JETRO

Private-sector perspective and implications from the recently concluded Bangladesh-Japan EPA

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Profile

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- Ando joined JETRO in 2008. After working at the Institute of Developing Economies (IDE-JETRO), JETRO Dhaka Office, JETRO Hamamatsu, and Cabinet Office, etc., he had been in the position as Country Representative of JETRO Dhaka since 2019 for 6.5 years, and in the current position since July 2025.
- His publications include "Bangladesh: An Unknown Industrial Country." He also served as Secretary General of the Japanese Commerce and Industry Association in Dhaka (JCIAD), and Joint Secretary General of Japan Bangladesh Chamber of Commerce and Industry (JBCCI) (November 2024-June 2025).
- He has been appointed as Board of Director of Japan Bangladesh Society in July 2025.

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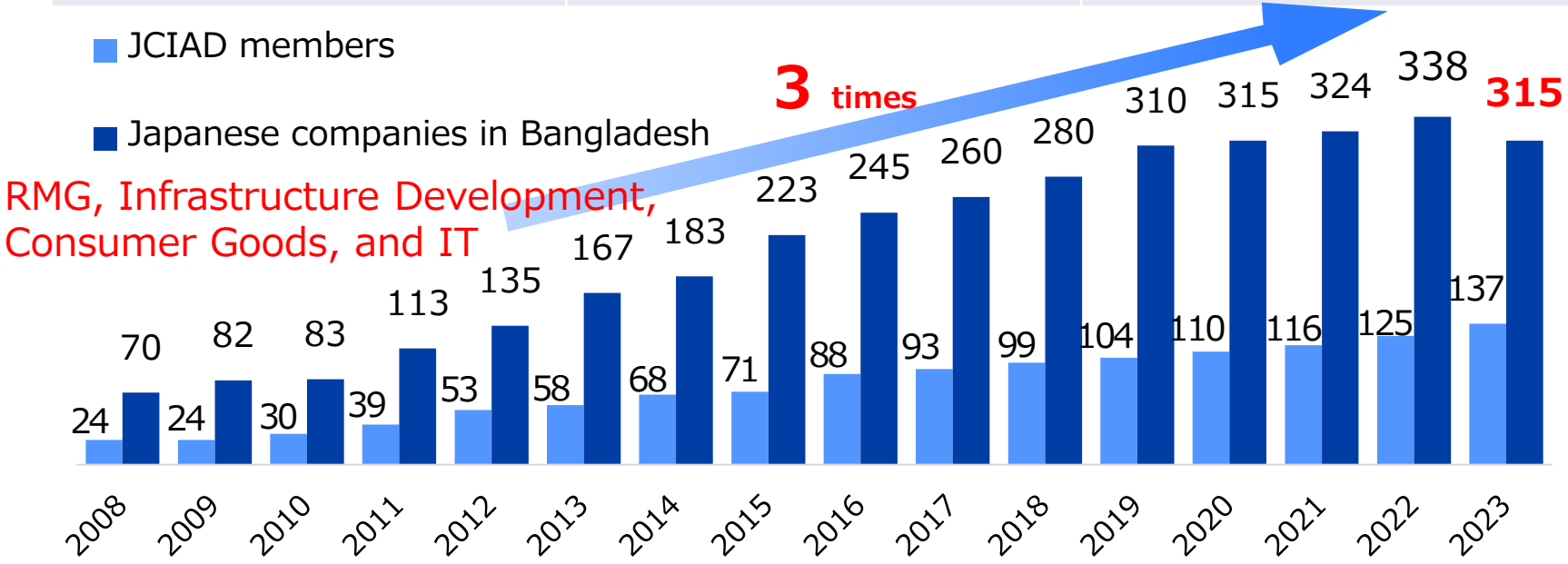
1 | Japanese companies' presence in Asian countries

Country/Region	Number of Japanese companies	Japanese SMEs ratio in total companies
China	15,000	40-60%
ASEAN	13,000	40-60%
India	1,439	15-20%
Bangladesh	**338**	**40-60%**



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2 | Major Japanese companies in Bangladesh

Manufacturing

HONDA
Aj AJINOMOTO
YKK
JTI
NIPRO
今日を愛する。LION
SAKATA INX Visual Communication Technology
Mamiya-OP
TAMURA
TOWA CORPORATION
MATSUOKA
MARUHISA 丸久株式会社
SANKEI
GUNZE

Trading

Mitsubishi Corporation
MITSUI & CO.
Sumitomo Corporation
Marubeni
ITOCHU
sojitz
TOYOTA TSUSHO

Construction

SHMZ
NISHIMATSU
TOA CORPORATION
KAJIMA
OBAYASHI
SUMITOMO MITSUI CONSTRUCTION CO.,LTD.
TOKYU CONSTRUCTION
TAISEI For a Lively World
TEKKEN

Textile & Apparel

UNIQLO
'TORAY'
YAGI
moririn The Standard
WORLD
TEIJIN
TAMURAKOMA
TOYOSHIMA
JUKI
brother at your side

Logistics

Yusen Logistics
NX NIPPON EXPRESS
KAMIGUMI
HANKYU HANSHIN EXPRES
KONOIKE GROUP
Nishitetsu Group
KWE Kintetsu World Express

Energy & Infrastructure

jera
MITSUBISHI POWER
MIURA
TEPSCO
TOSHIBA
NIPPON SIGNAL
Gas One
JFE Engineering Corporation

Health care & Service

euglena
OC GLOBAL
SHIP HEALTHCARE
NIPPON KOEI
ALSOK Always Security OK
みらいコンサルティンググループ
TNY
TCG Tokyo Consulting Group

IT & HR

Bjit
Tomorrow, Together KDDI
SUN 人と人をつなぐ
UX
NEC Orchestrating a brighter world
Monstarlab
Kaicom

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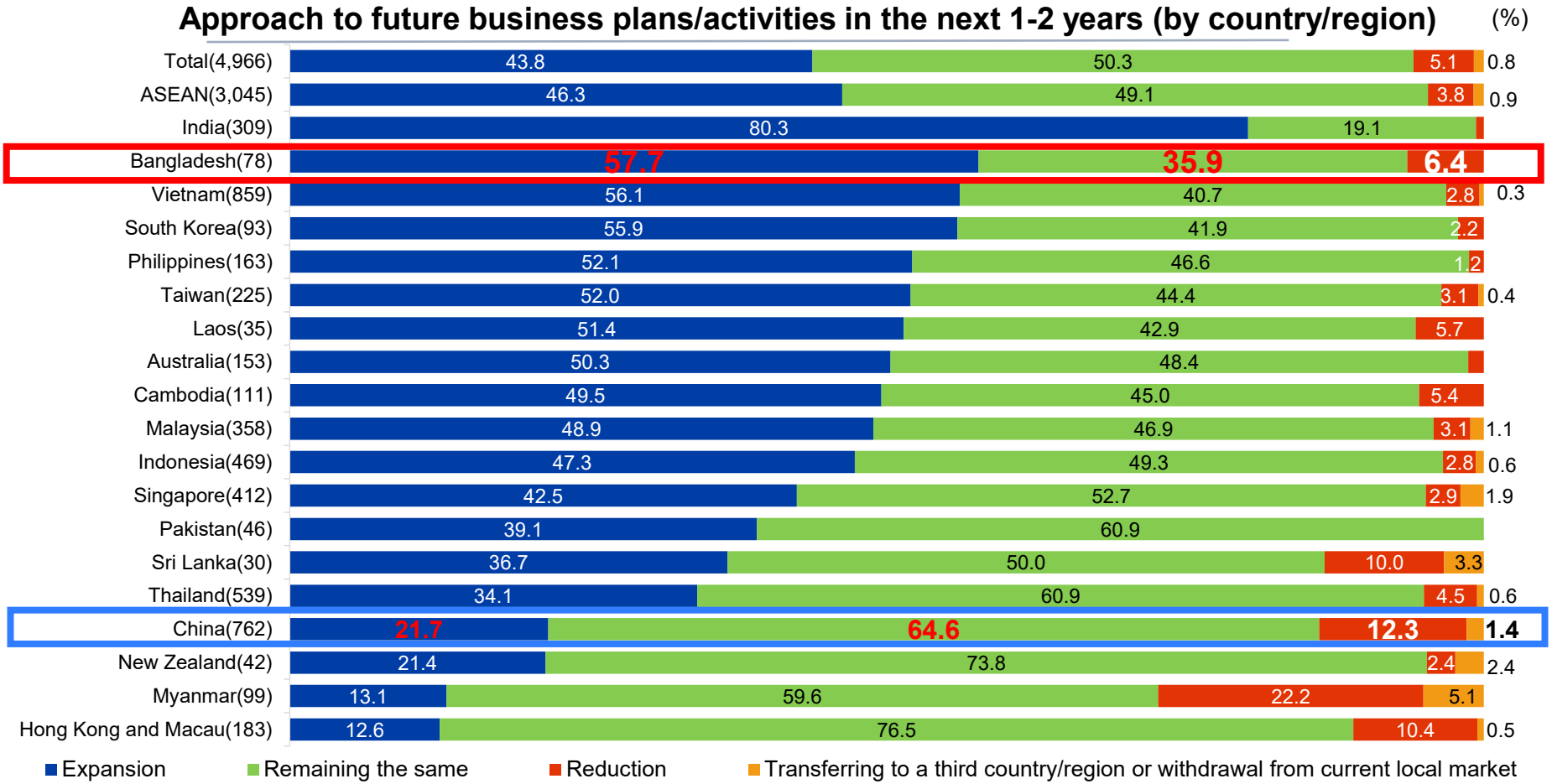
3 Intention to expand business is still high in Bangladesh after political change

- Regarding the direction of business development in the next 1-2 years, 43.8% of companies signaled they intended to expand in the region. China is the lowest ever in expansion (21.7%).
- In Bangladesh, 57.7% answered expansion of the business activities, which is the second highest.



(Note) China's record low refers to the period since the FY2007 survey, from which both manufacturing and non-manufacturing companies are included.

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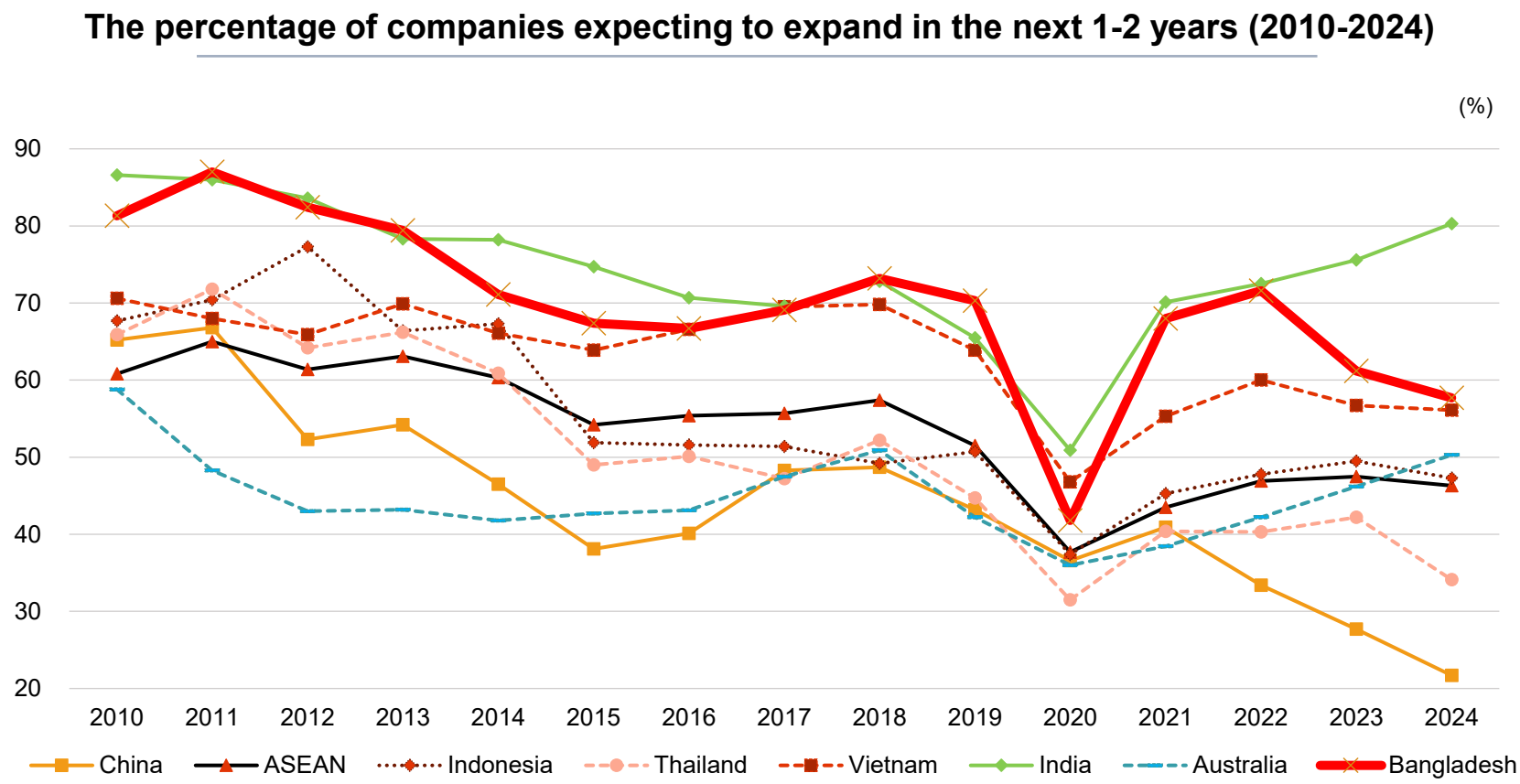
4 Expansion intentions remain high in Bangladesh and India, while they decreased in China and Thailand

- **The percentage of companies intending to expand in Bangladesh has been always in the top of the regions for last 15 years as well as India.**



(Note) Figures for Cambodia and Laos have been included in ASEAN average since 2010 and 2011, respectively.

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5 “Increase of local market demand” is the main reason for business expansion intention

- Regarding the reasons to expand business, an **“increase of local market demand” (67.4%)** was the main factor in Bangladesh. Also, relatively strong reasons were an **“increase in exports”(39.5%) and “high acceptability of value-added products and services”(32.6%)**

Reasons for future business expansion in the next 1-2 years (multiple responses) (%)

	Increase of local market demand	Increase of exports	High acceptability of value-added products and services	Advanced competitiveness over rival companies	High advantage in human resources	Deregulation	Expansion of incentives	Others
Total (2,126)	67.0	33.3	22.7	19.3	6.8	1.1	1.0	10.4
ASEAN(1,379)	63.6	37.1	20.4	19.7	6.3	0.9	0.7	10.9
Vietnam(472)	64.8	41.1	15.7	16.7	7.4	1.3	0.2	10.0
Indonesia(220)	75.0	25.0	22.7	26.8	6.8	0.0	0.0	10.0
Thailand(180)	63.3	43.3	26.1	17.2	5.0	0.6	0.6	12.2
Malaysia(171)	62.6	35.7	24.0	20.5	5.3	0.6	1.8	9.9
Singapore(170)	53.5	38.8	23.5	15.9	2.4	0.6	1.8	15.3
Philippines(84)	64.3	28.6	17.9	19.0	8.3	2.4	1.2	10.7
Cambodia(52)	55.8	32.7	23.1	26.9	13.5	3.8	0.0	9.6
Laos(18)	33.3	66.7	16.7	27.8	0.0	0.0	0.0	11.1
Myanmar(12)	41.7	33.3	0.0	41.7	8.3	0.0	0.0	8.3
India(243)	88.9	25.5	23.0	13.6	8.6	0.8	2.1	4.9
Bangladesh(43)	**67.4**	**39.5**	**32.6**	11.6	14.0	2.3	0.0	11.6
Pakistan(18)	61.1	38.9	33.3	27.8	27.8	5.6	0.0	5.6
Sri Lanka(11)	63.6	18.2	18.2	9.1	9.1	27.3	0.0	0.0
Australia(76)	64.5	22.4	21.1	15.8	6.6	0.0	3.9	18.4
New Zealand(9)	55.6	33.3	22.2	11.1	0.0	0.0	0.0	22.2
China (160)	65.0	26.9	29.4	25.6	6.3	1.3	3.1	13.1
Taiwan(114)	71.1	28.9	28.9	21.9	2.6	0.0	0.0	8.8
South Korea(50)	70.0	16.0	36.0	20.0	6.0	0.0	0.0	6.0
Hong Kong and Macau(23)	47.8	26.1	30.4	26.1	13.0	4.3	0.0	13.0

(Note) Red highlights are darkened to match the percentage height.

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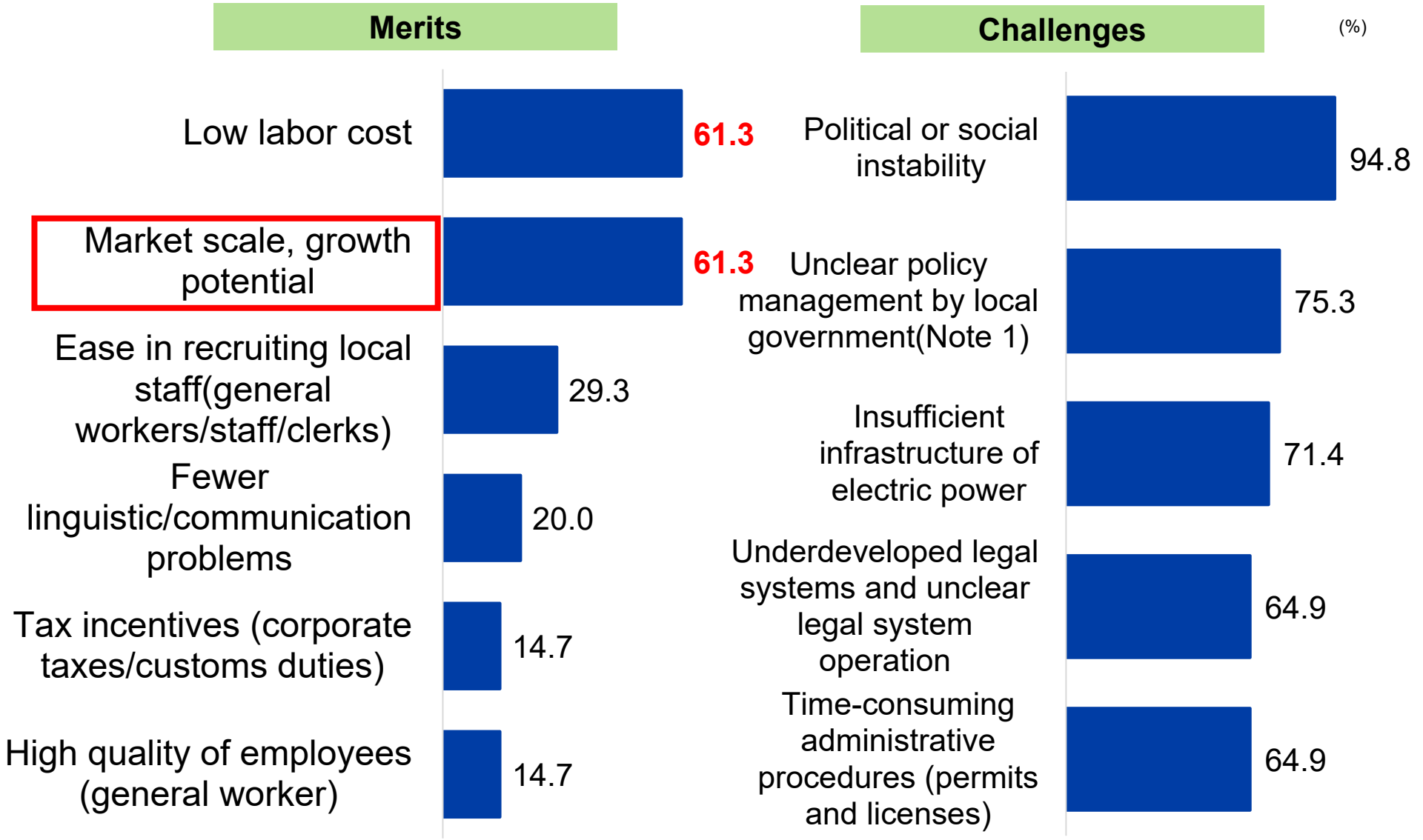
6 Merits and Challenges for doing business in Bangladesh

(multiple responses)



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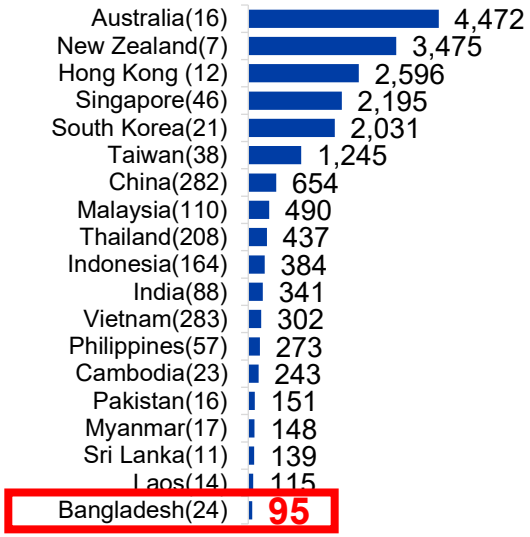
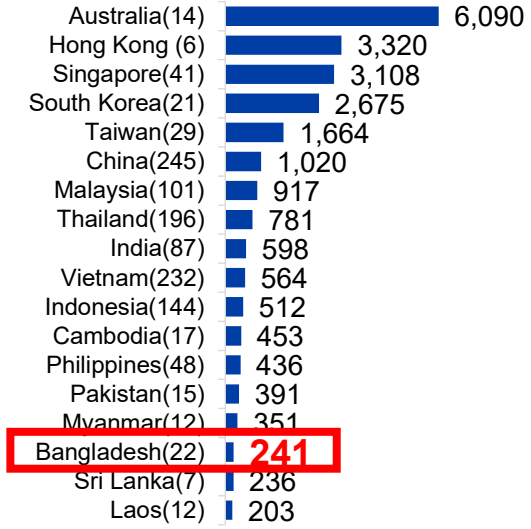
7 Monthly Base salary (mean)

(U.S. dollars)

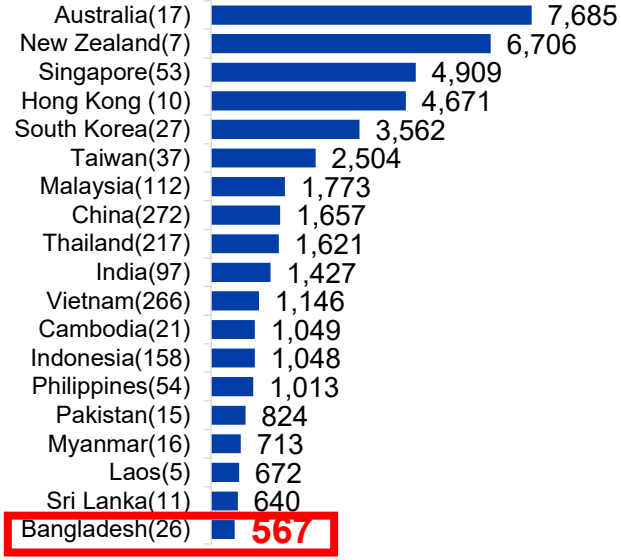
Manufacturing, Worker



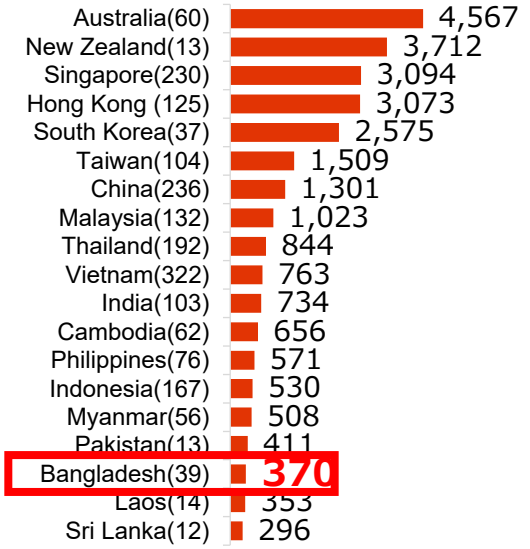
Manufacturing, Engineer



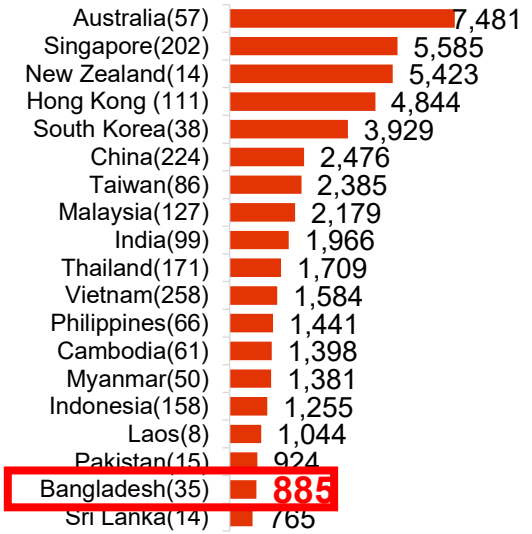
Manufacturing, Manager



Non-manufacturing, Staff member



Non-manufacturing, Manager



- Base salary: salary excluding benefits, as of August 2024.
- Worker: Regular general workers with 3 years of work experience, not including contract based and probationary workers.
- Engineer: Regular employees who are core technicians, graduates of a vocational college or university, and have 5 years of experience.
- Manager (manufacturing): Regular employees who are section managers in charge of sales, university graduates, and who have 10 years of work experience.
- Staff member: Regular general workers with 3 years of work experience, not including dispatched and probationary workers.
- Manager (non-manufacturing): Regular employees who are section managers in charge of sales, university graduates, and who have 10 years of work experience.

(Note) Cambodia responded in U.S. dollars; Myanmar responded either in its own currency or in U.S. dollars. In other countries/regions, answers are in local currency. The mean of wages in local currency for each occupation were converted to U.S. dollars at the average exchange rate in August 2024 (as announced by the central bank of each country/region; as announced by the Foreign Exchange Administration of China).

(Note) Countries/regions with at least 5 valid responses.

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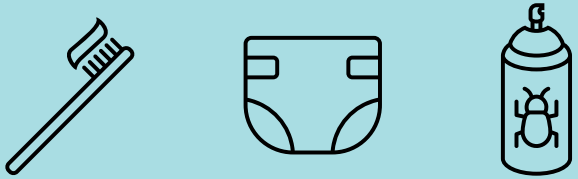
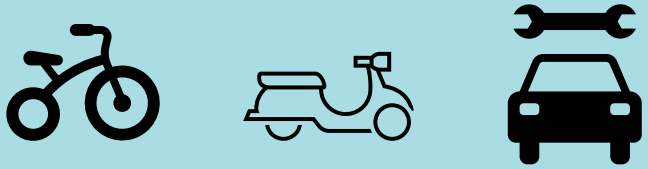
8 Potential Sectors for Japanese companies

Domestic Market Oriented

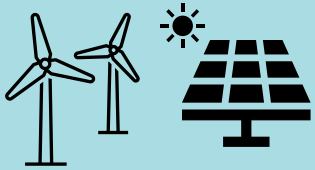
FMCG



Automotive and Parts



Renewable Energy



Food Processing



Medical, Education and Services

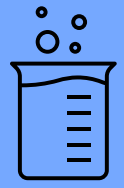


Export-Oriented

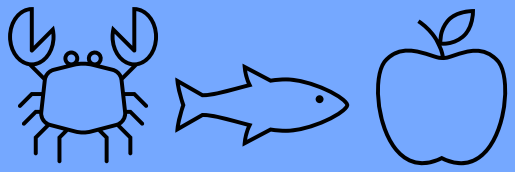
Man-Made Fiber



Textile Chemicals



Food Processing



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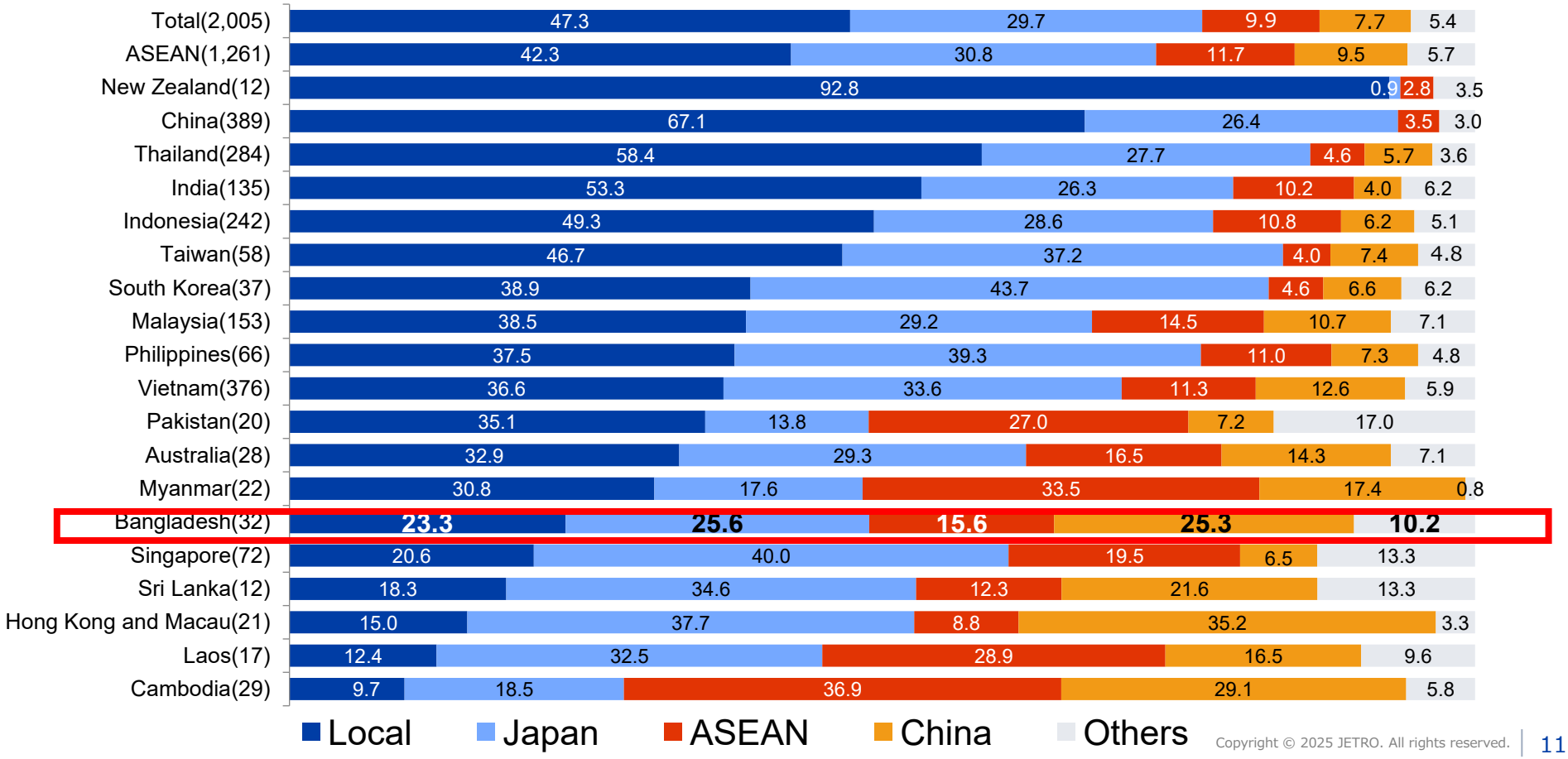
9 Local procurement rate is still low in Bangladesh

- The local procurement rate in the region was 47.3%. On the other hand, **Bangladesh is very low in local procurement (23.3%) and high in procurement from Japan (25.6%) and China (25.3%).**
- **Increase in local procurement is the important factor for cost reduction in production.**

Procurement sources for raw materials and parts (by country/region, responses total 100%) (%)



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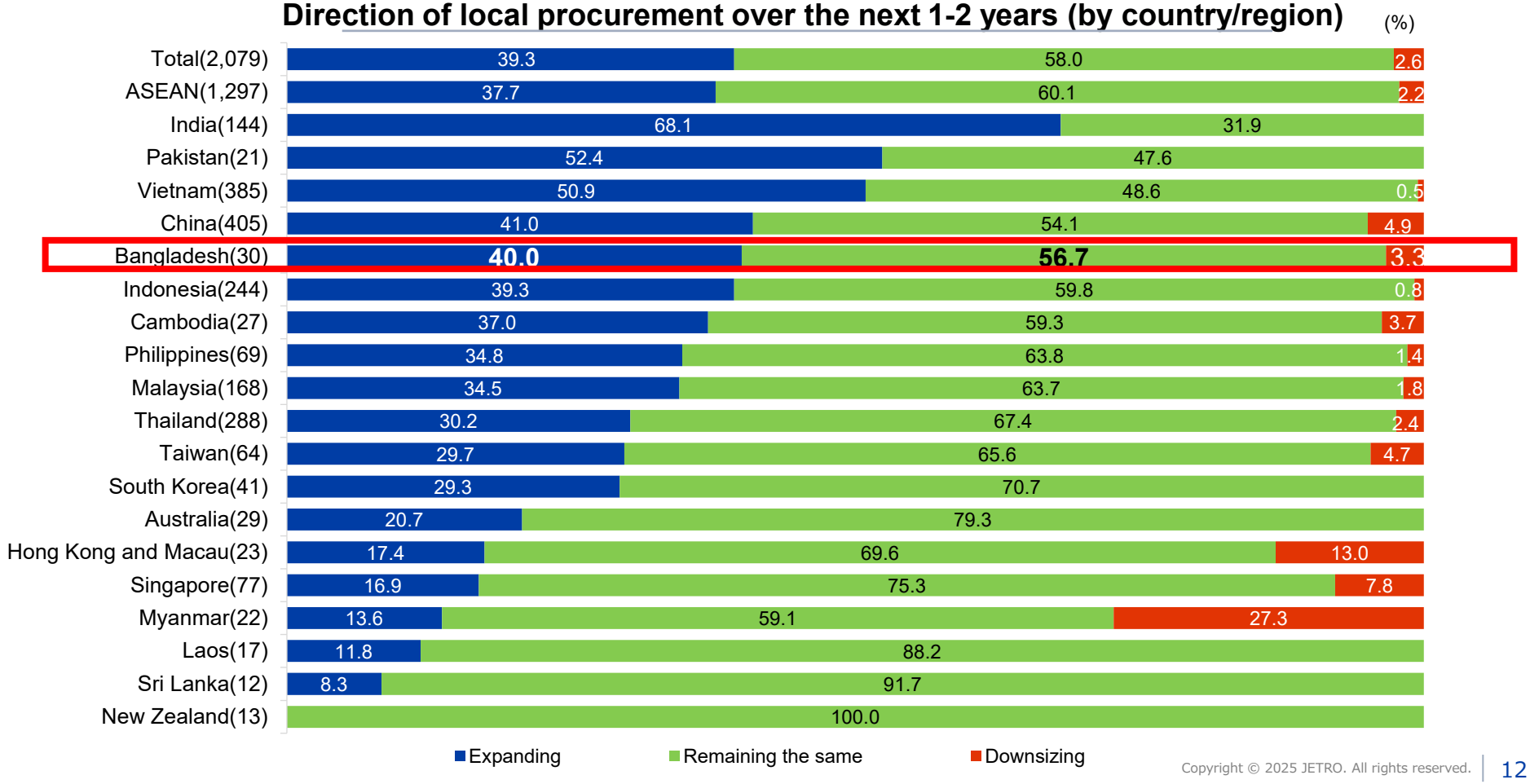
10 Forecasts for local procurement at 40%

- As for the direction of local procurement in the next 1 to 2 years, 40% of Japanese companies in Bangladesh is going to expand the local procurement.
- Development in backward linkage industry must be supported by the government with proper incentive, policy consistency and good business environment.

Direction of local procurement over the next 1-2 years (by country/region)



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Thank you very much for your attention!

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