

Foreign Investment Law and Policy in Bangladesh: Challenges and Recommendations

SEFAT ARA NADIRA¹

School of Public Administration, China University of Geosciences
Wuhan, China

TARIQUE AL KADIR

School of Accounting, Department of Business Studies
Bangladesh National University, Gazipur, Bangladesh

XING CHEN

School of Public Administration, China University of Geosciences
Wuhan, China

Abstract:

It is the dream of every country to develop and so is Bangladesh. Due to this, the then Government of Bangladesh put in place a comprehensive array of foreign investment policies aimed at bringing about significant socio-economic improvements to the people of Bangladesh and ultimately, self-reliance, for the nation. The paper talks about the foreign investment policy in Bangladesh. In recognition of the private sectors ability to contribute towards achievement of these goals, the government has recently implemented a number of significant policy reforms. Also the paper will look at some benefit of the policies, the challenges foreign direct investment (FDI) or investors face in the country with some recommendation drawn and finally conclusion.

Key words: Bangladesh, Foreign investment policy, Socio-economic improvement & foreign direct investment (FDI).

¹ Corresponding author: shifatcug@yahoo.com

1. INTRODUCTION:

Bangladesh is situated in the fertile Ganges Delta in South Asia. It has a rapidly developing, market-based economy. According to the International Monetary fund (IMF), Bangladesh ranked as the 42nd largest economy in the world in 2010 in purchasing power parity (PPP) terms. It is considered to be one of the Next 11 (N11) as identified by “Goldman Sachs investment Bank and economist Jim O’Neill” and the Group of Eight Developing Islamic Countries (D8) economics.

Bangladesh’s economy has grown by 5-6% per year on average since 1996 despite frequent natural disasters, political instability, poor infrastructure, and slow implementation of economic reforms. Although more than half of the gross domestic product (GDP) is generated through the service sector, 45% of Bangladeshis are employed in the agriculture sector, with rice as the single-most important product. The ready-made garments industry, textiles, leather products, jute, ceramics, and seafood processing are also important revenue generating sectors for Bangladesh.

The Bangladesh legal system relating to contract, company, banking, bankruptcy and other commercial laws has been in a state of ongoing development and new laws are being implemented on a regular basis to meet and facilitate the needs of foreign and local investors. Additionally, Bangladeshi government ministries and officials issue new regulations from time to time. DFDL has an excellent working relationship with the relevant government stakeholders to ensure that our understanding of the legal regulatory regime is consistent with the last developments and always current.



Bangladesh-Japan Relationship

2. FOREIGN INVESTMENT POLICY IN BANGLADESH:

The Government of Bangladesh has put in place a comprehensive array of policies aimed at bringing about significant socio-economic improvements to the people of Bangladesh and ultimately, self-reliance, for the nation. In recognition of the private sectors ability to contribute towards achievement of these goals, the government has recently implemented a number of significant policy reforms. These are designed to create a more open and competitive climate for foreign investment.

In order to achieve the objective of accelerating industrial growth and to gain a greater share of industry in the Gross Domestic Product (GDP) as well as to make the industrial policy responsive to the changes occurring in the global economy, the present government announced a new Industrial Policy-1999.

The main features of the Industrial Policy 1999 are as follows:

- To expand the production base of the economy by accelerating the level of industrial investment.
- To promote the private sector to lead the growth of industrial production and investment.
- To focus the role of the government as a facilitator in creation an enabling environment for expanding private investment

- To permit public undertaking only in those industrial activities where public sector involvement is essential to facilitate the growth of the private sector and/or where there are overriding social concerns to be accommodated.
- To attract foreign direct investment in both export and domestic market oriented Industries to make up for the deficient domestic investment resources, and to acquire evolving technology and gain access to export markets.
- To ensure rapid growth of industrial employment by encouraging investment in labor intensive manufacturing industries including investment in efficient small and cottage industries.
- To generate female employment in higher skill categories through special emphasis on skill development.
- To raise industrial productivity and to move progressively to higher value added products through skill and technology upgradation.
- To enhance operational efficiency in all remaining public manufacturing enterprises through appropriate management restructuring and pursuit of market oriented policies.
- To diversify and rapidly increase export of manufactures.
- To encourage the competitive strength of import substituting industries for catering to a growing domestic market.
- To ensure a process of industrialisation which is environmentally sound and consistent with the resource endowment of the economy.
- To encourage balanced industrial development throughout the country by introducing suitable measures and incentives.
- To effectively utilize existing production capacities.

- To coordinate trade and fiscal policies.
- To develop indigenous technology and to expand production based on domestic raw materials.
- To rehabilitate deserving sick industries.

3. RESERVED SECTOR (PUBLIC SECTOR) INDUSTRIES:

The public sector or the reserved sector is set aside for only the government and its citizens. Foreign investors are forbidden to partake or invest in such areas. These areas reserved for public sector investment include:

- a) Arms and ammunition and other defense equipment and machinery
- b) Forest Plantation and mechanized extraction within the bounds of reserved forests
- c) Production of nuclear energy
- d) Security printing (currency notes) and minting.

Private Sector Investment:

The role of the Private sector has been recognised as a predominant one. Except reserved sectors, private sector investment has been kept open without any ceiling. Private investment both local and foreign or joint venture between local and foreign or with public sector is allowed.

Foreign Investment:

With these, policies are set aside with reference to foreign direct investment which says:

- a) Foreign investment, with particular preference to foreign direct investment will be encouraged in all industrial activities in Bangladesh including service industries and toll manufacturing, excluding those in the list of "Reserved Industries" and readymade garments, banks, insurance companies and other

financial institutions. Such investments may be undertaken either independently or through joint ventures, either with the local private or public sector. The capital market will also remain open for portfolio investment.

- b) The policy framework for foreign investment in Bangladesh is based on Foreign Private Investment (Promotion and Protection) Act, 1980 which provides for;
- non-discriminatory treatment between foreign and local investment
 - protection of foreign investment from expropriation by the state and
 - ensured repatriation of proceeds from sale of shares and profit.
- c) For foreign investment, there will be no limitation pertaining to equity participation that is, 100% foreign equity will be allowed. Fully foreign owned firms or joint ventures will in no way be obliged to sell their shares through public issues, irrespective of the amount of their paid-up capital. However, foreign investors or companies with foreign investment will be eligible to buy shares through the stock exchange. Foreign investors on companies may obtain full working capital loans from local banks. The terms of such loans will be determined on the basis of bank client relationship.
- d) Foreign entrepreneurs will enjoy the same facilities as the domestic entrepreneurs in respect of tax holiday, payment of royalty, technical know-how fees etc. A foreign technician employed in foreign companies will not be subjected to personal income tax up to 3 years, and beyond that period his/her personal income tax payment will be governed by the existence of non-

existence of agreement on avoidance of double taxation with country of citizenship.

- e) Full repatriation of capital invested foreign sources will be allowed. Similarly profits and dividend accruing to foreign investment may be transferred in full. If foreign investors reinvest their repatriable dividends and or retained earnings, those will be treated as new investment. Foreigners employed in Bangladesh are entitled to remit up to 50 percent of their salary and will enjoy facilities for full repatriation of their savings and retirement benefits.
- f) The process of issuing work permit to foreign experts on the recommendation of investing foreign companies or joint ventures will operate without any hindrance or restriction. "Multiple entry visa" will be issued to prospective foreign investors for 3 years. In case of experts, "multiple entry visa" will be issued for the whole tenure of their assignments.
- g) Foreign investment in "Thrust Sectors", particularly in small industrial units, will be given priority in allocation of plots in BSCIC industrial estates.
- h) Investment of non-resident Bangladeshis will be treated as par with foreign direct investment.
- i) Measures will be taken to protect the intellectual property rights of new products and processes.
- j) Investment guarantee and dispute settlement will be guided by international arrangements and provisions.

4. FACILITATIVE ROLE OF THE PUBLIC INSTITUTIONS:

Below are the roles in the form of guidance the public institutions plays following the investment framework for the development of the private sector:

- a) All foreign investments shall be registered in the prescribed manner with the concerned promotional body before setting up an industry.
- b) Prior clearance will be required for setting up of ready-made garments (RMG) units, banks, insurance companies and other financial institutions.
- c) Bangladesh Small and Cottage Industries Corporation (BSCIC) will allot industrial plots to respective industrial units in its own industrial estates and estates developed by it under special orders. Similarly, Bangladesh Export Processing Zones Authority (BEPZA) will allot land in its own estates. Board of Investment (BOI) will recommend and pursue allotment of public land wherever available.
- d) Concerned facilitating agencies will, after discussion with the relevant authorities, determine the time limit for receipt of power, gas, water, drainage and telecommunication connection as well as provide clearance relating to environment pollution. These facilities will be provided by the "One Stop Service" cell of the facilitating agencies.
- e) BOI, BEPZA and BSCIC will approve, wherever necessary, the payment of any royalties, technical assistance fees and approve appointment and payment of remuneration of foreign personnel's.
- f) Private sector is allowed to set up export processing zones and develop industrial parks. Government will extend support to these zones and parks. Industries located in the private zones (EPZs) will enjoy the same facilities as those enjoyed by the units located in the public EPZs.

5. BOARD OF INVESTMENT (BOI):



The Government of Bangladesh established the Board of Investment (BOI) in 1989 for accelerating private investment in Bangladesh. The Board, headed by the Prime Minister of the Republic is vested with necessary powers to take decisions for speedy implementation of new industrial projects and provide operational support services to the existing ones.

The major functions of Board of Investment (BOI) include the following:

- Undertaking investment promotion activities at home and abroad
- Providing all types of facilities for promotion of capital investment and rapid industrialization.
- Registration of industrial projects as well as royalty, technical know-how and technical assistance agreements wherever required
- Approval of payment of royalty, technical know-how and technical assistance fees to foreign nationals/ organisations beyond the prescribed limits.
- Issuing work permit to expatriate personnel working in private sector industrial enterprises
- Providing import facilities to industrial units in the private sector.
- Approval of the terms and conditions of foreign private loan and suppliers credit
- Allotment of land in the industrial areas/estates for industrial purpose
- Conciliation of disputes relating to foreign investors and
- Providing assistance to avail infrastructure facilities for industries.

One Stop Service Centre:

The infrastructure and institutional support service that are available with the One Stop Service Centre are :

- a) pre investment counseling

- b) electric connection
- c) gas connection
- d) water and sewerage connection
- e) telecommunication facilities
- f) solution of problems in case of difficulties arising in clearing imported machinery under concessional rate of import duty and obtaining bonded warehouse license
- g) environmental clearance

Courtesy service:

The Board of Investment offers courtesy service to the visiting foreign investors. The service includes reception at airport, hotel booking, transport arrangement and drawing up itinerary in accordance with the need of the foreign investors visiting Bangladesh. To avail of the services the investors are advised to intimate BOI in advance.

Welcome service at airport:

BOI welcome service counter manned by BOI officials has been set-up to offer round the clock service to all foreign investors arriving at the Zia International Airport, Dhaka. Foreign investors are requested to avail the services on arrival.

6. PROCEDURE FOR OBTAINING FACILITIES AND SERVICE:

To avail of the facilities and services provided by BOI for setting up of industries, the procedures mentioned below are to be followed by the entrepreneurs:

A. Registration of joint venture/100% foreign investment proposals in the private sector:

For registration of the projects entrepreneurs/investors are required to apply in a prescribed form available in the One Stop Service Centre of BOI.

B. Registration of self-financed local investment projects including industries sanctioned/financed by financial institutions or commercial banks:

The entrepreneurs/investors of such projects are also required to apply in prescribed form to BOI for registration.

C. Permission for setting up joint venture industrial units with the public sector corporations:

An entrepreneur, either local or foreign, can set up an industry with public sector corporation, Such joint venture is required to be registered with BOI if the private sector share holding is more than 50%, and in such case it is treated as private sector project. For any public sector which makes contribution out of their own fund needs approval of the concerned ministry. If the share holding of the corporation is 50% or above, it is treated as a public sector project. The public sector project is processed by the concerned ministry for approval of the Planning Commission.

7. PROCEDURE OF IMPORT OF RAW AND PACKING MATERIALS AND SPARE PARTS:

No permission is required for import of free list items. For items in the restricted list, BOI, BEPZA and BSCIC will fix up the import entitlement and recommend to Chief Controller of Imports & Exports (CCI&E) for issuance of IRC (Import) Registration Certificate). CCI&E issues IRC in favour of the industrial enterprises within 30 days of receiving application. Items included in the banned list cannot be imported unless otherwise specified.

In case of import of raw and packing materials of the pharmaceutical industry, the Drugs Administration Directorate under Ministry of Health and Family Welfare prepares Block Lists on half-yearly basis. BOI/BEPZA/BSCIC provides all other assistance relating to import in their respective

jurisdictions. In this connection procedure followed by BOI is as under:

On receipt of application in the prescribed form along with copies of (1) TIN certificate, (2) Trade License, (3) Membership Certificate of relevant trade association/chamber, (4) Certificate from the nominated bank regarding opening of account, (5) Incorporation Certificate, in case of limited companies and (6) Letter of registration with BOI, necessary field inspection is done to determine annual production capacity and half yearly/yearly import entitlement of raw & packing materials. The entrepreneur is then advised to deposit IRC fees (on the basis of annual import entitlement) by Treasury Challan to the Bangladesh Bank/Treasury. On receipt of the copy of treasury challan, recommendation is made to the office of the CCI&E for issuance of IRC. The entrepreneur will then approach the nominated bank for opening Letters of Credit for import.

Guide-lines for registration/approval of foreign loan, suppliers, credit, PAYE scheme, etc:

Private investors arranging foreign loan, supplier's credit, deferred payments, PAYE scheme etc. are required to obtain prior approval from BOI. Investors need to approach BOI in the prescribed application form for the purpose.

Remittance of royalty, technical know-how and technical assistance fees:

Royalty: Royalty fee is paid by the local manufacturer to its foreign collaborator in consideration of

- * license to use the brand name and trade mark of the foreign manufacturer on the local product (s) and/or;
- * assignment of rights under inventions by the foreign company as well as current manufacturing experience.

Technical know-how and technical assistance fees:

Technical know-how and technical assistance fee is paid by the local unit to its foreign collaborator in consideration of preparation of factory layout, engineering specifications of the project, assistance in selecting machine, supervision of civil construction and installation of machinery and equipment, know-how and assistance in production, testing, safety and quality control, assistance by way of making available patented process and /or know-how and right to avail of the technical information resulting from research and development, training of local personnel, technical assistance in management and marketing in deserving cases and assistance in other technical matters etc.

No prior permission of BOI is required for entering into agreements for remitting fees for the purpose of royalty, technical know-how and technical assistance if the total fees and other expenses connected with technology transfer (service fee, marketing commission etc.) are within the following prescribed limits:

- a) For new and existing projects such fees and other expenses should not exceeds an aggregate limit of 6% of the C&F value of respective imported machinery.
- b) Within the agreement period recurrent annual fees for royalties and other expenses such as fees for technical know-how, technical assistance, operational services, marketing of products etc. should not exceed an aggregate limit of 6% of the previous years sales of the firms as declared in the Tax Return and Audited Balance Sheet of the company.

Once the technology transfer agreements falling within the above limits are signed, these are required to be furnished to BOI for registration and for remittance.

Proposals which are not covered under the prescribed limits will require prior approval of BOI for which application have to be submitted along with necessary documents and copy of the draft agreement.

8. PROCEDURE FOR OBTAINING WORK PERMIT FOR FOREIGN NATIONALS:

Work permit for foreign nationals is a pre-requisite for employment in Bangladesh. Private sector industrial enterprises desiring to employ foreign nationals are required to apply in advance in the prescribed form of BOI. For expatriate employment the following guidelines are followed:

- a) Nationals of the foreign countries recognized by Bangladesh are considered for employment.
- b) Employment of expatriate personnel be considered only in industrial establishments which are sanctioned/registered by the appropriate authority.
- c) Decision of the Board of Directors of the concerned company for new employment/ extension and the certified copy of the Memorandum and Articles of Association duly signed by the share holders are to be furnished.
- d) Experts/Technicians in the irrelative fields are required to furnish their certificate of educational qualifications and experience through their employers.
- e) Service contract/agreement/appointment letter/buyer's nomination along with the copy of passport are to be furnished.
- f) The Number of foreign employees should not exceed 15% of the total employees including top management personnel.
- g) Initially employment of any foreign national is considered for a term of one year which can be extended on the merits of the case.
- h) Necessary security clearance by the Ministry of Home Affairs is required.

9. PROCEDURE FOR OBTAINING INDUSTRIAL PLOTS:

Entrepreneurs requiring industrial plots for setting up of an industry in any industrial area/estate apart from BEPZA and BSCIC, may approach BOI mentioning the size of plot required

by them along with copies of registration/sanction letter and industrial layout plan for letting actual requirement. After receiving an application the BOI provides assistance to the entrepreneur in getting an industrial plot. Most of the industrial areas/estates are owned/controlled by the city development authorities in three divisional head quarters, RAJUK in Dhaka, CDA in Chittagong and KDA in Khulna. Besides these, there are a few industrial estates owned and controlled by some other government agencies namely, (a) Public Works Department and (b) Housing and Settelement Directorate. BOI recommends for acquisition of land to the concerned authorities if required by the industrial units, In such case the entrepreneurs required to submit relevant papers and information in connection with the land to be acquired by the Deputy Commissioner concerned.

Procedure for obtaining electricity, gas, water, sewerage & telephone connection:

Entrepreneurs may apply either directly to the concerned authority for obtaining utility services or approach BOI's One Stop Service for assistance along with copy of registration/sanction letter.

10. INCORPORATING A COMPANY IN BANGLADESH:

Business in Bangladesh may be carried on by a company formed and incorporated locally and a foreign company incorporated outside but registered in Bangladesh by establishing a place of business here. There are mainly two types of companies

- i) Limited companies and
- ii) Unlimited companies

Limited companies are divided into two categories;

- a) Company limited by shares; and

b) Company limited by guarantees.

Unlimited companies and companies limited by guarantees may or may not have share capital.

Companies limited by shares:

There are two broad categories of companies limited by shares namely:

a) Private limited companies: and

b) Public limited companies.

Private limited companies:

A Private Limited company means a company which by its Articles

a) restrict the right to transfer the shares;

b) limit the number of its members to a minimum of 2 and maximum of 50 excluding the persons who are in the employment of the company

c) prohibits any invitation to the public to subscribe for the shares or debentures of the company ; and

d) entitles to commence business from the date of its incorporation.

Public limited companies:

a) A public Limited company may issue invitation to the members of the public to subscribe the shares and debentures of the company through a prospectus which complies with the requirements of the companies Act. 1994 and the Securities and Exchange Commission Act, 1993 as amended from time to time.

b) The required minimum number of Members are 7 but there is no maximum limit.

c) The minimum number of Directors are 3.

d) A company can be formed as a public company or alternatively a company which is incorporated as a private company can also be converted into a public company.

e) In order to commence business the public company shall have to obtain a commencement certificate from the Registrar of Joint Stock Companies.

Memorandum of Association:

Memorandum of Association of the company shall state the name of the company, whether it is public limited or private limited and the location of the registered office of the company. The memorandum should clearly spell out the main objectives, the authorised capital-division of this capital into shares of fixed amount and liability of its members.

Articles of Association:

The Articles of Association are the regulations governing the internal management of the affairs of the company and the conduct of its business.

10. INCENTIVES AND FACILITIES FOR THE INVESTORS:

A. Tax Holiday: Tax holiday is allowed to companies for the following periods according to the location of industries.

- * Dhaka and Chittagong Division 5 years
(excluding the 3 hill districts of Chittagong Division)
- * Rajshahi, Khulna, Sylhet, Barisal and the
3 Hill districts of Chittagong Division 7 years

The period of tax holiday is calculated from the month of commencement of commercial production or operation of the industrial undertaking. The eligibility of tax holiday is to be determined by the National Board of Revenue (NBR). Tax holiday facility can be availed of by industries set up within June 30, 2000.

B. Accelerated Depreciation: Accelerated depreciation in lieu of tax holiday is allowed at the rate of 80% of actual cost of machinery or plant for the year in which the unit starts commercial production and 20% for the following years. The rate of depreciation is 100% for areas specified by the NBR.

C. Concessionary Duty on Imported Capital Machinery: Import duty at the rate of 5% advalorem is payable on capital machinery and spares imported for initial installation or BMR/BMRE of the existing industries. The value of spare parts should not however exceed 10% of the total C & F value of the machinery and will also get the benefit of this concessionary rate of duty. For 100% export oriented industries, no import duty is charged in case of capital machinery and spares. However, import duty @ 5% is secured in the form of bank guarantee or an indemnity bond to be returned after installation of the machinery. Value Added Tax (VAT) is not payable for imported capital machinery and spares.

D. Rationalisation of Import Duty: Duties and taxes on import of goods which are produced locally will be higher than those applicable to import of raw materials for producing such goods.

E. Incentives To Non-Resident Bangladeshis: Special incentives are provided to encourage non-resident Bangladeshis for investment in the country. Non-resident Bangladeshi investors will enjoy facilities similar to those of foreign investors. Moreover, they can buy newly issued shares/debentures of Bangladeshi companies. A quota of 10% has been fixed for non-resident Bangladeshis in primary public shares. Furthermore, they can maintain foreign currency deposits in the Non-resident Foreign Currency Deposit (NFCD) accounts.

F. Other Incentives:

- * Tax exemption on royalties, technical know-how fees received by any foreign collaborator, firm, company and experts.
- * Tax exemption on the interest on foreign loans under certain conditions.
- * Avoidance of double taxation in case of foreign investors on the basis of bilateral agreements.
- * Exemption of income tax up to 3 years for the foreign technicians employed in industries specified in the relevant schedule of income tax ordinance.
- * Tax exemption on income of the private sector power generation company for 15 years from the date of commercial production.
- * Facilities for full repatriation of invested capital, profit and dividend.
- * Six months multiple entry visa for the prospective new investors.
- * Re-investment of repatriable dividend treated as new investment.
- * Citizenship by investing a minimum of US\$ 5,00,000 or by transferring US\$ 10,00,000 to any recognized financial institution (non-repatriable).
- * Permanent residency by investing a minimum of US\$ 75,000 (non-repatriable).
- * Tax exemption on capital gains from the transfer of shares of public limited companies listed with a stock exchange.

11. ACHIEVEMENT OF FOREIGN INVESTMENT POLICY OF BANGLADESH:

Bangladesh has achieved a consistent GDP growth of over 5 per cent in the last decade and never experienced a negative growth. Even Bangladesh sustained growth of over

- 5 per cent during the recent global economic crisis. In 2009 Bangladesh achieved a 5.9 per cent GDP growth.
- generation of huge number of SMEs, success in microcredit and NGO activities,
- rapid spread of telecommunications services,
- high record level of foreign remittances, acceleration of export earnings took the economy at a higher level of growth.
- Bangladesh has gained a higher ranking than many developing countries in terms of incentive package. A lot of additional fiscal incentives are offered to export oriented industries.

12. MAJOR CHALLENGES TO ATTRACT FOREIGN INVESTORS INTO BANGLADESH:

From the focused group discussion (FGD) and KII following challenges comes up to attract FDI into Bangladesh:

1. Limited capacity to supply adequate electricity and gas to industries.
2. Absence of efficient physical infrastructure.
3. Bureaucratic complexity to get registered or permission.
4. Absence of investment promoting agency.
5. Lack of professionals and sector specific trained man power
6. Poor imposition of IP (Intellectual Property) law.
7. Lack of project specific proposals in hand to attract international investment.
8. Non-cooperation from relevant government agencies like, the Board of Investment, Police, National Board of Revenue, Environment Authority etc.
9. Political unrest and blockades.
10. Absence of standardization/quality infrastructure in home.
11. Absence of technology infrastructure.
12. Corruption.
13. Differential treatment with the change of government.

14. Lack of administrative coordination among different government bodies.

15. Delay to get services from support organizations.

13. RECOMMENDATIONS OF FOREIGN INVESTMENT POLICY IN BANGLADESH

- The government should come forward to take all the initiatives to make the foreigners interested about our economy and the opportunity for the investors to invest.
- Politicians should try to make the political situation stable so that it helps the investor to make their investing decision at ease. An economy will not improve where politics dominates the economy. To improve the condition of an economy what needs to be done is economy should dominate politics.
- In a developing country like Bangladesh FDI is the key to its development. The FDI can influence our trade, commerce and industrial sector for quick development.
- Ample socio-economic prospects are there that Bangladesh can derive from its relations with its friendly countries.
- Emphasizing on labor intensive, import substitute, and export oriented industries.
- All that it requires is to stress on infrastructural development and political stability which it urgently needs for substantial improvement as an incentive for further domestic investments and inflow of FDI. If Bangladesh can overcome the infrastructural bottlenecks along with political uncertainties that exist presently in the country hindering inflow of FDI, willing global nations together with domestic investors will be encouraged to do businesses here to help achieve desired level of GDP growth for its middle income status by 2021.

14. CONCLUSION:

Declaring a long range of fiscal/nonmonetary incentive or having competitive advantage in factors of production is not enough to get FDI into a country. Government has to be proactive for creating and maintaining an FDI friendly business environment in Bangladesh. To get satisfactory amount of FDI, Bangladesh has to complete its home work like identifying potential sectors, preparing specific project proposal, approaching potential FD Investor companies etc. Dedicated agency is needed to promote investment instead of regulator of investment. Ensuring hassle free power and utilities supply, smooth registration and certification mechanism has a direct linkage to get foreign or inspire local investment. Maintaining peaceful political and reliable legal environment is equally important to get foreign investment in a country. Bangladesh has to increase the amount of FDI attraction at any cost. Otherwise, it would be tough to achieve and maintain a double digit GDP growth. Without achieving double digit growth rate we cannot meet vision 2021 in time. Currently the figure of FDI investment is manipulated with reinvestment of locally earned profit. If we drop the locally earned profit amount as FDI then the figure during last few years is very dissatisfactory. So this is the pick time to concentrate upon it and start new drives for increasing FDI inflow into Bangladesh.

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