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Economic Report 2024

Bangladesh

5 December 2024

Executive Summary

Bangladesh's fabled economic success story is marked by stark contrasts. For successive years, the economy registered impressive economic growth (6%+), while it has a staggeringly high rate of unemployment (World Bank: 27.8%) among the educated youth and an egregiously unequal distribution of wealth.

Against this backdrop, in August 2024, Nobel Laureate Professor Muhammad Yunus-led interim government took up the helm of affairs of Bangladesh when a student-led protest culminated and forced former Prime Minister Sheikh Hasina to resign and depart the country.

Notwithstanding this political transition, challenges plaguing the economy in recent years have not disappeared; rather they have deepened in some areas, including rising inflation, mounting non-performing loans and the stressed foreign exchange reserves that hinder the country's ability to make import payments in a timely manner. The economy is currently in a precarious state. It maintains relative stability, but remains highly susceptible to further volatility.

The political-economic challenges and societal tensions branch out at a time when the country is at the cusp of graduation from the status of the Least Developed Country (LDC). In response, the interim government aims to turn current economic and political headwinds into tailwinds by rolling out vital yet arduous reforms across multiple sectors.

Amid all these difficulties, the state of bilateral trade and investment remains relatively stable, with Swiss companies maintaining a cautiously optimistic outlook on the local market. Political stability, an improved business framework condition, policy predictability and the implementation of the intended reform agenda could considerably boost both the economic prospects of the country and bilateral economic relations.

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1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

Context

By leveraging a price-led competitiveness economic model, promoting a targeted manufacturing strategy - the country is the second largest hub for garment production - nurturing and protecting domestic industries and, in recent years, adopting information technology and digitalization, Bangladesh remained a shining beacon of economic success and poverty alleviation in South Asia and among the developing countries as recently as 2021. However, the country's economy has been going through a rough patch since 2022. Challenges intensified in the reporting period of Fiscal Year 2023-2024 (FY2024)[1], as a number of macroeconomic indicators falter and the country traverses political twists and turns.

Overall, 2024 has been an intense year for the country, politically, economically and socially. A student-led protest, initially demanding a fairer government job policy, culminated and eventually forced the former Prime Minister Sheikh Hasina to resign and leave the country. This "regime change" occurs amid a debilitating state of the economy and a growing political dissatisfaction among the citizens. The incumbent nonpartisan interim government led by the Nobel Laureate Professor Yunus, which took office in August 2024, promises to address economic woes, restore stability and deliver consequential reforms across all key sectors, including economic course correction. One of the first decisions of the interim government was to request a group of independent experts to prepare a White Paper on the state of the economy.[2]

However, macroeconomic challenges persist and, even in some cases, have been exacerbated, partly due to legacy issues and also because of the socio-economic shockwaves caused by the latest political turmoil. Small and Medium Enterprises (SMEs) are being hit the hardest during this downturn. The World Bank projects the real GDP growth to moderate to 5.2% in FY2024 from 5.8% a year ago. It further forecasts the growth to decelerate to 4% in the ongoing FY2025, a sobering reminder of the prevailing economic difficulties.

Current macroeconomic challenges

The Bangladeshi economy currently faces several pitfalls. Key economic issues include runaway inflation, weak foreign exchange reserves and widespread irregularities in the financial sector, including non-performing loans plaguing the banking and financial sector and liquidity crisis. The inflation rate maintains a 10%+[3] average during the October 2023 to October 2024 period and keeps a surging streak without showing any signs of relenting, leaving a vast majority of the country's population exposed to increased economic vulnerability. According to the World Bank, the inflationary pressure is accelerated by both internal and external factors, including higher energy prices and import costs as a result of depreciating local currency.

Sustained pressure on the external balance, particularly the foreign exchange reserves, remains another key concern. The country's foreign exchange reserve has declined considerably from $48 billion in August 2021 to just around $20 billion[4] now, amid a record devaluation (40%) of the local currency since 2022. Although in recent months, the foreign currency reserves and the exchange rate have witnessed some stability, partly due to a pick-up in inward remittances and export receipts, leading to the improvement of balance of payment deficits, local banks continue to struggle in fulfilling their international payment obligations to foreign suppliers in a timely manner due to the greenback crunch. The central bank expects the situation to improve in the short to medium term.

Non-Performing Loans (NPL) in the banking sector continue to haunt the economy. According to the World Bank, by the end of FY2024, officially recognized NPLs increased by 35.5%, while the gross NPL ratio (ratio of NPLs to total loans) increased to 12.6% during the same period, compared to a year ago, crowding out funds for the private sector. Prevalence of corruption in the banking sector, lack of (economic) good governance and due diligence are identified as primary reasons behind the woes in the banking sector, with at least nine commercial banks facing severe liquidity crisis. The central bank has initiated several measures to bring order to the financial sector, which are yet to come to fruition.

[1] The Bangladesh Financial Year is running from July to June (FY2024 = July 2023 – June 2024) / Macroeconomic data on Bangladesh may contain significant error margins.
[2] https://drive.google.com/file/d/1arg2JtpYaoI00Bf2hiBsIElErXnOyTma/view?usp=sharing
[3] Bangladesh Bank data (https://www.bb.org.bd/en/index.php/econdata/inflation).
[4] Bangladesh Bank data.

Opportunities and Outlook

While the ready-made garment sector blazes the trail for the country's export-led growth model that heavily leans on labour cost competitiveness, multiple new sectors beckon possibilities. A recent study commissioned by UNDP and the UK government identified three priority sectors, namely agro-processing, jute/jute products and IT-enabled services (IT), with the potential for Bangladesh to expand its export portfolio. Industry insiders project that the IT sector can become the country's "next big thing," with Bangladesh being home to 2% of Asia's start-ups, up from almost zero ten years ago, putting the country on a similar level as Vietnam and Malaysia. Electronics and pharmaceuticals also demonstrate the capability of obtaining business know-how in more high-tech industry segments. Other emerging sectors include the leather and ceramic industries.

However, local enterprises enjoy steep advantage and influence across most sectors. Despite the considerable potential for Foreign Direct Investments (FDI), the current level remains low. Multiple challenges persist for foreign enterprises, albeit not unique compared to the rest of South Asia. With adequate policy reform and support, level playing field and framework conditions, foreign companies, including the Swiss ones, can potentially become investment and technology (hi and clean-tech) partners in these promising and emerging sectors, which will be mutually beneficial.

The bilateral trade and investment ties between Switzerland and Bangladesh hold immense potential. Bangladesh is Switzerland's second largest trading partner in South Asia (considering both-way trade), after India. Even if compared with India, Swiss-Bangladesh trade volume makes a compelling case: it is a little less than a quarter of that between India and Switzerland (excluding gemstones, precious metals and jewellery). For a country with one-eighth the population and one-twenty-second the geography of India, it is an impressive feat. Swiss companies are active in all crucial economic sectors in Bangladesh and provide state of the art technology, products and services. Knowledge, technological and innovation partnerships will likely shape the future course of bilateral economic cooperation.

Policy priorities

The interim government, which will likely govern the country for around two years before passing the baton to an elected government, faces high expectations from the population. It has several short-term and mid-term economic priorities. A short-term priority is to restore stability and reinforce business confidence, including improving the law and order condition. Another immediate priority is to tame the inflationary pressure. A number of monetary measures, the upward revision of policy rates for one, have been taken since August 2024, which are yet to bear fruits.

Another pressing priority for the current government is to bring some measure of stability in the financial and banking sector. Already, the central bank, under a new leadership, has reinforced its oversight to tackle NPL and alleviate the liquidity crunch in the ailing banks. Last year, the IMF approved a $4.7 billion loan for Bangladesh through a mix of different concessional and non-concessional funding facilities. Bangladesh seems interested to top up its IMF loan with additional funds and secure further support from the international financial institutions to shore up the stressed forex reserves. One of the contentious points in the negotiations will be how to address the existing low level of tax-to-GDP ratio.

State reform is the 'raison d'être' of the interim government, but it is a tall order. Corruption and poor governance are chronic and endemic challenges in Bangladesh that undermine the country's economic potential and the interim government vows to alter the old way of doing things. It has formed over ten commissions to recommend reforms in key sectors such as the judiciary and anti-corruption. It has commissioned a body to present the current state of the economy and provide a short to medium term strategic outlook. Governance ostensibly is the cross-cutting theme in the entire reform agenda of the interim government. While the hopes are high, it remains to be seen how strenuously the agenda will eventually move forward and sustain in the current politically charged environment.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

Industry sector

Once touted as an economic basket case, Bangladesh has transitioned from being a mainly agrarian economy in the 70s into a global apparel manufacturing powerhouse. It is the second-largest apparel exporter trailing China. At present, the industry sector accounts for 36% of GDP at constant prices and employs roughly 17% of the country's total workforce. Due to the prevailing economic challenges, it is estimated that in FY2024, this sector grew by 6.66%[5], down from 8.37% a year ago. The export-oriented garment and textile sectors dominate the industry segment, accounting for roughly 85% of total exports and employing approximately four million people[6], primarily women.

Other promising sectors include leather, leather goods, footwear, agro-processing, IT and electronics and jute. Overall, the industry sector urgently needs more diversification. Different policy documents highlight that to accelerate the economy's growth trajectory, Bangladesh needs to prioritize new drivers of growth and start shifting from a price-led competitiveness model to one anchored in quality and innovation. More FDI and the induction of new technology can help the country to achieve this transformation.

The pharmaceutical industry of Bangladesh is highly regulated. Domestic drug companies have thrived, capturing 98% of the domestic market and even exporting their products globally (accounts for 1% of the export basket), thanks to policy safeguards for local enterprises and the Trade Related Aspects of Intellectual Property Rights (TRIPS) waiver. Although the sector heavily depends on imported sophisticated raw materials, including active pharmaceutical ingredients. The light engineering sector (electronic appliances, bicycles, and mobile phones, for example) is also expanding steadily, but primarily for the domestic market, with growing export potential.

As Bangladesh strives to move up the production value chain in sectors where it already has a strong presence and to explore new industries, it needs knowledge and technology, as well as technological collaboration, to realize its full potential. Swiss companies have a great deal to offer in this sector and the textile industry is an example. Swiss textile machinery manufacturers in Bangladesh are already among the top technology providers. As the economy and the apparel industry attempt to diversify their portfolios to address high-tech, clean-tech, and sustainability issues, it creates new opportunities for foreign and Swiss companies along the entire supply chain.

Agriculture

The agriculture sector now accounts for only 11% of the GDP. However, this sector is of enormous importance considering food security, poverty alleviation and employment creation. This sector employs over 45% of the total workforce, reflecting a fragmented, labour intensive and under-mechanized sector employing people mostly in the rural areas. Rice is the main crop in this country. Other agricultural sub-sectors such as fruits, vegetables, fish and shrimp cultivation and poultry farming are gradually increasing, and so is the food processing industry. The growth of the agriculture sector is estimated to be 3.21% in FY 2024, which was 3.37% in the previous fiscal year.

As the size of the middle-class segment is still growing, many private enterprises are heavily investing in the food processing industry. Some are also exporting their agro-products to neighbouring and other countries. As a result, there is a growing demand for advanced technology and high-quality machinery, where Swiss companies can tap into the market. One Swiss multinational company is a top player in the food segment. Another Swiss plant equipment manufacturer has already teamed up with leading food processing companies in the country to design and commission plants. Under its international cooperation programme, Switzerland is also piloting and upscaling different innovative initiatives in the agricultural sector, such as microinsurance schemes for farmers and cattle breeders, to catalyse the transformation of this important sector.

Services

The service sector accounts for around 53% of the GDP and provides 38% of the total jobs in the country. The service sector, which shrunk to 5.37% in FY2024 from 6.26% a year ago, is increasingly becoming an important avenue for value, knowledge and technology-led economic growth. Transport, financial services, including the banking sector, telecommunication and IT are the trailblazers in this sector. Consider the example of the IT sector. A decade ago, just 50,000 individuals were employed in this industry. The government now claims to have created two million IT jobs in recent years and another one million IT workforce would be added by 2025.

At the height of the student protests in July 2024, the former government imposed a complete internet outage to quell protests. The measure not only became counterproductive, but also put millions of IT jobs in the country at great risk. The IT sector is another industry in which several Swiss companies

[5] Official Bangladeshi statistics from the Finance Division.

[6] https://documents1.worldbank.org/curated/en/301881574283378595/pdf/The-Effects-of-International-Scrutiny-on-Manufacturing-Workers-Evidence-from-the-Rana-Plaza-Collapse-in-Bangladesh.pdf

have already formed knowledge-based partnerships with Bangladesh and can potentially draw additional Swiss investment and engagement.

Impact investing, an area in which Switzerland is a pioneer, is gaining traction among private actors as the start-up ecosystem develops rapidly.

3 FOREIGN ECONOMIC POLICY

3.1 Host country's policy and priorities

Bangladesh is poised to graduate from the Least Developed Country (LDC) category in 2026. This graduation, on the one hand, signals new opportunities, including for the international community to push the labour law reform agenda[7], but on the other hand, several challenges loom large as international support measures associated with the LDC status will start to cease after a three-year grace period. On top of that, the current economic challenges spur a sense of trepidation among the business community over this imminent transition and the withdrawal of support measures. Consequently, Bangladesh is actively pursuing a multipronged approach to ensure unfettered and longer-term market access after graduation, one of the most crucial policy concerns at this point in time.

Despite calls from business leaders to delay the LDC graduation, the interim government is finalizing the "Smooth Transition Strategy" (STS)[8], a roadmap for navigating the paths towards and after the graduation. The STS seeks to outline a scheme for Bangladesh to shift from reliance on preferential tariffs and low-cost competitiveness to a more robust economic model driven by innovation, quality and export diversification. Education and skills enhancement will receive priority. As per the available draft, the STS has several key pillars: ensuring macroeconomic stability, securing trade preferences and favourable transition measures beyond LDC graduation, improving trade competitiveness, enhancing productive capacity and strengthening international partnerships and cooperation. The graduation seems inevitable, unless Bangladesh moves to the United Nations General Assembly in Fall 2025 for a resolution to delay it. The current government's position is to undertake necessary preparations (the finalization of the STS is one of them). However, there are indications that it is still keeping the option open to delay the graduation if the current economic predicaments deepen, making the graduation too costly.

The EU is the most significant export market for Bangladeshi garment products. Following LDC graduation, the country will continue to enjoy DF-QF market access to the European Union (through the Everything But Arms scheme) only until 2029. Some reports indicate that Bangladesh is trying to extend the grace period, which can prove to be a tough sell. Losing DF-QF market access to the EU might result in yearly export losses of approximately $5 billion. Dhaka and Brussels are examining options for including Bangladesh in the EU's GSP+ scheme. GSP+ requires tackling sustainable development issues such as human rights, governance, and environmental protection. As a pathway to the GSP+ scheme, Bangladesh has finalized a plan of action to address these concerns (including the labour law reform, improved labour inspections and allowing trade unions in the Export Processing Zones etc.), but its implementation has been slow and negotiations are unlikely to be straightforward.

Furthermore, the EU is currently reviewing its GSP/GSP+ framework. One article of the proposed GSP+ scheme stipulates safeguard measures for textile, agriculture and fisheries industries triggered when a specific threshold is met or exceeded, which can potentially preclude the Bangladeshi textile sector from availing the GSP+ benefits. Bangladesh is lobbying the EU to ease this proposed provision. Addressing sustainability issues and anchoring human rights and environmental considerations in business operations are increasingly becoming vital for Bangladesh as its key export destinations, including the EU, are increasingly focusing on responsible business conduct, corporate sustainability and due diligence. Business leaders and economists also highlight the importance of seizing potential opportunities stemming from the 'China+1' approach.

Despite its seemingly ambivalent ties with India, the current government prioritizes to more vigorously pursue economic and trade diplomacy, with a particular focus on South Asia and East Asia. The interim government is interested to forge closer economic ties with ASEAN nations. For several years, Bangladesh has been exploring alternative markets and trade arrangements, including preferential or free trade agreements with regional neighbours (e.g., Dhaka and Singapore launched FTA negotiations in November 2024). While Europe and North America remain Bangladesh's most important export destinations, Bangladesh continues to engage with regional economic powerhouses such as China,

[7] https://www.ilo.org/sites/default/files/2024-03/GB350-INS-14%28Rev.1%29-%5BNORMES-240308-001%5D-Web-EN.pdf
[8] https://www.tbsnews.net/economy/interim-govt-finalise-post-ldc-survival-plan-october-952196

India and Japan more consistently.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

See chapter 1 and 6 for outlook for Switzerland. The government welcomes and promotes foreign trade (mainly exports) and investments (mainly inward). Nevertheless, in practice, foreign companies often face challenges and certain degree of discrimination compared with local producers.

4 FOREIGN TRADE

4.1 Developments and general outlook

According to the country's central bank, during FY2024, Bangladesh's total exports were registered at $38.99 billion. Compared to the number ($55 billion) of FY2023, which was reported in the Embassy's report last year, it corresponds to a 30% decline on paper. The plummeting in reported export receipts is primarily due to the customs department's, the National Board of Revenue (NBR), double calculation in previous years, which inflated the number.

There have been growing apprehensions in recent years regarding the integrity and accuracy of various macroeconomic data produced by the authorities in Bangladesh. The interim government of Bangladesh is focused on enhancing data accuracy to provide a true and reliable representation of the country's economic situation.

Prolonged shutdowns during the political unrest of the July-August 2024 period caused backlogs for the country's garment sector and have also dented the country's reputation as a reliable sourcing destination. Early indications suggest a strong sign of recovery by the export sector. According to the Export Promotion Bureau, merchandise exports in the first four months of FY2025 has climbed 10.80% year-on-year to $15.78 billion. However, the export sector is still not out of the woods as recurring labour unrest in the garment factories stokes angst.

During the reporting period, import payments also dropped by 7% to $63.22 billion due to the tightening of imports to save forex reserves.

4.1.1 Trade in goods

Since the beginning of this decade, Bangladesh's garment exports have accounted for more than three-quarters of the country's annual income. Garment, leather and agricultural product exports registered growth in FY2025.

4.1.2 Trade in services

Service exports are rapidly expanding in Bangladesh. As witnessed in previous years, transportation, construction and IT industries are the top performers in this industry segment.

4.2 Bilateral trade

Bilateral trade surpassed the symbolic CHF1 billion mark for the first time in 2021 and maintained the same level since. According to the Swiss customs authority, the bilateral trade volume was CHF 1.09 billion last year. However, the trade balance is heavily tilted in Bangladesh's favour. Most Swiss exports (CHF 99.30 million; -21.2%) are textile machinery, chemical and pharmaceutical goods and Bangladesh exports primarily apparel products (95%).

Notable differences exist between the official Bangladeshi trade statistics and the Swiss customs authority. Such discrepancies are not unique to Switzerland and Bangladesh and this may occur when the shipping country accounts the transit country as the destination country at the time of dispatch.

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

Bangladesh needs FDI to make its LDC graduation sustainable and smooth, as well as to transform and diversify its economy. Nevertheless, when it comes to attracting FDI, Bangladesh chronically punches below its weight due to a host of factors, including weak economic governance structure, framework conditions and physical infrastructure provisions. According to World Bank data, its net FDI inflow as % of the GDP is below the South Asian average and below most of its comparable regional peers. Calls are growing to improve efficiency, labour productivity and skills, and tax and regulatory reforms to attract more FDI.

According to the data provided by central bank, gross FDI into Bangladesh went down to $4.18 billion in FY2024 (-5%) from $4.42 billion in FY2023. The data shows that the energy, telecommunication and banking sectors were the top recipients of FDI. However, according to UNCTAD, FDI in Bangladesh went down by 13% to $3 billion year-on-year in the calendar year 2023. It is to be noted that a lion-share of the FDI are reinvestments from existing foreign enterprises and the share of equity investment is still diminutive in comparison.

In recent years, the authorities undertook some measures, such as setting up exclusive economic zones across the country by 2030 to attract local and foreign investments. At present, around 10 economic zones are partially operating, but despite that an uptick in FDI is yet to occur. The interim government places its emphasis on drawing FDI and focuses on economic and trade diplomacy. The reorganized and revamped Bangladesh Investment Development Authority (BIDA) aims to improve its quality of services, provide infrastructure provisions to the investors, ensure policy continuity/predictability and improve governance, including tackling corrupt practices.

5.2 Bilateral investment

Swiss companies have a significant presence in Bangladesh, some with their own production facilities. They are active in various sectors including construction, agrobusiness, pharmaceutical, chemical, and service sectors and are regularly expanding their businesses. According to data provided by the Bangladesh Bank, gross Swiss FDI inflows to Bangladesh stayed at the same level at $65.36 million in FY2024 compared to $65 million a year ago.

However, local data differs from the Swiss National Bank, which reports a substantially lower figure. Neither figure corresponds to the information provided by Swiss companies (for example, an already present Swiss Multinational claims to have invested approximately $500 million in the country).

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

Although Bangladesh is still not a priority country for Switzerland’s economic strategy, the market offers opportunities for the Swiss private sector. Therefore, the Embassy places significant focus on fostering bilateral trade and investment, considering the market size and growing needs for technology among the local private sector operators. The Embassy maintains regular contact with Swiss investors in Bangladesh (through business roundtables and bilateral meetings) and advances Swiss economic interests in the country. In the last few years, the Embassy has observed multiple new Swiss companies showing interest in exploring and entering the Bangladeshi market. While the current political transition and economic sloth might have put things on ice, in the medium-term, the bilateral economic ties hold vast potential, also in view of the prospective transition from Swiss development cooperation to economic cooperation in the future.

In order to address specific company cases and to promote trade and investment ties between the two countries, Bangladesh formed an Inter-Agency Committee (IAC) in 2018. The second meeting between Switzerland and the IAC took place in November 2020, with the SECO leading the Swiss delegation. The latest round of political consultations between the foreign ministries of the two countries occurred in May 2024, where specific company cases were raised by the Swiss side. The two countries also discussed ways to enhance bilateral economic relations.

Switzerland’s international cooperation promotes inclusive economic development in Bangladesh to support the country transition out of the LDC category. Bangladesh receives support from several global programmes through SECO’s complementary measures. By utilizing its instruments for economic cooperation, Switzerland is also working closely with Bangladesh to improve framework conditions for businesses, including in the financial sector.

The Swiss Investment Fund for Emerging Market (SIFEM) is also stepping into the Bangladeshi market, with its commitment to job creation, gender equality and climate change mitigation. A new deal was signed in 2024.

Finally, the Switzerland-Bangladesh Chamber of Commerce and Industry (SBCCI), a chamber consisting of Swiss investors and local companies doing business with Switzerland, is active in the country and the Embassy continues to collaborate with it closely. Currently, it has over 50 members.

6.2 The host country's interest in Switzerland

Switzerland and the Swiss private sector continue to enjoy an excellent image across all target audiences in Bangladesh, including the business community. Switzerland is known, especially among the business community, for efficiency, precision and quality products. Bilateral trade and investment related issues feature prominently in all major bilateral meetings, confirming the goodwill and positive image (inter alia for innovation and competitiveness) that Switzerland enjoys here. The high reputational capital is a crucial advantage for Swiss companies, since Bangladesh’s sizeable (approximately 30 million[9]) middle class is willing and able to spend more on premium and reputable (Swiss) products.

Prejudiced perceptions about the Swiss banking sector exist in the country but to a lesser extent. This perception is sometimes fuelled by the Swiss National Bank’s annual report, which is often misreported or misconstrued in the local media. Media often surmise that funds of Bangladeshi origin cited in the SNB report deposited in Swiss banks (across the globe) are ill-gotten money laundered out of the country. However, since 2023, such misconception has improved significantly, with local media reports becoming more accurate and indicating that Switzerland is by no means a leading destination for funds from Bangladesh. Being one of the world’s leading financial centres, Switzerland is always willing to continue cooperating with Bangladesh on these matters in accordance with globally recognized international procedures and in line with proposals it has put forward in recent years.

From a tourism point of view, Switzerland is widely regarded as a beautiful nation with clean, lush, and picturesque landscapes. The country is one of the most coveted (but rarely affordable) tourist and honeymoon destinations among the elite and upper-middle classes.

[9] https://www.weforum.org/agenda/2019/10/bangladesh-is-booming/

ANNEX 1 – Economic structure

Economic structure of the host country

	FY2023	FY2024
Distribution of GDP		
Primary sector	11.2%	11%
Manufacturing sector	37.65%	36%
Services	51.24	53%
- of which public services	**Data unavailable**	**Data unavailable**

Distribution of employment		
Primary sector	45.33%	45%
Manufacturing sector	17.02%	17%
Services	37.65%	38%
- of which public services	**Data unavailable**	**Data unavailable**

Source(s): Ministry of Finance of Bangladesh

ANNEX 2 – Main economic data

Host country's main economic data

	2023	2024	2025
GDP (USD bn)*	**451.5**	**451.4**	**481.8**
GDP per capita (USD)*	**2'651**	**2'624**	**2'773**
Growth rate (% of GDP)*	**5.7**	**5.4**	**4.5**
Inflation rate (%)*	**9.7**	**9.7**	**9.7**
Unemployment rate (%)**	**3.36**	**Unavailable**	**Unavailable**
Fiscal balance (% of GDP)**	**-4.7%**	**-4.6%**	**Unavailable**
Current account balance (% of GDP)*	**-2.576**	**-1.442**	**-1.525**
Total external debt (% of GDP)**	**15.9%**	**22.6%**	**Unavailable**
Debt-service ratio (% of exports) **	**4.1%**	**5.1%**	**Unavailable**
Reserves (months of imports)**	**4 (approx.)**	**3 (approx.)**	**4 (approx.)**

* Source: IMF, World Economic Outlook (indicate the month and year of publication)

- www.imf.org/external/pubs/ft/weo

** Bangladesh Bank, host country data

ANNEX 3 – Trade partners

Trade partners of the host country Year: FY2024

Rank	Country	Exports *from the host country* (USD million)	Share %	Change[10]	Rank	Country	Imports *to the host country* (USD million)	Share %	Change[10]
1	USA	6'806	17.5		1	China	16'637	26	
2	Germany	4'488	11.5		2	India	9'000	14	
3	UK	3'990	10.2		3	Indonesia	3'556	5.5	
4	Spain	3'117	8		4	Brazil	2'661	4	
5	France	2'114	5		5	Malaysia	2'604	4	
6	The Netherlands	1'638	4		6	USA	2'535	4	
7	India	1'559	4		7	Singapore	2'533	4	
12	*Switzerland**	1'131	*3*		…	*Switzerland**	113		
	EU	17'000 (approx.)	43			EU	Data not available		
	Total	38'995	100%			Total	63'226	100%	

Source(s):

Bangladesh Bank (Central Bank of Bangladesh) and Export Promotion Bureau of Bangladesh.

* Federal Office for Customs and Border Security

[10] Change from the previous year in %.

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and the host country

	Export (CHF million)	*Change (%)*	**Import** (CHF million)	*Change (%)*	**Balance** (in million)	**Volume** (in million)
2019	174.33	30.5	611.99	5.5	-437.67	786.32
2020	131.9	-24.3	679.50	11	-547.60	811.4
2021	126.15	-4.4	929.24	36.7	-803.10	1’050.39
2022	126.09		1’070	17.5	-874.29	1’101.21
2023 *(Total 1)**	**99.30**	**-21.3**	**1’003**	**-19.5**	**-903.70**	**1102.30**
2024 (Jan-Sep)*	**76.62**	**5.8**	**702.53**	**-7.8%**	**-625.91**	**779.15**

*) ‘Economic’ total (total 1): not including gold bars and other precious metals, currencies, previous stones and gems, works of art and antiques

**) Change (%) from the previous year

Exports	**2022** (% of total)	**2023** (% of total)
1. Machinery (without electric)	32.9%	34.2%
2. Pharmaceutical products	15.3%	15.8%
3. Fertilizers, dyes and pigments	14.2%	11.6%
4. Electric machine	9.8%	6.7%

Imports	**2022** (% of total)	**2023** (% of total)
1. Garments and textile	95.4%	95.4%
2. Footwear	3%	2.9%
3. Leather and leather goods	0.4%	0.5%
4. Agricultural products	0.3%	0.2%

Source: Swiss Federal Office for Customs and Border Security

ANNEX 5 – Main investing countries

Main investing countries in the host country **Year: FY2024**

Rank	Country	**Direct investment** (USD, stock)	Share	**Variation** (stock)	**Inflows over past year** (USD mio)
1	UK	Not available	..%	+/- …%	654.44
2	South Korea	Not available	..%	+/- …%	492.13
3	USA	Not available	..%	+/- …%	417.17
4	China	Not available	..%	+/- …%	391.80
5	Singapore	Not available	..%	+/- …%	382.80
6	The Netherlands	Not available	..%	+/- …%	375.98
7	Hong Kong	Not available	..%	+/- …%	273.32
8	India	Not available	..%	+/- …%	182.30
9	Norway	Not available	..%	+/- …%	145.36
10	Japan	Not available	..%	+/- …%	98.80
	EU	Not available	..%	+/- …%	487.81
14	Switzerland	Not available	..%	+/- …%	65.36
	Total	Not available	100%	+/- …%	4188.60

Source(s): Bangladesh Bank.