What are the challenges?

Challenges when doing business in Bangladesh
There are several reasons for UK companies to choose Bangladesh as an export destination:

- extensive family and social connections between the UK and Bangladesh
- English is widely spoken in business
- British-made goods are regarded as reliable among end users
- strong consumer demand for products, equipment and services
- annual growth rate of at least 5.3% over the last 16 years
- stable credit rating

However, Bangladesh is a market which requires a lot of patience and a long-term strategy to be successful.


You should be aware of:

- extremely hot weather in summer and wet weather with widespread flooding in the monsoon season
- considerable risk of bribery and corruption
- procurement practices often lack transparency
- significant bureaucratic burden
- access to justice can be difficult
- implementation and enforcement of laws can be weak
- court system faces a significant backlog
What are the challenges?

- copyright abuse and piracy are widespread
- IPR enforcement is weak

The Bangladesh market is extremely price sensitive with low-price goods from India and China dominating many sectors. UK companies should sell into the market on the basis of:

- quality
- life-cycle cost
- training
- after-sales service

You should ensure you take the necessary steps to comply with the requirements of the UK Bribery Act. See: https://www.gov.uk/government/publications/bribery-act-2010-guidance.


[Source – DIT/FCO/gov.uk]

Business risk

**Bribery and corruption**

Bribery is illegal. It is an offence for British nationals or someone who is ordinarily resident in the UK, a body incorporated in the UK or a Scottish partnership, to bribe anywhere in the world. In addition, a commercial organisation carrying on a business in the UK can be liable for the conduct of a person who is neither a UK national or resident in the UK or a body incorporated or formed in the UK. In this case it does not matter whether the acts or omissions which form part of the offence take place in the UK or elsewhere.

Bribery and corruption are entrenched in Bangladesh and, despite the best efforts of the media, civil society and the donor community pervades many aspects of daily life. Corruption is often cited as a barrier to the effective development of the private sector and poses business risks that require pro-active management in the form of regular due diligence exercises and up-to-date risk strategies. Procurement practices often
lack transparency and are usually coupled with a significant bureaucratic burden. These risks require careful management.

Politicians, bureaucrats and law enforcement officials often wield significant discretionary power and notable abuses have been brought to light. Transparency International’s Corruption Perceptions Index for 2016 places Bangladesh 145th out of 176 countries – compared to 136th out of 177 in 2013, and 120th out of 183 in 2011. The World Bank’s Ease of Doing Business survey for 2018 shows Bangladesh’s standing at 177th out of 190 countries.

The Business Anti-Corruption portal provides advice and guidance about corruption in Bangladesh and some basic effective procedures you can establish to protect your company from them. See: http://www.business-anti-corruption.com/country-profiles/bangladesh.

[Source – FCO Overseas Business Risk/gov.uk, June 2017]

**Intellectual property**

Bangladesh is a member of the World Trade Organization, a member of the World Intellectual Property Organisation, plus a signatory to the Paris Convention. However, the government allocates too few resources to IPR enforcement and its capacity to enforce/police local laws is weak.

Books and textbooks for educational purposes are frequently copied and sold for a fraction of the retailers’ recommended price. Toiletries is another area that suffers from this practice. Enforcement is very poor to stop counterfeit, look-alike and parallel import for items like brand shampoo, washing liquids etc. UK publishers and toiletries exporters should therefore be aware of the risk of copyright infringement. The UK Government is not aware of any trademark or intellectual property disputes other than copyright infringements from British companies currently doing business in Bangladesh.

With copyright abuse and piracy widespread and IPR enforcement weak, the rights’ holder should develop a robust IPR strategy before entering the Bangladeshi market.

Read the information provided on the UK Government’s intellectual property page at: https://www.gov.uk/intellectual-property-an-overview.

**Payment risks in Bangladesh**

UKEF helps UK companies get paid by insuring against buyer default.

Be confident you will get paid for your export contract. Speak to one of UKEF’s Export Finance Advisers at:
What are the challenges?

https://www.gov.uk/government/publications/find-an-export-finance-manager, for free and impartial advice on your insurance options, or contact one of UKEF’s approved Export Insurance Brokers at: https://www.gov.uk/government/publications/uk-export-finance-insurance-list-of-approved-brokers/export-insurance-approved-brokers.

**Currency risks in Bangladesh**

If you have not fixed your exchange rate you have not fixed your price.

You should consider whether the best option for you is to agree terms in Sterling, US Dollars or Bangladeshi Taka in any contract. You should also consider getting expert financial advice on exchange rates (sometimes called FX).

**Transferring money from Bangladesh**

There are very strict exchange controls in Bangladesh. Although Taka, the Bangladeshi currency, is freely convertible, foreign currency money transfers from Bangladesh are highly regulated and subject to restrictions under the Foreign Exchange Regulation Act (FERA).

Bangladesh Bank (https://www.bb.org.bd/), the central bank of Bangladesh, is responsible for administering foreign exchange transactions in Bangladesh.

Foreign investors are free to repatriate their invested capital, profits, capital gains, post-tax dividends and approved royalties and fees through Bangladesh Bank-Approved Dealers (ADs).


To make it easier to fulfil an export contract and grow your business, schemes are available to UK companies selling products and services to Bangladesh. Contact your bank or specialist financial organisation for assistance.

UK Export Finance (UKEF) has significant risk capacity to support exports to Bangladesh, see: https://www.gov.uk/guidance/country-cover-policy-and-indicators#bangladesh. Contact one of UKEF’s Export Finance Advisers at: https://www.gov.uk/government/publications/find-an-export-finance-manager for free and impartial advice on your finance options.
Travel / Airline Corporation Travel Services

Law / Legal Services

Accountants / Professional Business Services

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