

Bangladesh

A land of investment growth

Presented by:
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Your Investment Life Partner

Topic of Discussion:

- ☐ Bangladesh Economy
 - ☐ Macro Economic Indicators
 - ☐ Success stories
- ☐ Challenges
- ☐ The future
- ☐ Commentary

Good Country Rating

- ❑ Standard & Poor's : 'BB-'
- ❑ MOODY'S: 'Ba3'
- ❑ Country's outlook: "Stable".
- ❑ At par with the Philippines.
- ❑ Three steps ahead of Pakistan.
- ❑ One-step higher than Sri Lanka.
- ❑ Higher than Greece (B-)
- ❑ One step lower than India(BBB-) and Spain (BBB-)

Bangladesh Economy: Under the Radar of Astute Investors



“Bangladesh is the only N-11 country showing improved macroeconomic stability despite crisis”.



Bangladesh has been included in “Frontier 5” by JP Morgan.



Bangladesh- “Resilient export and remittance flows have bolstered growth and external stability, and sheltered the financial system and nonfinancial corporate from external shock”.

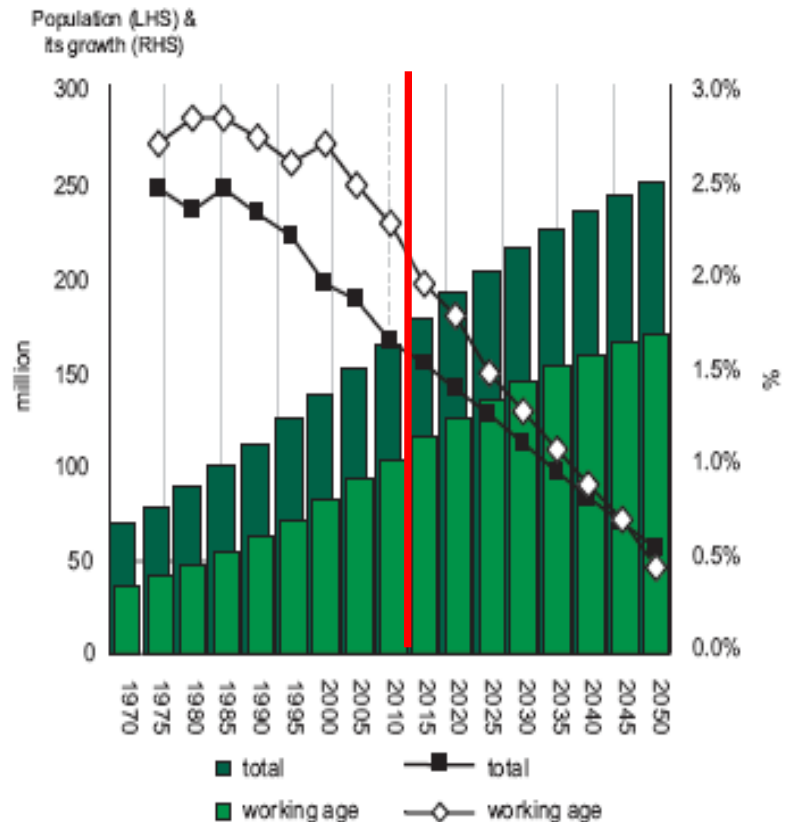
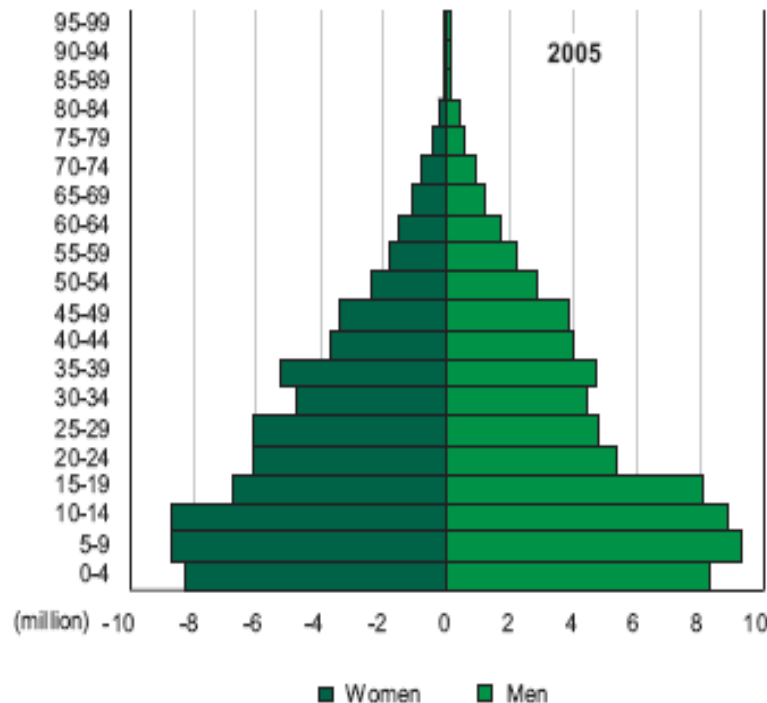


Bangladesh has been included in “Frontier Market Index” by Morgan Stanley.



New-wave economies going for growth As even BRICS plateau, other countries, from Bangladesh to Mexico, are coming up fast - and could overtake the west by 2050

Growing Working Age Population



- ❑ 1,084 people/square kilometer. (1st in world)
- ❑ 60% of the population under the age of 25
- ❑ Population growth is 1.5 % per year
- ❑ Working age population growth is 2.5-2.8 %

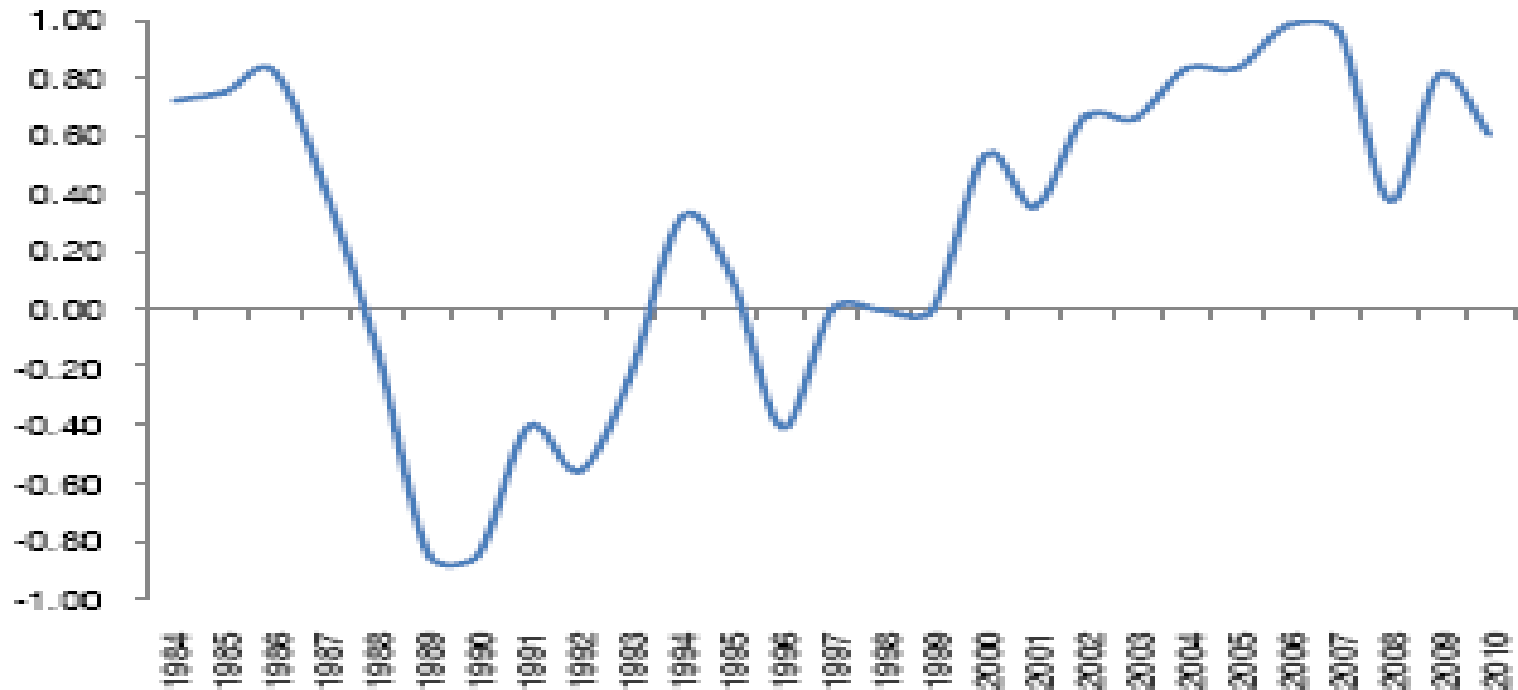
Cheapest Labor Force in ASIA

Countries	Labor Cost (USD/Hour)
Bangladesh	.22
Cambodia	.33
Pakistan	.37
Vietnam	.38
Sri Lanka	.43
Indonesia	.44
India	.51
China III (Inland)	.55-.8
China II (Coastal 2)	.86-.94
China I (Coastal 1)	1.08
Philippines	1.07
Malaysia	1.18
Thailand	1.29-1.36

Table: Apparel Manufacturing Labor Cost in FYE 2008

Source: Jassin- O'Rourke Group, LLC, AT Capital Bangladesh

Diversification Opportunity of Foreign Investors



Negative Correlation with world GDP growth

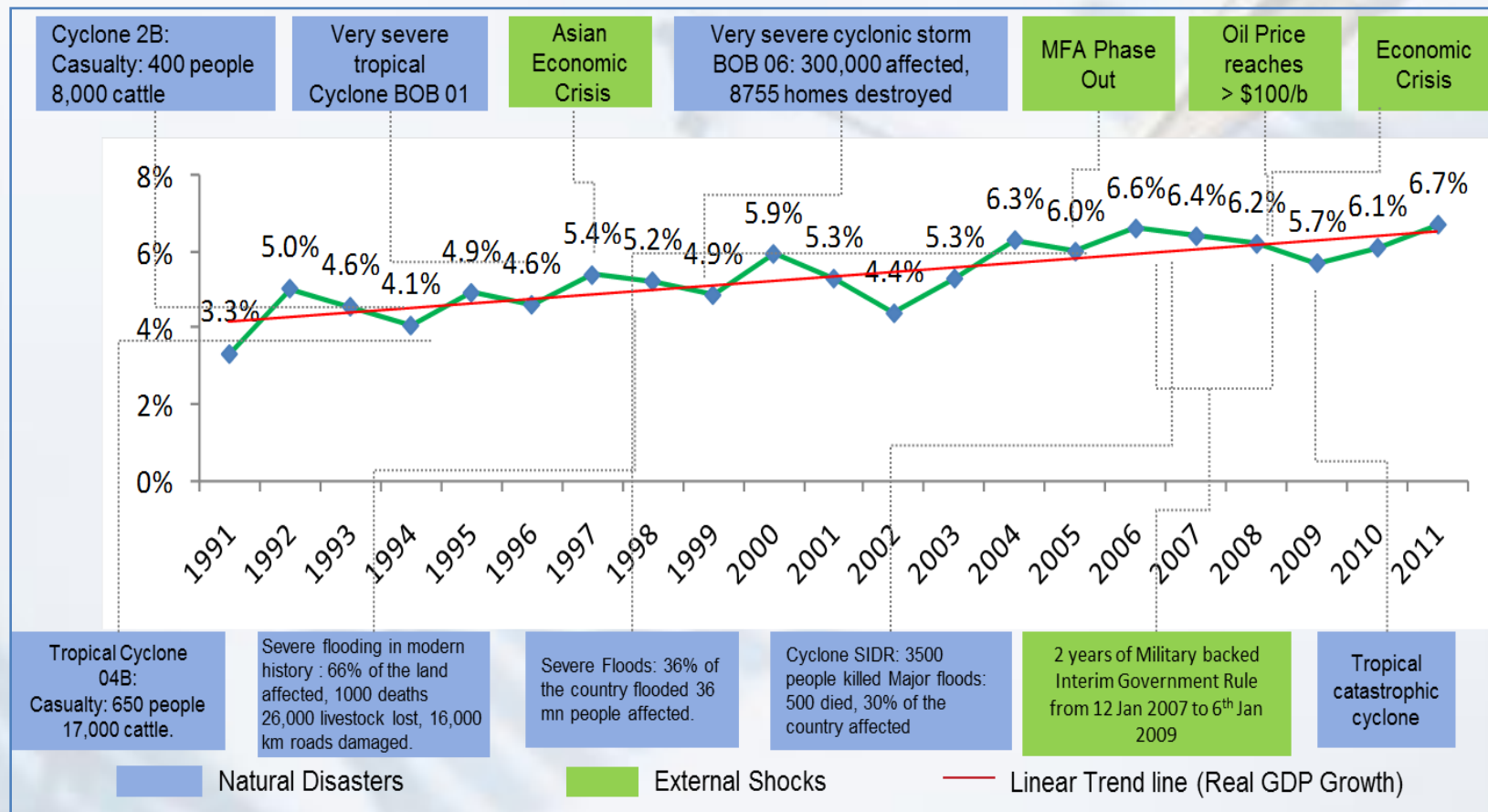
Source: BRAC EPL Stock Brokerage

Notable Improvements in Last Decade

	FY2000	FY2012	FY2000 – FY2012
Nominal GDP (US\$ bn)	47.1	115.6	↑ 245%
GNI Per Capita Income (US\$)	377	838	↑ 222%
International Reserves (US\$ bn)	1.6	10.34	↑ 646%
Private Sector Credit/GDP (%)	21.3	44.6	↑ 23.3
External Govt. Debt / CAR (%)	173.9	52.2	↓ 121.7
Government Debt / GDP (%)	46.4	37.2	↓ 9.2
Budget Deficit excl. grants (%)	-6.1	-5.1	↓ 1.0
Investment / GDP (%)	23.0	25.5	↑ 2.5

Source: Bangladesh Bank

Consistency in Economic Growth

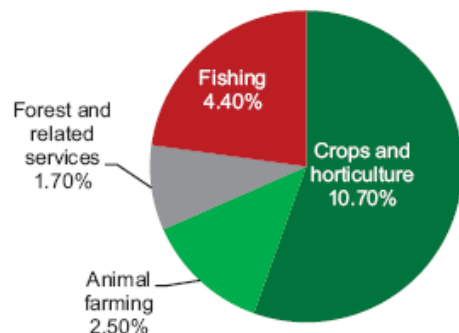


GDP Growth of Bangladesh 1991 – 2011

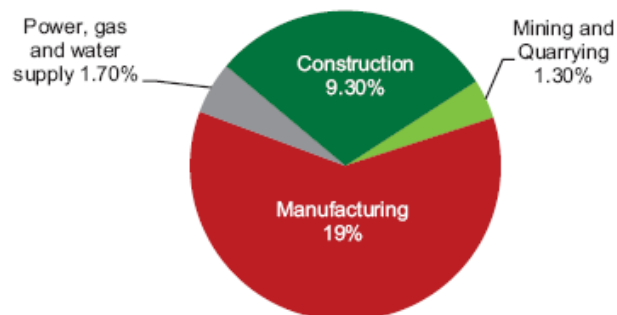
Source: Bangladesh Bank, BBS, ADB and ACAML Research

Well-Diversified Sectoral Distribution of GDP

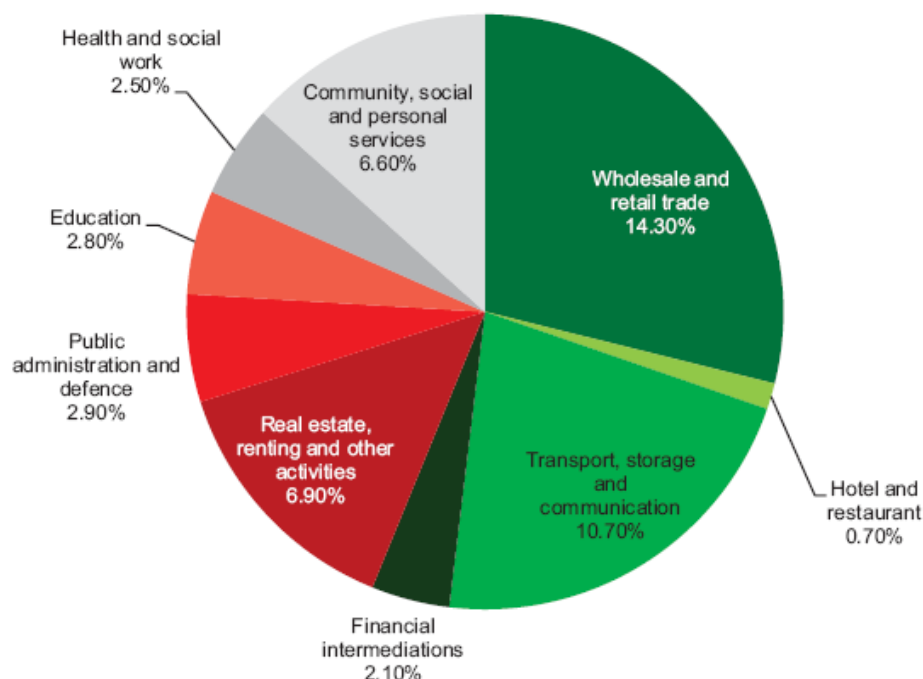
FY12 Sectoral Share of GDP: Agriculture (19.3%)



FY12 Sectoral Share of GDP: Industry (31.3%)



FY12 Sectoral Share of GDP: Services (49.5%)

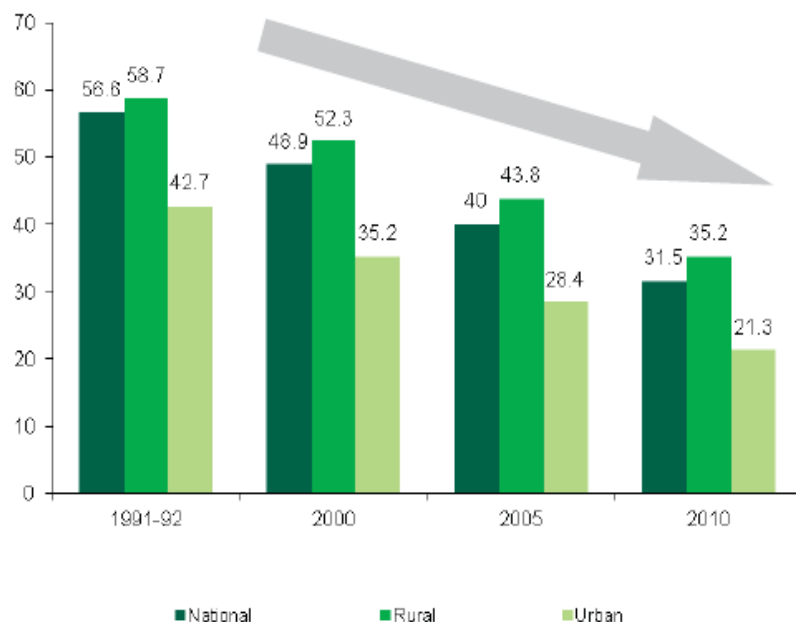


Source: Bangladesh Bank

Robust Growth Contributing to Significant Poverty Reduction

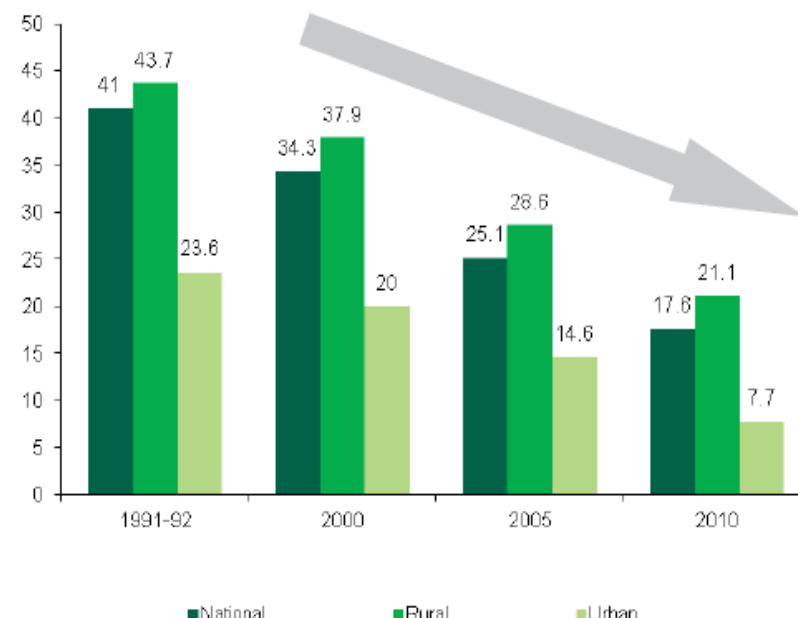
Large reductions in poverty witnessed in the past decades...

Percentage of Population Below Upper Poverty Line



... more still needs to be done, especially for the extreme poor

Percentage of Population Below Lower Poverty Line



Source: Bangladesh Bank

Steady Social Improvement

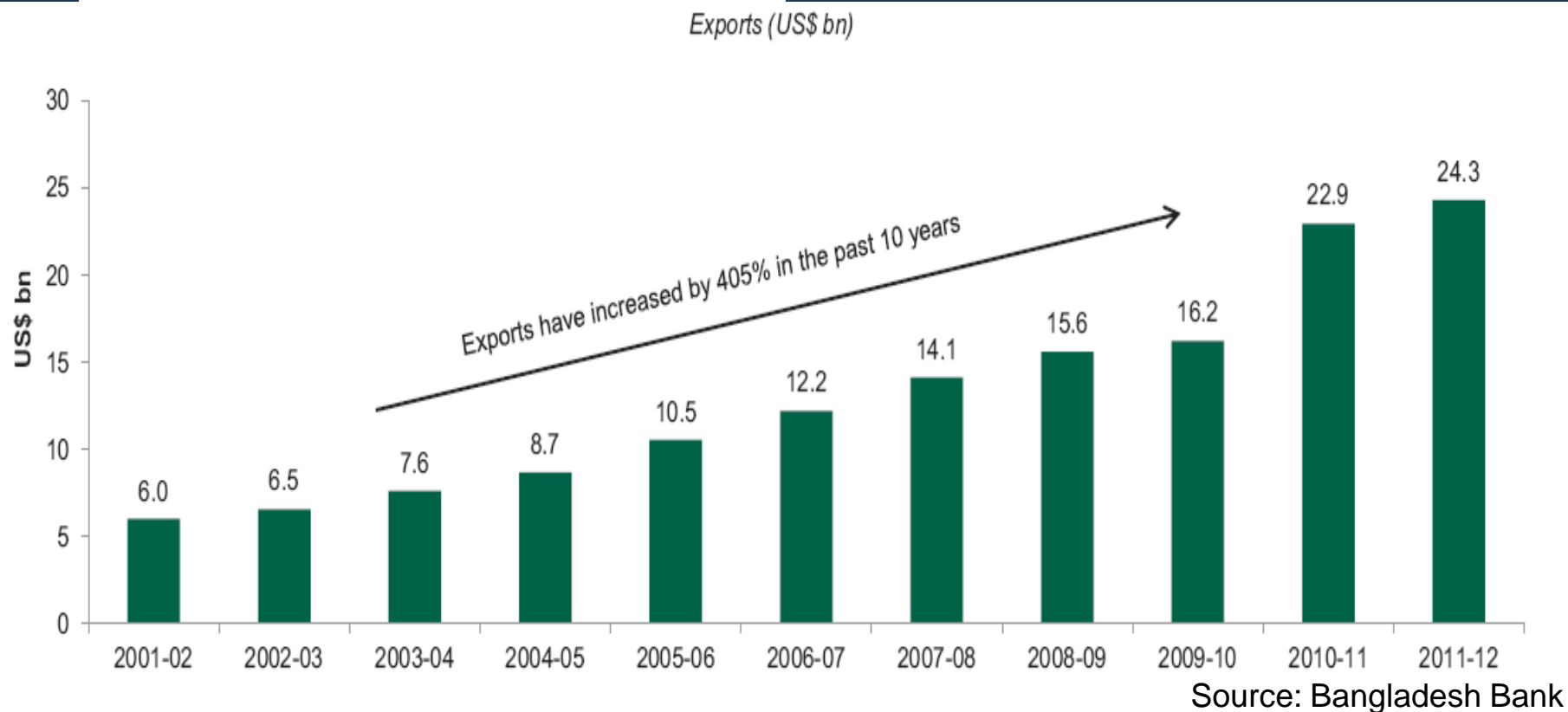
	1991	2010/ Latest
Fertility rate, total (births per woman)	6.72	2.25
Mortality rate, infant (per 1,000 live births)	96	38
Life expectancy at birth, total (years)	59.99	68.63
Malnutrition prevalence, height for age (% of children under 5)	76.70	43.20
Literacy rate, adult total (% of people ages 15 and above)	35.32	55.90

Source: Bangladesh Bank

❑ NGO and Government working together contributed to this success



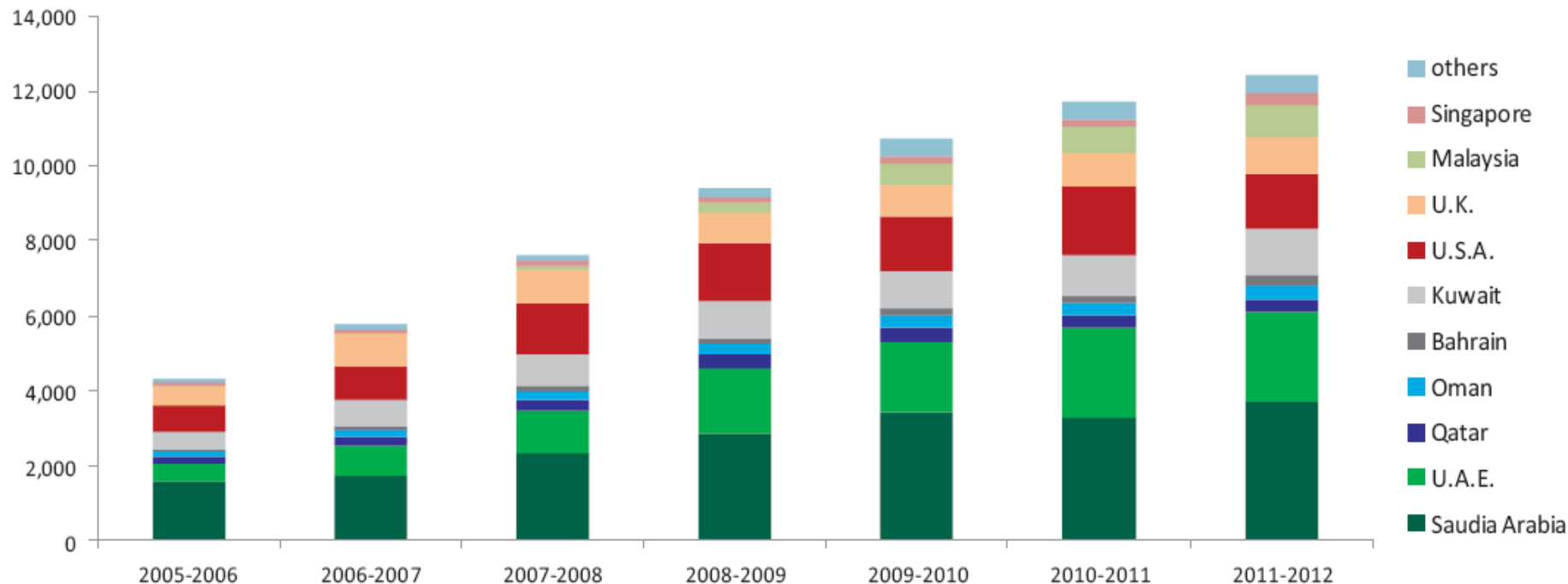
Robust Export Growth



- ❑ RMG sector contributes over 75% of total exports.
- ❑ Other sectors also have penetrated export markets e.g. pharmaceuticals, jute, leather products, IT/outsourcing, shipbuilding

Record Amount of Foreign Remittance

(US\$ in Millions)

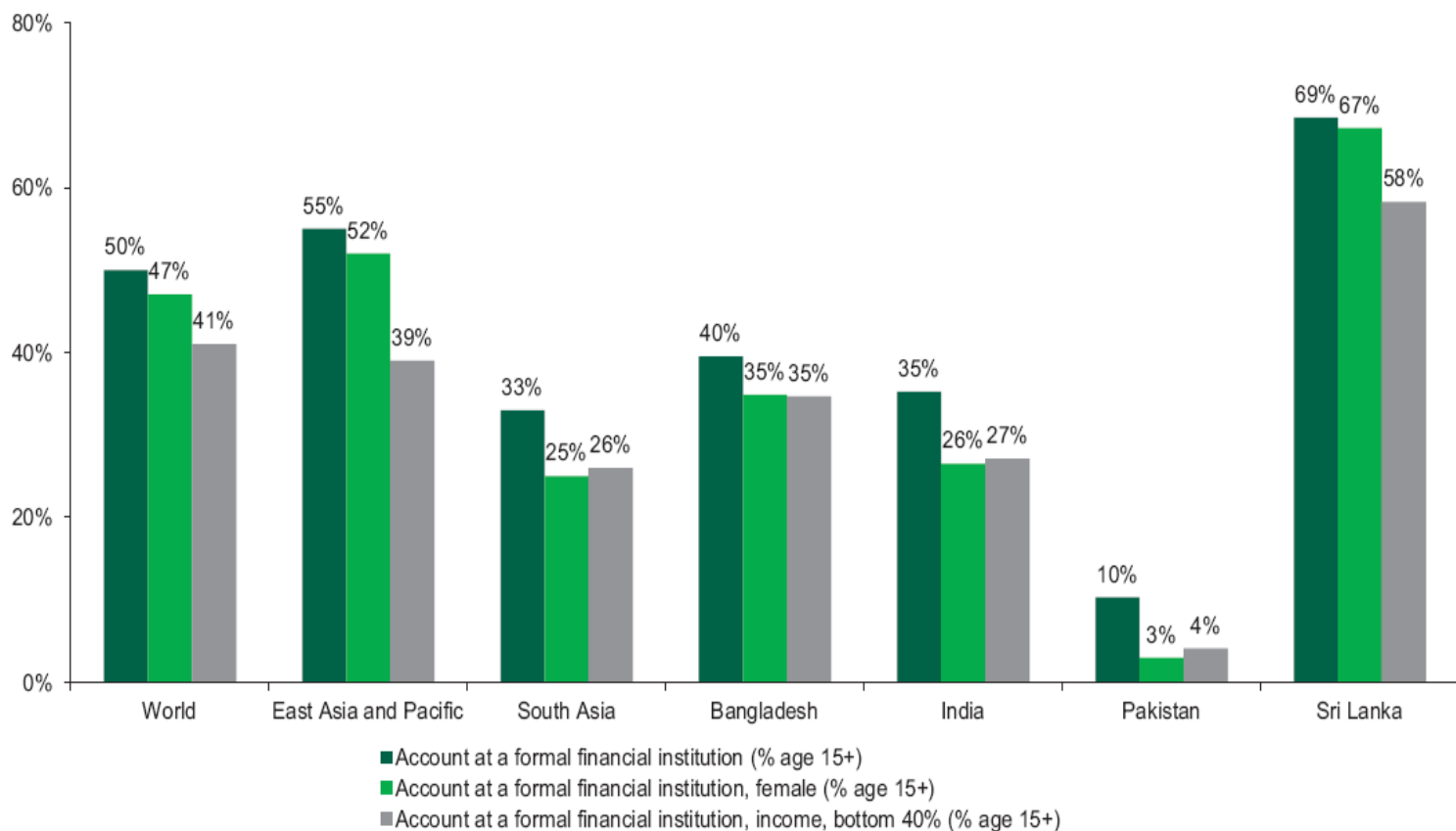


Source: Bangladesh Bank

☐ Remittance is growing and geographically diverse.



Impressive Financial Inclusion of Women

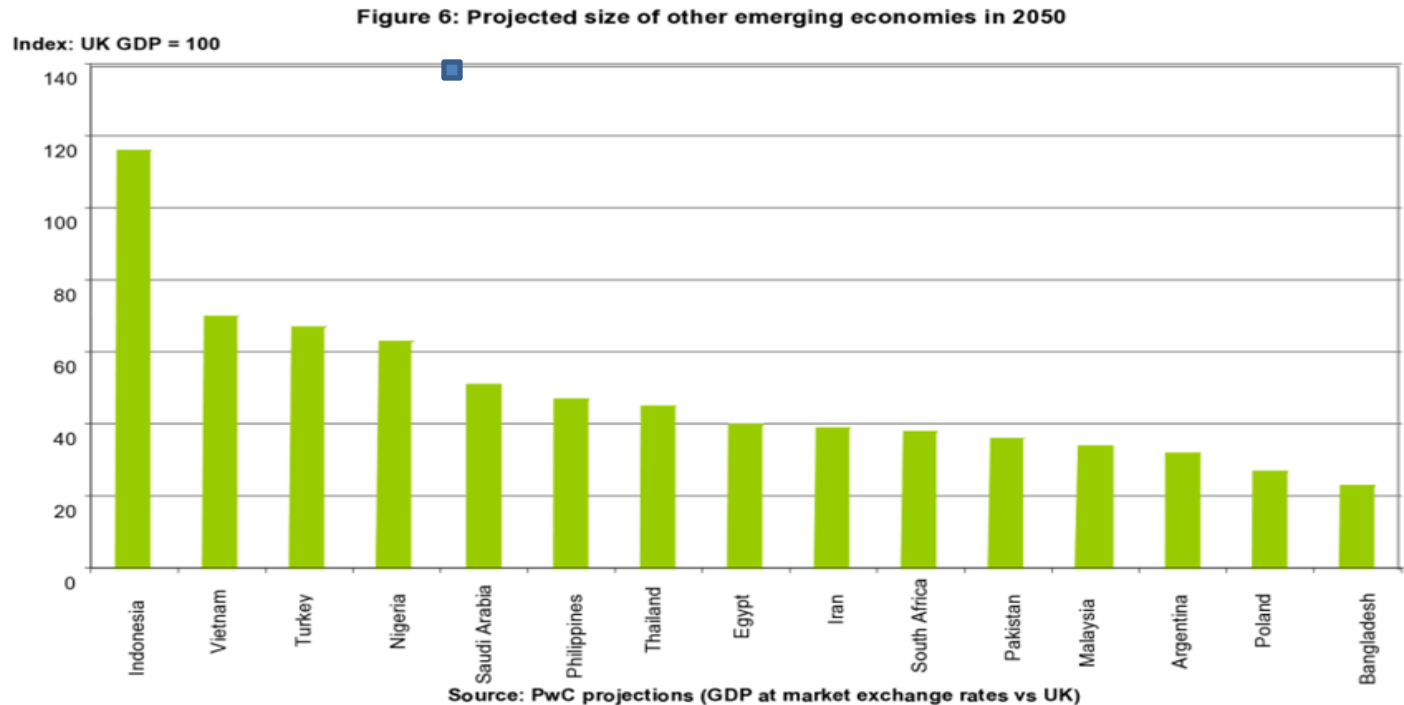


Source: Bangladesh Bank

Challenges

- ☐ **Corruption**
- ☐ **Weak Infrastructure Facility**
- ☐ **Unskilled Labour**
- ☐ **Political Instability**
- ☐ **Climate Change**
- ☐ **Bad Press**
- ☐ **Weak Regulation**
- ☐ **Illiquid Bond Market**
- ☐ **Inflation Management – 10.36% (12-month average)**

Forward Looking



PricewaterhouseCoopers LLP (PWC) listed 50 economies that are expected to lead in 2050. Bangladesh ranked 6th in terms of GDP growth among the emerging markets. (more than 30% of UK's GDP)

Q & A



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