

# Bangladesh Beckons SL

By Uditha Jayasinghe  
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**Abstract: According to top officials, a host of investment opportunities exist for Sri Lankan corporates in Bangladesh, thereby calling for Lankan businesses with long-term ambitions to venture into the nation of 160 million people**

A host of investment opportunities exist for Sri Lankan corporates in Bangladesh, top officials from both countries said yesterday, calling for local businesses with long-term ambitions to venture into the nation of 160 million people.

At a forum organised by NDB Investment Bank and titled 'Ayubowan Bangladesh' participants, which included the Bangladesh Investment Development Authority (BIDA) Executive Chairman Kazi M. Aminul Islam and Bangladesh High Commissioner Riaz Hamidullah, as well as success stories of corporates that had ventured into the Bangladesh market, officials highlighted the advantages of stronger Bangladesh and Sri Lankan cooperation.

"I have to thank Sri Lankan companies for having faith in us and being the first to come and invest in Sri Lanka. There are plenty of countries expressing their confidence in us now, but Sri Lanka was the first and for that, we are grateful," Islam said. He also commented on the global changes that are paving the way for stronger engagement between South Asian countries and the common socio-cultural links that bind Sri Lankans and Bangladeshis.

Companies such as Laugfs Holdings and LTL Group gave details of their experiences in Bangladesh and highlighted the support they were given to swiftly obtain approvals and other necessities to begin their businesses, at times enabling them to withstand political uncertainty and complete projects ahead of time. Both companies had high praise for Bangladeshi officials and their receptiveness to requests by businesses and working, even in a changing regulatory and policy environment, to address concerns and provide assistance.

Broad swathes of Bangladesh's economy is open for Sri Lankan investment, starting with

the traditional opportunities of garments, but including many new sectors such as IT, maritime services, tourism, power and pharmaceuticals, NDB Capital Managing Director Kanti Kumar Saha told the gathering.

Bangladesh, despite only being twice the size of Sri Lanka, has a large and young population that is eager to absorb new skills and opportunities as well as a rapidly expanding middle class that is expected to drive consumption significantly in the next decade. The high population density creates opportunities for education, healthcare, financial services and under-tapped areas such as insurance. Only 1% of Bangladeshis have life insurance and this creates huge potential for Sri Lankan companies, he said. Non-banking financial institutions and financial services companies also have opportunities as the sector is comparatively underdeveloped in Bangladesh.

"You cannot be myopic and invest in Bangladesh. If you are myopic, you will miss the opportunity. If you are entrepreneurially myopic, you will not see what is there in Bangladesh. We realised its opportunity in 2010. As you all know, the world economy is shifting from west to east, and if you can understand the macro picture, you will realise that South Asia is at the epicentre of this change," said Laugfs Holdings Chairman W. K. H. Wegapitiya, outlining the thought process behind their business plan.

Wegapitiya noted that his company had decided to have an integrated business plan in Bangladesh and link it to Hambantota and the Middle East. Given the growth dynamics of Bangladesh, he noted that it would require significant imports of Liquid Natural Gas (LNG), which could be shipped from the Arabian Gulf to Hambantota and then to Bangladesh.

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Towards this end, the companies would also invest in its own fleet of ships and had already captured 9% of the Bangladesh market reaching 33 million households in just a few years.

"The Bangladeshi bureaucracy is very supportive. We have competent bureaucrats but they are not welcoming. The Bangladeshi officials are very friendly and even if they can't immediately help you, they will still listen. Sri Lanka is a small market with 21 million people. But, we can use Sri Lanka as a spring board for energy, logistics, power and maritime sectors to build an economic bridge between the two countries," he added.

His sentiments were echoed by LTL Group Offshore Operations General Manager Gamini Sarath, who recounted how his company needed 40 approvals from different agencies but these were quickly provided, enabling the company to kick-start their investment. As a country with 50% of its population living without power and a strong private sector presence, LTL saw large opportunities in Bangladesh and pursued these avidly. The company has signed for a third 115 MW power plant with the commissioning expected in 2019. LTL has also submitted an application to list in the Dhaka Stock Exchange and aims to continue its positive engagement with the country, Sarath told the gathering.

"Even loan approvals were helped by the authorities. BIDA is a genuine one-stop shop

and we received the same level of support for all our projects. Even though we had to go to so many agencies, most of the time we went without any appointment. But, we were still welcomed. In Sri Lanka, even with appointments, sometimes we cannot meet top officials. You may have to wait a bit, but they will listen to us. We have this cordial relationship with all institutions. I can now go and meet them at any time. They are very supportive," he said.

Bangladesh High Commissioner Riaz Hamidullah touched upon the synergies between the economies of the two countries and emphasised on the vast opportunities that could be tapped if companies looked at ways to cooperate. He acknowledged policies and regulations were subject to change, but believed that such uncertainty could be managed with the assistance of bureaucrats and other officials who are dedicated to supporting economic growth.

"I'm batting for Bangladesh for Sri Lanka. That may be an audacious statement but there are reasons for that. Do you know that Kumarika is the largest-selling hair oil in Dhaka now? That Hayleys grows jalapeños and gherkins for the Japanese market in Bangladesh, and top apparel companies in Sri Lanka and Bangladesh are finding a convergence in taking the industry forward? We do not have to be competitors, our strengths can be complementary."



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