potential investors and creating special economic zones in the country (see section 2.4).

#### WORKFORCE AND EMPLOYMENT

With a significant number of young people entering the labor market every year, rapid job creation to counteract this effect is one of the top priorities for Bangladesh. In a country where informality is still the norm, and despite

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<sup>1</sup><https://www.bcgperspectives.com/content/articles/center-customer-insight-go-to-market-strategy-bangladesh-surgin-consumer-market/?chapter=2#chapter2>

the fast growing manufacturing sector, agriculture accounts for around half of the employment, even though it only corresponds to around 15% of the GDP.

To make the market's equation more even, every year Bangladesh sends around 500'000 workers abroad, mostly to Arabian countries in the Persian Gulf. Their remittances are now an important pillar of the economy, matching more than 5% of the GDP and balancing the otherwise negative payment account.

### **MACROECONOMIC NUMBERS AND FUTURE OUTLOOK**

Even with occasional hiccups, Bangladesh has sustained stable and overall positive macroeconomic results in the last decade. Despite the scourge of the ongoing pandemic and notwithstanding socio-economic pressures, the economy has remained resilient with several macroeconomic indicators faring well. Here are some recent numbers (Source: World Bank):

- GDP yearly growth has been above 6% since 2011. The economy boasted a record GDP growth of 8.13% in FY2019. Although the pandemic forced the GDP growth to plunge to 3.5% in FY2020, the economy is on track for a rebound.
- The exports revenue more than doubled in ten years. In 2010, Bangladesh exported US\$ 18.4 billion in goods and services in one year, while in FY21 this number jumped to 38 US\$ Billion;
- After a peak in 2013, consumer prices inflation has slowly decreased. From 7.53% at the end of that year, it went down to 5.6% in June 2021.
- Thanks to strong performances of the export and remittances sectors, the foreign currency reserve swelled to 46 US\$ Billion.

The Bangladeshi authorities are convinced that the economy will weather out the headwinds brought by the pandemic and pull off a rapid recovery. However, reforms are needed to cut "red tape" constraining private investment, which is much needed in sectors such as the physical infrastructure, education and health. Improvements in governance, especially in the public sector, are another requirement to boost economic growth in the country.

### **1.3 SWITZERLAND AND BANGLADESH: TRADE AND ECONOMIC RELATIONS**

Bilateral trade between Switzerland and Bangladesh is increasing rapidly and has more than tripled since 2010. According to the Swiss customs authority, the bilateral trade volume of 2020 stood at CHF 811.4 million, marking a mere 3% growth due to the pandemic. The trade balance is currently in Bangladesh's favour. Swiss exports (CHF 131.90 million) to Bangladesh include mainly textile machinery, chemical and pharmaceutical products. Bilateral trade has bounced back in 2021 and is well on course to touch the \$1 billion mark soon. However, the overall trade potentials remain largely untapped due to limited diversity in the trade basket. Main exported products from Switzerland today are industrial machinery (especially for the textile sector), pharmaceuticals and chemical items. Textiles and ready-made garments are 94% of the imports from Bangladesh.

There is a considerable potential for increased trade between the two countries. The positive image of Switzerland in Bangladesh is a great advantage for the promotion of Swiss products and companies in the country. Bangladesh is changing at a very fast pace, enhancing security and environmental standards in the economy and working to provide better services to its citizens. This brings opportunities for business in areas like Cleantech, Medtech and high quality consumer goods for the fast growing middle class.

### **PRESENCE OF SWISS COMPANIES IN BANGLADESH**

There are currently around 100 Swiss or Switzerland-related companies represented in Bangladesh, either directly or (as in most of the cases) by national (local) agents. Many Swiss multinationals are operating in Bangladesh. The Switzerland – Bangladesh Chamber of Commerce and Industry (SBCCI) is active since 2004 and aims at connecting Swiss and Bangladeshi businesses.

In 2009 a bilateral agreement between Bangladesh and Switzerland on the Avoidance of Double Taxation was signed, which complements the Agreement of Protection of Investment, valid since 2000.

## 1.4 OPPORTUNITIES IN BANGLADESH & MARKET CHALLENGES

### Opportunities for Swiss companies

- Vast potential market of more than 160 million people, with growing demand for products, equipment and services;
- Very large and price-competitive labor force, in which English is widely spoken;
- Bangladesh can be a regional center for companies working on the garments supply chain, given the country's prominence in this sector;
- Pharmaceuticals, Information and Communication are examples of fast growing sectors in Bangladesh demanding quality and innovative goods and services;
- Entrepreneurship is a cultural legacy and many companies are looking to partner with foreign investors;
- Bangladesh can play a role as bridge between South Asia and South-East Asia. Its geographic position between India and China is an important asset.

### Market challenges

- Physical infrastructure remains a challenge in Bangladesh, even with recent investments and progress in sectors like power generation;
- Even where the infrastructure is in place, bureaucratic red-tape may sometime pose as a hindrance in accessing it. Obtaining an electricity connection, for example, can be cumbersome;
- Complaints of harassment and corruption are common from companies operating in the country and can become a constraint for business;
- The partisan political system can lead to unrest, especially during and before general elections. Violent extremist episodes have occurred sporadically;
- The Judiciary system is weak and prone to be pressured by influential people; judicial cases advance slowly and may take several years to finally dispose of the case;

[Return to contents](#)

## 2 DOING BUSINESS IN BANGLADESH

### 2.1 SPECIAL FEATURES ON THE MARKET

*Bangladeshi market and business practices have several distinctive features, especially in comparison to Switzerland. Here is a list of important features to be considered by Swiss companies interested in doing business with Bangladesh:*

- The Bangladeshi market is extremely price-sensitive, with low-price goods from India and China dominating many sectors. However, there is increasingly space for high-end and luxury products, sold to the fast growing middle and upper classes. Swiss-made products and equipment are usually sold on the basis of reliability, high quality, life cycle cost and technical assistance;
- Relationships are extremely important and can often overcome adverse circumstances. Personal contacts with potential and existing partners/clients and regular visits to the market are a must and it is natural for the business relationship to be built with time.
- A small country in geographical terms, Bangladesh is also very centralized, with most of its economic activities conducted from Dhaka (Chittagong being the exception, for sea-related activities and foreign trade).
- Centralization is also an essential characteristic of the Bangladeshi institutions and corporations. Hierarchy is highly regarded and decisions are usually taken at the top of the organization.
- To overcome bureaucratic "Red Tape" in Bangladesh is a challenge. Swiss companies should be prepared to deal with a distinct approach to bureaucracy, in many way different from Switzerland. Some of the differences are the overlapping administrative procedures, routine disruption due to transfers of top and mid-level officials and authorities holding considerable discretionary power.

## IMPORT TARIFFS AND CUSTOMS

Bangladesh's regime of import and tariff duties is relatively protective. Tariffs and supplementary duties are higher than neighboring countries in South and Southeast Asia and registration procedures and other regulatory requirements can often impede market access.

Import tariffs range from 25% down to 0%, being lower to capital machinery and raw materials (up to 7%) and higher to finished products. 100%-export-oriented industries can have access to bonded warehouse facilities. Chittagong Port handles more than 90% of the total foreign trade in Bangladesh. Clearance of goods is usually slow because of bureaucratic customs rules.

More information:

<http://www.bangladeshcustoms.gov.bd/>

<http://www.cpa.gov.bd/>

## PUBLIC PROCUREMENT

Bangladesh spends about a third of its annual budget on public procurement. As part of its efforts to strengthen overall sectoral governance, transparency and accountability, the country is in the process of improving its public procurement performance. Many public agencies are currently carrying out their tendering activities through an online portal.

More information:

<https://cptu.gov.bd/>

<https://www.eprocure.gov.bd/>

## THE IMPORTANCE OF THE LOCAL PARTNER

It is very common for foreign companies entering the Bangladeshi market to rely heavily on local partners (usually an agent). Therefore, the careful selection of a local partner is a crucial step: a wrong match can lead to an unpleasant outcome. It is essential to select a local company which has a good market reputation and excellent business records. Other considerations when appointing a local agent or choosing a distributor:

- Usually, Dhaka-based agents or distributors should be in a position to cover the entire territory of Bangladesh.
- The partner should be able to recommend how to advertise or even adapt the products for the local conditions and preferences ("think local").
- Close political ties do not guarantee success and should be treated with caution. Political disputes can hurt business and new governments can delay or re-tender deals approved by their predecessors.
- Swiss companies are well advised to monitor their Bangladeshi agents closely. It is important to verify if the partner is compliant with the local laws and obligations. The Contract Act 1872 prescribes the rights and liabilities of both agent and principal;

## 2.2 SETTING AN OFFICE IN BANGLADESH

*Besides direct exporting to a distributor or appointing an agent, a Swiss company can set up an office to support its activities in Bangladesh. There are different ways of doing that. Please note that Liaison/Representative and Branch offices need the approval of The Bangladesh Investment Development Authority (BIDA).*

### CHOOSING THE RIGHT APPROACH:

**Liaison or Representative Offices** cannot undertake any commercial activity or generate revenue in the country. It can work as a communication channel between the parent company and its clients in Bangladesh, collecting information, facilitating trading and providing technical assistance etc.

A **Branch Office** can receive the approval to engage in commercial activities, importing from the parent company and reselling in Bangladesh. It is not allowed to carry out manufacturing activities on its own, but can subcontract these to a Bangladeshi manufacturer.

**Joint venture Companies** can be set up both with private partners, like trading companies, or with corporations from the public sector or even with private individuals. Such joint ventures with the public sector are treated as private sector project if the private contribution is more than 50%.

**Fully foreign owned Companies** can also be incorporated under the Companies Act of Bangladesh without the need to have any local partner or local entity within the shareholding structure. However, in some sectors, there may still be the need to have a local shareholder.

General information about how to register/ incorporate a company in Bangladesh can be found on the following website: <https://www.fmassociatesbd.com/insights/company-incorporation-in-bangladesh>

## 2.3 TAXES

*Paying taxes in Bangladesh is sometimes challenging: there are many tax exemptions and differentiated tax rates/policies, as well as administrative complexities. The National Board of Revenue (NBR) is the government agency for taxation. Noteworthy elements are:*

- The most important taxes in Bangladesh are Customs Duty, Value-Added-Tax (VAT), Income Taxes (both personal and corporate) and Supplementary Duty (on luxury and non-essential goods).
- VAT is levied on the importation of goods and the production of taxable supplies. The standard rate is 15%, but there are many reduced rates available depending on the nature of the taxable supply.
- Private limited companies are charged at a corporate tax rate of 30%. Publicly traded companies registered in Bangladesh are taxed at a lower rate of 22.5%. Banks, financial institutions and insurance companies are subject to up to 40% tax rate.
- Even with relatively high tax rates in Bangladesh (below South Asia average but above Asia in general), the country's overall tax to GDP ratio is still very low when compared to international and regional standards. To increase collection, the National Board of Revenue (NBR) has started to scrutinize taxpayers more rigorously, which can lead to time consuming tax calculations or tax verifications.

Information about tax incentives and tax holidays can be found under the following link: : <https://www.bb.org.bd/investfacility/invesfac.php>

## 2.4 INVESTMENT PROMOTION AND INCENTIVES

*Attracting Foreign Direct Investment is a long-time priority for Bangladesh. The Bangladesh Investment Development Authority (BIDA) is the first point of contact for investors. BIDA not only offers information on investment opportunities and incentive packages, but also regulates the activities of foreign companies in Bangladesh. The government offers a diversity of incentives under its industrial policy and export-oriented growth strategy with few formal distinctions between foreign and domestic private investors. Here are some of the incentives:*

- Visa facilitation, residence permits for investment of US\$ 75,000 (non-repatriable) and the possibility of investors to apply for Bangladeshi citizenship after investments of US\$ 500,000;
- Full repatriation of capital gains and dividends is allowed. Re-investment of "repatriable" dividends can be treated as new investment in order to apply for other benefits;
- The Industrial Policy of 2016 offers incentives for "green", high-tech, or "transformative" industries, in the form of tax breaks, financial support and priority in partnerships with the public sector. Other high-priority sectors are agriculture and food processing, ready-made garments (RMG), information and communication technology (ICT) and the electric sector.
- In order to encourage exports Bangladesh also provides export incentives to selected export sectors.

More information: <http://www.bida.gov.bd/>; <http://www.epb.gov.bd/>;  
<https://www.bb.org.bd/investfacility/invesfac.php>

## EXPORT PROCESSING ZONES (EPZS)

EPZs are operational in Bangladesh since the early 1980ies. As of October 2017, there are eight of them available in different parts of the country. EPZs offer tax holidays, exemptions from application of certain laws,

simplified bureaucratic procedures and help companies to overcome the land scarcity and infrastructure gap in the country. If the investor wants to be located in an export processing zone then BIDA can introduce the company to the Bangladesh Export Processing Zones Authority (BEPZA), who will facilitate the startup process.

More information: <http://www.bepza.gov.bd/>

### **SPECIAL ECONOMIC ZONES (EZS)**

In 2010 the Bangladesh Economic Zones Authority (BEZA) was created to coordinate the establishment of Special Economic Zones (EZs) in Bangladesh. In relation to the EPZs, the EZs main improvement is the possibility to sell in the Bangladeshi internal market the goods produced in the special zones (in contrast to the EPZs where everything manufactured there must be exported). The goal is to set up 100 EZs around the country in 15 years. At present four EZs are operational and nine others are being development. Here are some key features of the EZs:

- The EZs developed by BEZA will either be managed by BEZA itself or granted to the private sector. BEZA also grants permission to private companies to develop and administrate private EZs.
- Many incentives are being offered for developers interested in the construction of the EZs and their infrastructure. All four EZs which are currently operational are managed by the private sector
- BEZA wants to create EZs exclusively for companies from a determined country, from a specific industry and even a special Tourism EZ in the district of Cox's Bazar. Countries like China, India and Japan are individually negotiating exclusive EZs with the Government of Bangladesh;
- EZs can be especially interesting for Swiss Small and Medium Companies (SMEs) planning to establish manufacturing facilities in Bangladesh. The BEZA will facilitate the investment-process and good-quality infrastructure, something difficult for SMEs to organize on their own in Bangladesh, is expected in the zones.

More information: <http://www.beza.gov.bd/>

## **2.5 ENTRY CONDITIONS, WORK PERMITS, RECRUITMENT**

### **BUSINESS VISITORS**

The first Bangladeshi business visa obtained by a foreign visitor generally has a maximum validity period of 3 months. Subject to the consent of the relevant authorities, it can later be extended and have multiple-entry facility for three years.

For more information about visa, please read our section 3.2 (Visa) or contact the Consular Section of the Permanent Mission of Bangladesh in Geneva (contact details in section 3.2).

### **WORKING IN BANGLADESH AS AN "EXPAT"**

Work permits are pre-requisite for foreign nationals to work in Bangladesh. Private sector enterprises desiring to employ foreign nationals are required to apply in advance in the prescribed format to BIDA. Here are the basic guidelines:

- Employment of foreign nationals is normally considered for the job for which local experts/technicians are not generally available. Persons below 18 years of age are not eligible for employment;
- Initially, the employment of any foreign national would be considered for a term of 2 years, which may be extended; Written evidence of a decision made by an entitled establishment's Board of Directors to recruit a foreign national or extend his/her employment must be submitted;
- Number of foreign employees, including top management personnel, should not exceed 5% of the total employees;
- Security clearance must be obtained from the Ministry of Home Affairs.

## **LOCAL WORKFORCE**

Recruiting and retaining talents can prove to be more difficult than expected. Unemployment is greater among higher educated youths and each year fresh graduates from the public universities and some good private institutions are avid for entry level positions.

“Brain drain”, the emigration of the best educated, is a serious problem in Bangladesh and can make it difficult for the recruitment and training of mid and top level executives. Bangladeshi workers have a reputation for hard work, dedication and flexibility.

A number of options for temporary/ shared/ co-working spaces are available in Dhaka. E.g. <https://www.regus.com/en-gb/bangladesh/dhaka/coworking>.

## **2.6 REGULATORY LAWS AND OTHER LEGAL PROVISIONS**

### **REGISTRATION PROCEDURE FOR PRODUCTS**

In Bangladesh, protection of industrial property comes under the purview of Ministry of Industries. On behalf of the ministry, the Department of Patents, Designs & Trademarks (DPDT) administers all the activities relating to intellectual property registration. The Importers, Exporters and Indentors (Registration) Order, 1981, sets out rules, norms and procedures for product registration in Bangladesh.

### **STANDARDS, TECHNICAL RULES, LABELLING REGULATIONS**

The Bangladesh Standards and Testing Institution (BSTI) is the regulatory authority regarding standards and quality of goods and services.

Imported goods and their containers must not incorporate any words, pictures or inscriptions of religious or obscene connotation.

Advertising material disclosing the nature of the contents that could entice theft should be avoided. Milk food containers must indicate the ingredients in Bengali Language (English alone will not suffice) as well as the date of production and expiry (in Bangla or English).

### **INTELLECTUAL PROPERTY RIGHTS (IPR)**

Production and marketing of counterfeit goods are widespread in Bangladesh. The government still has limited resources and IPR laws are often not strictly enforced. Nevertheless, in recent years, the government has taken initiatives to upgrade the related legal framework. The government enacted a Copyright Law in July 2000 (later amended in 2005) and a Trademarks Act in 2009. The Department of Patents, Design and Trade Marks is responsible for IP in Bangladesh.

### **CURRENCY REGULATIONS**

Bangladesh Payment and Settlement Systems Regulations, 2009 codifies payment systems that operate in the country, including cross border transactional activities. Foreign currency transfers made by companies must be approved by the central bank of Bangladesh, namely, Bangladesh Bank. Cross-border transfers are also subject to the Foreign Exchange Regulation Act, 1947.

### **COMMERCIAL LAWS**

Bangladesh does not have a separate court or division of a court dedicated solely to hearing commercial cases. The Joint District Judge court (a civil court) is responsible for enforcing contracts. According to the Foreign Private Investment (Promotion and Protection) Act, 1980, Government shall accord fair and equitable treatment to foreign private investment which shall enjoy full protection and security in Bangladesh. The government also guarantees full repatriation of foreign investment made. The Industrial Policy Act of 2016 reinforces equal treatment for local and foreign investment.

### **ARBITRATION**

The Bangladesh International Arbitration Centre (BIAC) was launched in 2011. This is Bangladesh's first arbitration center for the settlement of commercial disputes. Some companies, after using BIAC services, reported problems to enforce the agreements made during the arbitration. As such non-institutionalized arbitration is more common than institutionalized ones. Bangladesh has enacted the Arbitration Act 2001, these are the law relating to international commercial arbitration, recognition and enforcement of foreign arbitral award and other arbitrations. Bangladesh has not ratified the Arbitration (Protocol and Convention) Act 1937.



### **3 INITIATING BUSINESS CONTACTS AND TRAVEL INFORMATION**

Social and business customs in Bangladesh are recommended to be observed. The following tips are useful not only for business reasons but also as general advices when travelling around the country.

#### **3.1 TIPS FOR INITIATING BUSINESS CONTACTS**

- It is preferable to establish new business contacts via an introduction by mutual contact, someone the company already knows and trusts. It is customary to exchange greetings when you meet your business contact.
- Bangladeshis normally prefer to have face-to-face (and often long) meetings than contact by phone, fax or email, which are seen as more impersonal. Business is often discussed over a lunch meeting.
- Appointments should be made at least with 1 or 2 weeks in advance, and confirmed a few days before the actual meeting. Delays are not unusual, more common in big social events and less common in business meetings. Western businesspeople are expected to be punctual.
- It is recommended for female visitors to cover arms and legs including ankles, since the contrary can be considered improper. Generally, visiting western businessmen and women are expected to dress smartly.
- In general situations, men usually wear trousers and long or short-sleeved shirts. Lightweight suits or shirt and tie are recommended during business visits. It is customary to wear business suits when visiting government officials.
- During meetings, handshake is very common, although a man should not shake hands with a local woman unless she offers her hand first. In general, a woman will greet with a courteous nod of the head.
- People are expected to use the right hand when receiving and/or offering items, such as a business card. Keep a plentiful stock of business cards.
- Generally, people in Bangladesh do not expect alcohol as a gift. Hence, it is safer to take sweets or chocolates or other items. When receiving a gift, it is considered impolite to open the present in front of the giver.
- The majority of business people speak English. However, in the presence of foreigners, Bangladeshis may speak among themselves in the local language. In most cases this is inadvertent and should not be dubbed as impolite or inappropriate.
- When dining, the use of the right hand is considered as sacred (or even in business). Use your right hand for passing a dish, handing over a document or accepting anything. In general circumstances wine is not served (unless you are in an international hotel). Pork is never served except for few restaurants.
- While negotiating, private companies will respond to your approach in an equal manner. Therefore, if a potential partner demonstrates flexibility and willingness to commit, they will gladly put the same effort into the partnership.

#### **3.2 ARRIVAL AND DEPARTURE**

There are three International Airports in the country (Dhaka, Chittagong and Sylhet), although most Swiss visitors coming to Bangladesh enter the country by air and through the Hazrat Shahjalal International Airport in Dhaka (Code: DAC). Flights to/from Switzerland (Zürich and or Geneva) are operated in almost all cases seven days a week by Emirates (via Dubai), Turkish (via Istanbul), Qatar (via Doha), Thai (via Bangkok), Singapore Airlines (via Singapore), Spice Jet (via Delhi), Malaysia (via KL) and Saudi Airlines (via Jeddah).

Dhaka's international airport is situated 20km from downtown. Journey time from the airport to the Diplomatic area in the north-west of the city (Gulshan, Banani and/or Baridhara, Hotel Westin, Radisson) is between 30-45 minutes; to the Sonargaon and/or Intercontinental Hotels between 60-120 minutes, depending on the time

of day and traffic conditions. Almost every hotel (3 Star to 5 Star) provides airport pick up and drop. Taxis are not readily available at the airport and it is, therefore, important to arrange the pickup beforehand.

### **3.3 VISA**

Most nationalities, including Swiss, need a visa to enter Bangladesh. Visitors from Switzerland are strongly advised to obtain their visa from the Bangladesh Embassy in Geneva prior to the departure. Swiss nationals and those arriving from countries without official Bangladeshi representation can obtain a visa on arrival but this approach can be difficult, time consuming and is not recommended. In any case, to avail visa on arrival for business or investment purpose, the applicant needs to present an introduction/ invitation letter issued by his/her business contact in Bangladesh and certifications from relevant authorities (e.g. BIDA).

For more information about Visa, please contact the Consular Section of the Permanent Mission of Bangladesh in Geneva:

Permanent Mission of Bangladesh in Geneva

65, Rue De Lausanne (3rd Floor), 1202 Geneva, Switzerland

Telephone: +41 22 906 8020(O)

Fax: +41 227384616

Email: [permanentmission.geneva@mofa.gov.bd](mailto:permanentmission.geneva@mofa.gov.bd)

Website: <https://mofa.gov.bd/site/page/26780198-c13b-4e4a-addf-b8731cc28376>

### **3.4 LANGUAGES USED FOR BUSINESS**

The official language is Bangla (Bengali). However, English (especially in business circles) is also widely used and for initial business contacts there is no need to get the help of an interpreter. Written business correspondences and trade literature can also normally be found in English.

### **3.5 TIME ZONE, BUSINESS HOURS AND PUBLIC HOLIDAYS**

GMT+6 hours.

Bangladesh does not use daylight saving time.

The work week in Bangladesh is usually from Sunday to Thursday, Friday being the official weekend day. Most companies and Government offices are closed also on Saturday. However, some industries such as the garment sector often follow the western business week from Monday to Friday. In weekdays, Government offices follow 9am to 5pm working hour while private sector offices remain open from 10am till 6pm for business. Shopping malls remain open till 8pm.

#### **PUBLIC HOLIDAYS**

Generally, summer, Eid holiday (Muslim festivals) and winter vacations are the prolonged holidays in Bangladesh and families also plan their holidays during this period. Hence, it is advisable to check beforehand whether your Bangladeshi partner(s) / potential business client(s) would be available during this time. Following is a list of common holidays in Bangladesh, however not all private organizations / companies strictly follow this list.

- Eid-e-Milad-un-Nabi- variable date
- International Mother Language Day- 21 February
- Independence Day- 26 March
- Bengali New Year- 14 April
- International Labor Day- 1 May
- Buddha Purnima- variable date
- Durga Puja – variable date
- Ashura
- Eid-ul-Fitr- variable date (biggest religious holiday, activities slow down considerably for around one week)
- National Mourning Day- 15 August

- Eid-ul-Azha- variable date
- Victory Day- 16 December
- Christmas- 25 Decembers

### 3.6 SECURITY, HEALTH AND INOCULATIONS

The Embassy of Switzerland strongly recommends the Swiss nationals to follow the Travel Advice (<https://www.eda.admin.ch/countries/bangladesh/en/home/travel-advice/current-situation.html>) issued by the Federal Department of Foreign Affairs of Switzerland. For health and vaccine information related to Bangladesh, please check the website [www.safetravel.ch](http://www.safetravel.ch).

Air pollution is a matter of concern in Dhaka. Especially during the dry-season, it can reach very unhealthy levels according to the World Health Organization. It is possible to monitor the air quality in through the link: <http://aqicn.org/city/bangladesh/dhaka/us-consulate/>

### 3.7 ELECTRICITY SUPPLY

Electricity in Bangladesh is 220 Volts, alternating at 50 cycles per second. For the trip to Bangladesh carry a voltage converter along in case your device is not compatible to 220 Volts at 50 Hertz.

### 3.8 METHODS OF PAYMENT

The name of Bangladeshi currency is Taka (BDT). During the past 5 years the value of one Swiss Franc oscillated between 75 and 90 Bangladeshi Takas. Bank Notes are of two taka, five taka, ten taka, twenty taka, fifty taka, one hundred taka, five hundred taka and one thousand taka. One taka is made up of 100 paisas. Coins are of five taka, two taka, one taka. Major International chain hotels/ five star hotels accept foreign currency as payment; however, in other cases foreign currencies are no valid instrument of payment. It is advisable to change foreign currencies to BDT only from authorized money exchanges (airport, banks, and hotels). A foreign national can enter Bangladesh carrying foreign currency of value up to USD 5,000 without declaring at the port of entry. All major credit cards are accepted in most commercial establishments at major cities and ATM machines are available to withdraw local currency. Apple/ Google Pay are not available. Confirmed/ irrevocable L/C is the most secured method of transaction for both exporters and importers. However, L/C opening entails additional paper work and can be expensive.

More information on (offshore) payments:

<https://www.bb.org.bd/fnansys/paymentsys/paysystems.php>

<https://www.bb.org.bd/aboutus/regulationguideline/guidelist.php>

### 3.9 SERVICES IN BANGLADESH

#### TRANSPORTATION

Official taxis are not readily available in Dhaka. However, Uber has been operating in the country since the beginning of 2017. It is advisable to arrange a car through local business contacts or hotel for transfers within the city. Traffic congestion often is a big challenge in Dhaka and this issue should be factored in while setting up business meetings.

Local airlines operate in the following cities within Bangladesh: Dhaka, Chittagong, Sylhet, Rajshahi, Cox's Bazaar and Jessore. Bangladesh Biman, Novo Air and US Bangla are currently operating for domestic flights. There is a bus network within the country but due to poor roads and infrastructure journeys by bus/coach take a lot longer than air travel. Between Chittagong, Dhaka and Sylhet, travel by train can be an option.

A common mean of transportation in the major cities are rickshaws and autorickshaws (popularly called CNGs). However foreigners are not advised to use them.

#### HOTELS

There are a number of 5 Star hotels in Dhaka city. The Radisson Blu, Le Meridién and Westin Hotel are not far from the airport in Dhaka. The Pan Pacific Sonargaon is located further downtown. A number of 3 and 4

Star standard hotels are also available in Dhaka. It is always advisable to book your hotel accommodation well before your travel date. There are also a number of good hotels in other major cities in Bangladesh.

A selection of hotels in Dhaka frequented by international travelers:

High end class - diplomatic area (30-45 min. from airport)	Mid-level - diplomatic area (30-45 min. from airport)	High end class - down-town / commercial area (60 – 120 min. from airport depending on traffic)
<u>Radisson Blu Dhaka Water Garden</u> (close to the airport) Airport Road, Dhaka Cantonment. Dhaka 1206	<u>Ascott the Residence</u> Baridhara Diplomatic Area, Road 8, House 13, Block K, Dhaka 1212	<u>Pan Pacific Sonargaon Dhaka</u> 107 Kazi Nazrul Islam Avenue, Dhaka 1215, Bangladesh Telephone: +88 02 5502 8008
<u>The Westin Dhaka</u> Main Gulshan Avenue. Plot-01, Road 45, Gulshan-2. Dhaka 1212, Bangladesh	<u>Nascent Gardenia Baridhara</u> 27, Park Road, Baridhara Diplomatic Zone, Dhaka – 1212	
<u>Le Meridien Westin Dhaka</u> 79/A Commercial Area, Airport Road, Nikunja 2, Khilkhet Dhaka, 1229.	<u>Lakeshore Banani</u> House 81, Block D, Road 13A, Banani, Dhaka 1213	
	<u>Six Seasons Hotel Dhaka</u> House 19, Road 96, Gulshan 2, Dhaka 1212	

## BANKS

Major international banks such as HSBC and Standard Chartered are represented in Bangladesh. Local commercial banks also offer a wide range of services.

## COMMUNICATION

Mobile phone is the easiest and cheapest means of communication in Bangladesh. Over half the total population has mobile phone connections. Government owned postal service is not reliable. A number of local and international courier services are operational in the country. Internet usage is widespread in the country.

*[Return to contents](#)*

## 4 BASIC ADDRESSES AND SOURCES OF INFORMATION

### EMBASSY OF SWITZERLAND IN BANGLADESH

Bay's Edgewater, 8th floor, Plot 12, North Avenue. Gulshan 2, Dhaka 1212.

<https://www.eda.admin.ch/dhaka>

- The embassy can provide some basic services to Swiss-based companies. These include basic market information, support to establish links with companies active in Bangladesh and guidance to find service providers.

### SWITZERLAND GLOBAL ENTERPRISE (S-GE)

Stampfenbachstrasse, 85. Zurich, 8006.

<https://www.s-ge.com/>

- On behalf of the Swiss Confederation, promote exports and offer different services to help Swiss companies to sell and establish abroad.

### THE SWITZERLAND – BANGLADESH CHAMBER OF COMMERCE AND INDUSTRY (SBCCI)

House 37, Road 24. Gulshan 1, Dhaka 1212.

<http://www.sbcccibd.org/>

- Founded in 2004 by Swiss companies present in Bangladesh and local companies with regular business with Switzerland, promote trade and investment between the two countries.

### **FOREIGN INVESTORS' CHAMBER OF COMMERCE & INDUSTRY (FICCI)**

House 59, Road 1, Block I. Banani, Dhaka 1213.

<http://ficci.org.bd/>

- Important business association formed by foreign companies established in Bangladesh.

### **MINISTRY OF COMMERCE**

Bangladesh Secretariat, Abdul Gani Road. Shegunbagicha, Dhaka 1000.

<http://www.mincom.gov.bd/>

- Ministry in charge of import and export policies, including the negotiation of trade agreements. Also overlooks the chambers of commerce, accountancy and The Registrar of Joint Stock Companies and Firms.

### **MINISTRY OF FINANCE**

Planning Commission Campus, 7, 8, 10, 15 & 16. Sher e Bangla Nagar, Dhaka 1206.

<http://www.mof.gov.bd/>

- The ministry is responsible for state finance, including the state budget, taxation and economic policy in Bangladesh.

### **NATIONAL BOARD OF REVENUE (NBR)**

<http://nbr.gov.bd/>

- Central authority for tax administration in Bangladesh, including Customs tariffs and procedures.

### **MINISTRY OF INDUSTRIES**

91 Motijheel Road. Motijheel, Dhaka 1000.

<http://www.moind.gov.bd/>

- Ministry in charge of the industrial policy, responsible for several state owned companies, standards for trade and intellectual property rights.

### **THE PRIME MINISTER'S OFFICE**

Prime Minister's Office, Old Sangsad Bhaban. Tejgaon, Dhaka 1215.

<http://www.pmo.gov.bd/>

- The office Bangladeshi head of government, supervises many of the country's strategic agencies. E.g. BIDA, BEPZA, BEZA, NGO Affairs Bureau and National Security Intelligence.

### **BANGLADESH INVESTMENT DEVELOPMENT AUTHORITY (BIDA)**

Prime Minister's Office, E-6/B Agargaon. Sher-e-Bangla Nagar, Dhaka 1207.

<http://bida.gov.bd/>

- Government agency responsible for support foreign investors in Bangladesh; offers counselling services, liaison with other stakeholders and regulate the activities of foreign companies in Bangladesh.

### **BANGLADESH EXPORT PROCESSING ZONES AUTHORITY (BEPZA)**

BEPZA complex, House 19/D, Road 6. Dhanmondi, Dhaka 1209.

<http://www.bepza.gov.bd/>

- Official organ established under Prime Minister's Office to promote, attract and facilitate foreign investment in the Export Processing Zones (EPZ).

### **BANGLADESH ECONOMIC ZONES AUTHORITY (BEZA)**

BDBL Bhaban (Level 15), 12. Karwan Bazar, Dhaka 1215.

<http://www.beza.gov.bd/>

- Government agency created in 2010 to coordinate the creation of Special Economic Zones in Bangladesh and attract foreign investments for these areas.

### **BANGLADESH BANK**

Bangladesh Bank Building, Motijheel C/A. Motijheel, Dhaka 1000.

<http://www.bb.org.bd/>

- The Bangladesh Central Bank is responsible, between others, for the country's monetary policy, overlooking of banking system and cross-borders money transfers.

### **USEFUL PUBLICATIONS AND OTHER SOURCES OF INFORMATION**

Business Start-up Licenses: <http://www.buildbd.org/index.php/main/page/118>

Doing Business in Bangladesh (UHY): <http://www.uhy.com/wp-content/uploads/Doing-Business-in-Bangladesh.pdf>

Bangladesh Bureau of Statistics (<http://www.bbs.gov.bd/>)

Economic Relations Division (<http://www.erd.gov.bd/>)

Export Promotion Bureau (<http://www.epb.gov.bd/>)

Finance Division (<http://www.mof.gov.bd/en/>)

Department of Immigration and Passport (<http://www.dip.gov.bd>)

Department of Patents, Designs and Trademarks (<http://www.dpdt.gov.bd/>)

Ministry of Commerce (<http://www.mincom.gov.bd>)

Dhaka Chamber of Commerce & Industry (<http://www.dhakachamber.com/>)

The Federation of Bangladesh Chamber of Commerce and Industry (<http://www.fbcci-bd.org/>)

Metropolitan Chamber of Commerce & Industry (<http://www.mccibd.org/>)

Fair Calendar of Export Promotion Bureau (<http://www.epb.gov.bd/site/files/f09bc0b7-6049-4294-9167-e620ea6a94b7/Fair-Calendar>)

Trade fairs in Bangladesh (<https://www.jetro.go.jp/en/database/j-messe/country/asia/bd/>)

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[\*Return to contents\*](#)