Star BUSINESS



# Half of Bangladeshi firms expect global growth in next two years: HSBC

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Half of Bangladeshi firms are very confident that their international businesses will grow over the next two years, according to a new HSBC survey.

The British multinational bank found that the local sentiment is stronger than the global average of 41 percent.

"Bangladeshi businesses show a generally positive outlook on impact and revenue in the face of trade and tariff uncertainty, broadly in line with the global average, even as they continue to experience some cost pressures," HSBC said as it released the findings yesterday.

HSBC conducted its global trade pulse survey among 6,750 decision-makers in 17 countries to gauge views on tariffs and trade. In Bangladesh, the survey covered 250 officials in October this year to measure sentiment among international corporates.



HSBC said international firms are adjusting to a new trade environment and are using a range of strategies to manage shifting tariff pressures, rising costs and demands on working capital.

After a difficult first half of 2025, companies worldwide are regaining their footing and have a clearer picture of the evolving trade and tariff landscape, it added.

The survey found 67 percent of businesses feel more certain about the effects of trade policy on their operations than they did six months ago. Some 77 percent say they can easily understand recent policy changes.

"This growing sense of certainty is a crucial first step in enabling firms to make informed decisions and plan ahead."

Preparedness for shifting regulations has become a key factor behind business adaptability, helping them respond more quickly to policy changes and fine-tune their strategies, it said.

In Bangladesh, 88 percent of firms say they are informed and either well prepared or preparing for changing trade rules. This is slightly higher than the global average of 85 percent, according to the survey.

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# Despite generous incentives, foreign investors sidestep industrial enclaves

## Foreign firms pour most of their money into non-industrial areas as industrial zones face gas shortages and unfinished infrastructure

JAGARAN CHAKMA

Investors are placing more money in non-industrial areas, although Bangladesh now has more than two dozen export processing zones (EPZs) and economic zones (EZs) meant to anchor planned industrialisation.

These enclaves offer a long list of incentives, yet the flow of foreign investment remains thin.

During the January-June period of this year, Bangladesh welcomed $1.09 billion in foreign direct investment (FDI), up from $676 million a year ago.

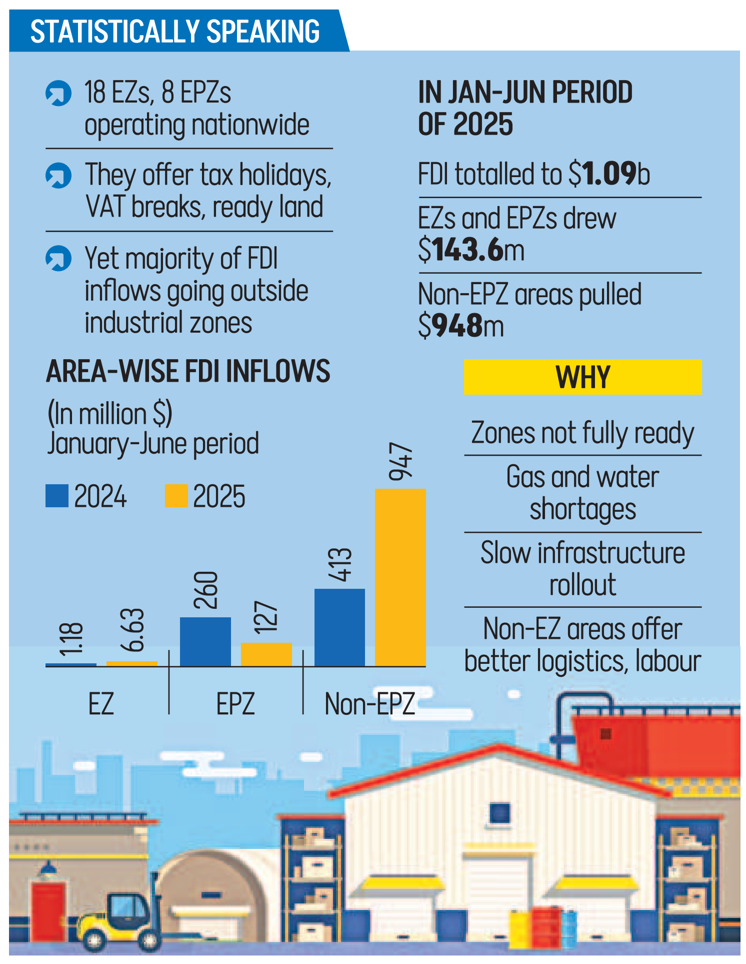
Of that sum, 18 economic zones secured only $6.6 million, and eight EPZs attracted $137 million, according to the Bangladesh Bank.

By contrast, investment in non-EPZ areas reached $948 million, nearly seven times higher than the combined inflow to the industrial enclaves.

This raises a key question: why do investors prefer locations outside zones that offer fiscal benefits?

Entrepreneurs cite incomplete infrastructure and shortages of industrial gas, water and power supplies.

Economists say much of the foreign inflow is reinvestment by existing firms rather than new factories, while sectoral data show capital moving towards energy, telecoms and finance, which do not require industrial land.




Nearly ten years ago, the authorities announced a plan to set up 100 economic zones to bring scattered industrial activity under a more structured framework.

These include government-run, foreign-developed and private zones with incentives such as income tax holidays and VAT exemptions.

A total of 18 EZs are now operational across the country. Of them, 13 are privately managed, while the Bangladesh Economic Zones Authority (Beza) oversees five.

While both foreign and local investors can invest in EPZs and EZs, EPZs are reserved for export-focused industries. But EZ based firms may sell into the domestic market.

Currently, there are eight EPZs nationwide, while the Bangladesh Export Processing Zones Authority (Bepza) looks after them.

Syed Akhtar Mahmood, who helped shape early plans for Beza, said the EZs were meant to spur export diversification by guaranteeing plots at a time when land scarcity hampered factory development.

He said there had been a vision to attract major overseas investors, along with their vendor networks, to the EZs.

Following the political changeover in August last year, the interim government scaled back the ambitious plan of 100 EZs and chose to operate five government-run sites with a focus on quality investment rather than expanding the footprint.

These EZs are the National Special Economic Zone in Chattogram, Moheshkhali

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# BB allows use of int'l cards to purchase air tickets

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Bangladesh Bank (BB) has allowed resident Bangladeshi nationals to use their international cards to purchase air tickets from airlines operating in the country for travel abroad.

The move aims to ease the difficulties travellers often face in getting tickets at competitive prices, due to the lack of international card-based settlement options in Bangladesh, the central bank said in a circular issued yesterday.

The approval, however, comes with several conditions.

**According to BB, all ticket sale proceeds must be routed through payment service arrangements with banks in Bangladesh**

According to BB, all ticket sale proceeds must be routed through payment service arrangements with banks in Bangladesh to ensure foreign currency earnings are captured through domestic banking channels.

International cards issued under travel entitlements can be refilled or replenished with the exact amount spent on ticket purchases, provided the bank confirms that the payments have been fully processed through local banks.

Banks have also been instructed to keep separate records for each refill.

The circular added that the proceeds may be credited to foreign currency accounts held by airlines with local banks, following the Foreign Exchange Transactions Guidelines 2018.

"However, the acquired funds must be converted into taka for locally owned airlines," it said.

# Laldia, Pangaon operators to get full tax break for 10 years: NBR chief

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The foreign companies managing the Laldia Container Terminal and the Pangaon Inland Container Terminal will receive full tax exemption for 10 years at the terminals, Md Abdur Rahman Khan, chairman of the National Revenue Board (NBR), disclosed yesterday.

"Just a few days ago, at a ceremony at Hotel Intercontinental, we signed agreements for the Laldia terminal and Pangaon terminal. These agreements granted 10 years of 100% tax exemption to the companies, including exemptions for technical staff, royalty payments, and dividends," Khan said at the unveiling ceremony of a study by the United Nations in Dhaka.

The Chittagong Port Authority (CPA) recently inked two deals with two foreign companies to manage the terminals. As per the deals, Danish company Maersk's logistics division APM Terminals will develop and operate the Laldia terminal in Chattogram for the next 30 years, while Switzerland-based logistics firm Medlog SA will manage and operate the Pangaon terminal on the Buriganga in Keraniganj.

Speaking as the chief guest at the study unveiling event, Khan stated that currently, Bangladesh has 1.2 crore registered taxpayers. "But many more, especially those living in rural areas, must be brought into the formal system."

He pointed out that poor people often pay a bigger share of taxes, while big businesses and investors receive many exemptions, making the system unfair. "This undermines fairness and limits our ability to expand direct taxation."

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# Local drugmakers call for easing Indian visa

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Bangladeshi drugmakers said visa complications and regulatory delays in India are increasingly hindering business growth, restricting access to technology and high-value partnerships just as the local pharmaceutical sector pushes to expand globally.

The concerns were voiced at PharmaConnect, a networking and knowledge-sharing event hosted by the High Commission of India in Dhaka on Tuesday evening.

The event was held ahead of Bangladeshi firms' participation at CPHI-PMEC India 2025, one of the largest pharmaceutical exhibitions, scheduled for November 25-27 in Delhi.

"Many of our executives, scientists and experts face significant hurdles in obtaining Indian business visas, especially for technical visits vital for plant assessment and regulatory compliance," said Abdul Muktadir, president of the Bangladesh Association of Pharmaceutical Industries (Bapi).

He said Bangladesh's pharmaceutical sector remains heavily reliant on India for critical machinery, specialised chemicals, research collaboration and product development.

Muktadir said visa delays and regulatory bottlenecks have resulted in cancellation or postponement of technical visits, including factory acceptance tests for high-value machinery, slowing industrial commissioning.

Bapi president welcomed assurances that visas would be prioritised for scientists, engineers and managers travelling to CPHI-PMEC 2025, noting that 83 professionals have already applied.

"Our people must not be deprived of this important platform," he said.

He added that most ongoing pharmaceutical development projects involve Indian research organisations, covering formulation science, bioequivalence studies and toxicology research.

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