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Industries in NER and Bangladesh: Opportunities and Challenges

Industrial development is crucial for a country's growth, and industrialization has differential impacts on growth and development. Higher industrial development unleashes dynamic and competitive economic performance, which generates income and employment, facilitates international trade and increases resource efficiency, and is thus a major driver of poverty alleviation and shared prosperity¹. Higher industrial competitiveness contributes to a country's or a region's prosperity. Industrial development in NER and Bangladesh has strong implications on trade and connectivity in the region. Facilitation of industrial development and improving

competitiveness are crucial for unlocking the value chain potentials of the NER.

1. Overview of Industrial Activities in NER and Bangladesh

The NER's manufacturing sector contributes a negligible amount to its economic output. During 2011-12 and 2019-20, NER has witnessed a mixed performance in industrial sector. The industrial sector is accounted for about 29 per cent of NER's GDP.² In terms of industrial performance, there were around 6,820 factories, increased from 3814,

in the NER, of which Assam retains the majority share of 5,196 (76 per cent) factories, followed by Tripura (657), Mizoram (215) and Manipur (204) in 2019-20 (Table 1). The industrial activities in NER generated employment to about 0.39 million people in 2019-20, increased from 0.23 million in 2011-12. In terms of the share of investment of NER in India, it contributes only less than one per cent, and that also declined over time. In terms of production, NER's share in India is only 2.03 per cent, reflecting NER's meagre participation in the manufacturing sector in India. Among the NER states, Assam has the highest contribution in production, followed by Sikkim and Meghalaya. Contribution of West Bengal state in industrial sector in India has also declined during 2011-12 and 2019-20.

Overall industrial performance in NER, as reflected in Table 1, improved during 2011-12 and 2019-20. The rise in industrial growth is largely attributed to economic strength of NER states, improvement in infrastructure, and the growth of the Indian economy, which indeed pulled up the industrial performance in NER. Apart from the government's steps to uplift the overall business environment and boost investment, several state-specific initiatives have been initiated to strengthen industry and in particular the manufacturing sector in the NER. However, not all the NER states have equal level industrial performance. The dispersion among the NER states is clearly visible. The industrial competitiveness of the NER has remained weak. However, given the enormous potential it has, the NER

Table 1: Industrial Performance in NER States

State	Number of Factories		Number of Employment		Investment*		Production*	
	2011-12	2019-20	2011-12	2019-20	2011-12	2019-20	2011-12	2019-20
Arunachal Pradesh		116		2581		0.2		14
Assam	3019	5196	180531	263106	748	42.5	1506	2432
Manipur	102	204	5303	6898	1	0.1	13	15
Meghalaya	100	158	11005	12904	127	2.9	194	234
Mizoram		215		1664		0.01		4
Nagaland	86	190	2521	5361	0.27	-0.03	15	18
Tripura	61	657	8906	24266	30	0.8	681	48
Sikkim	446	84	29933	23039	5	3.2	48	1415
NER	3814	6820	238199	339819	911.27	49.68	2457	4180
West Bengal	8402	9650	654276	736165	1811	172.2	5091	6531
NER's share in India (%)	1.75	2.77	2.28	2.04	1.36	0.86	1.29	2.03
West Bengal's share in India (%)	3.86	3.91	6.27	4.43	2.69	2.98	2.66	3.17
All India	217554	246504	10438365	16624291	67206	5772	191039	205782

Note: *In US\$ Million

Source: ASI 2011-12 and 2019-20, MOSPI Database

can witness higher industrial growth if the regulatory framework and the industrial infrastructure are upgraded.³

The industrial sector accounted for 33.3 per cent of GDP and employs 5.5 million people in the industries consisting of manufacturing, together with utilities (gas, electricity and water) and construction.⁴ The accumulated number of manufacturing units in 2019-20 was 46110, mostly spread across SMEs, followed by micro industries (Table 2). Large industries contribute more in terms of investment (US\$ 125 million), followed by medium-sized industries. In terms of production, large industries have the highest contribution of about US\$ 34 billion, followed by small units. With US\$ 7.7 billion, large industries have the highest share of total salary paid by the manufacturing industries, followed by small, medium and micro level industries.

Even though the industrial sector in Bangladesh has been growing, most of the growth is coming from low technology sectors such as ready-made garments, light manufacturing sector, shrimp procession, among others. Moving up on the technology ladder is a great challenge for Bangladesh. In addition, legal framework, law enforcement and inadequate physical infrastructure, roads, ports, and power supply are some of

the major constraints to industrial growth in Bangladesh.⁵

2. Potential Industrial Clusters in NER and Bangladesh

Only a few sectors have a major attraction for industrial activities in the NER. For instance, khadi and village industries; medical and scientific instruments; drug formulation and biologicals; tea; coal, coke and briquettes; processed minerals; natural gas; food processing; human hair products; rice; cotton fabrics and accessories; iron and steel; rubber; cotton apparels; handloom products; tobacco products; petroleum products; plywood and allied products are major industries in the NER (Figure 1).

While manufacturing of textiles, manufacturing of food products and manufacturing of wearing apparel (ready-made garments) are the three major leading manufacturing industries in Bangladesh. In addition, chemicals and chemical products; leather and leather goods; tobacco products; machinery and equipment; pharmaceuticals and medicinal chemicals; handicrafts, jute goods; cement and ceramic industries are some of the industries that have contributed to the industrial development in Bangladesh (Figure 2).

Table 2: Industrial Performance in Bangladesh

Industry Type	Number of Factories		Number of Employment		Investment*		Production*	
	2012	2019	2012	2019	2012	2019	2012	2019
Micro	17384	16770	271644	259697	1	3	1126	2071
Small	15666	23306	738801	1043672	14	21	4523	13420
Medium	6103	3178	1041220	491870	18	97	4446	5861
Large	3639	2856	2964272	3669923	96	125	9013	34087
Total	42792	46110	5015936	5465162	130	246	19107	55439

Note: *In US\$ Million

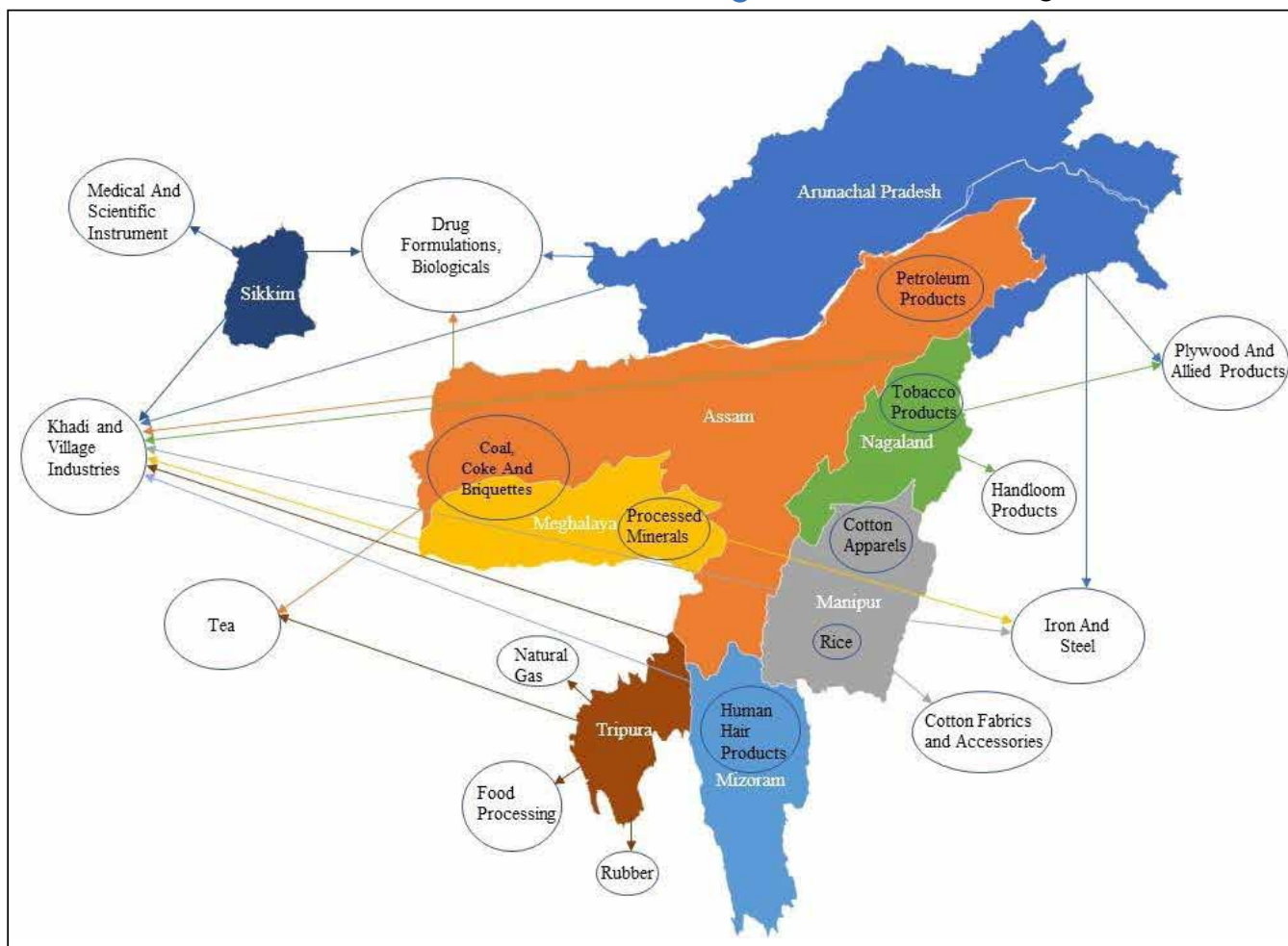
Source: Bangladesh Bureau of Statistics

Similarly, in terms of sectoral investment in the NER, food products, pharmaceutical and medicinal chemical, paper and paper products, non-metallic mineral products, electrical equipment, machinery and equipment industries have received maximum investment in 2018-19 and 2019-20 (Table 3). Even though chemical and chemical products, rubber and plastic products, and basic metal industries received lower investment in 2019-20 in comparison to 2018-19, they are still among the major sectors receiving investments.⁶ In Bangladesh, ready-made garments, electrical equipment, food products,

chemical and chemical products, textiles, furniture, pharmaceutical and medicinal chemical, and non-metallic mineral products industries were among the industries receiving higher investment.⁷ However, there are high investment opportunities in the NER and Bangladesh, which can be explored to produce goods and trade with the neighbouring countries.

In terms of sectoral production in the NER, food products, chemical and chemical products, rubber and plastic products, non-metallic mineral products, pharmaceutical and medicinal chemical, paper and paper products

Figure 1: Manufacturing Industries in NER



Source: Authors' own compilation from Federation of India Export Organization

Figure 2: Major Industrial Clusters in Bangladesh



Source: Authors' own compilation from Bangladesh Trade Portal

industries have the highest contribution in production in 2019-20. Production of manufacturing industries falls way behind the rest of India (Table 4). Only rubber and plastic industry production has a double-digit share in India.⁸ In Bangladesh, food products, textiles, readymade garments, rubber and plastic

products, non-metallic mineral products and pharmaceutical and medicinal chemical industries have the highest contribution in production in 2019-20.⁹

Drug formulation and biologicals, tea; coal, coke and briquettes; processed minerals; natural gas; human hair products; rubber

Table 3: Investment in Manufacturing Industries of NER and Bangladesh, 2019-20

Sector	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Bangladesh
Food Products	√	√	√	√	√	√	√	√	√
Textiles		√							√
Ready-made Garments		√			√				√
Leather and Related Products									√
Wood and Wood Products	√	√		√	√	√		√	√
Paper and Paper Products		√			√		√	√	√
Printing and Reproduction of Recorded Media		√	√	√		√	√	√	√
Chemicals and Chemical Products		√		√			√	√	√
Pharmaceuticals and Medicinal Chemical		√					√		√
Rubber and Plastics Products		√	√	√		√	√	√	√
Other Non-Metallic Mineral Products	√	√	√	√	√	√		√	√
Basic Metals	√	√		√				√	√
Fabricated Metal Products	√	√			√	√		√	√
Computer, Electronic and Optical Products		√							√
Electrical Equipment		√					√		√
Machinery and Equipment		√						√	√
Other Transport Equipment									√
Furniture			√		√			√	√

Source: See Appendix Table 1 for details

Table 4: Manufacturing Industries Production in NE and Bangladesh, 2019-20

Sector	Arunachal Pradesh	Assam	Manipur	Meghalaya	Mizoram	Nagaland	Sikkim	Tripura	Bangladesh
Food Products	√	√	√	√	√	√	√	√	√
Textiles		√	√		√			√	√
Readymade Garments		√			√			√	√
Leather and Related Products									√
Wood and Wood Products	√	√	√	√	√	√			√
Paper and Paper products		√			√			√	√
Printing and Reproduction of Recorded Media		√	√	√	√	√	√	√	√
Chemicals and Chemical Products		√		√	√		√	√	√
Pharmaceuticals and Medicinal chemical		√					√		√
Rubber and Plastics Products		√	√	√		√	√	√	√
Non-metallic Mineral Products	√	√	√	√	√	√	√	√	√
Basic Metals	√	√		√				√	√
Fabricated Metal Products	√	√		√	√	√		√	√
Computer, Electronic and Optical Products		√							√
Electrical Equipment		√					√	√	√
Machinery and Equipment		√						√	√
Furniture	√	√	√		√	√		√	√

Source: See Appendix Table 2 for details

Table 5: Central and State Level Industrial Policies in NE States

State	Central and State Incentives				
	Tax	Subsidy	Exemptions	Reimbursement	MSME
Arunachal Pradesh	*	*	*		*
Assam		*		*	
Manipur	*	*	*		*
Meghalaya	*	*		*	
Mizoram		*	*	*	
Nagaland	*	*	*	*	
Sikkim		*	*	*	
Tripura		*		*	

Source: See Appendix Table 3 for details

and plastic products, petroleum products, plywood and allied products, wood and wood products, furniture paper and paper products, basic and fabricated metal products are the potential manufacturing industries, which can be incentivised through industrial and export

promotion policies and higher investment for boosting trade with Bangladesh. Apart from textile and ready-made garment industries, leather and related products, pharmaceuticals, electronics, information and technology (IT), frozen food, light engineering, automobiles,

Box 1: Tripura Export Promotion Scheme

Tripura initiated the “Tripura Industrial Investment Promotion Incentives Scheme” in 2022 to promote investment and industrial growth in the state. The scheme includes capital investment subsidy, procurement preference, industrial promotion subsidy, power subsidy, partial reimbursement of interest on term loans, 100% reimbursement of standard certification charges/fees/expenses, export promotion subsidy, state transport subsidy, operational subsidy to industrial units, one-time additional subsidy/incentive, special incentives to industrial enterprises continue to operate for 5 years etc. Under export promotion subsidy, state government will provide a reimbursement to industrial enterprises on exporting goods to Bangladesh through the Land Custom Stations in the State @10 per cent on value of export subject to an upper ceiling of Rs. 50 Lakhs per annum. This scheme will be applicable only under the items manufactured in the state of Tripura subject to an enterprise that has achieved at least 20 per cent value addition within the State.

Tripura government also developed Export Promotion Park with central government assistance to facilitate export. 126.12 acres of land have been allocated with amenities like administrative block, internal & external road network, developed plot & shed, power, gas & water supply, telecom, boundary wall, sewage and drainage, security guard etc.

Source: Department of Industries and Commerce, Government of Tripura

Table 6: Promotion of MSMEs in NER

State	Mini Technology Center		Development of New and Existing Industrial Estates		Other Activities	
	Approved	Completed	Approved	Completed	Approved	Completed
Arunachal Pradesh	-	-	-	-	-	-
Assam	1	1	12	1	1	1
Manipur	-	-	-	-	-	-
Meghalaya	-	-	-	-	-	-
Mizoram	-	-	2	Ongoing	-	-
Nagaland	1	1	-	-	1	1
Sikkim	2	Ongoing	1	1 Ongoing	2	1 Ongoing
				1 Completed		1 Completed
Tripura	1	1	4	1 Completed	-	-
				3 Ongoing		

Source: See Appendix Table 5 for details

agro-based industries, construction material including steel plant, ship building and energy and power have enormous investment potentials, which can help Bangladesh in diversifying its export basket. However, to diversify the export basket of NER and Bangladesh, designing appropriate industrial policies conducive to industrial growth and competitiveness is imperative.

3. Industrial Parks and Policies in NER

Both central and state governments offer various sector-linked and location-specific incentives and tax benefits and subsidies to encourage industrial activity in the NER, including transportation, capital investment, interest, insurance, income tax, power, excise duty exemption, sales tax, and price preference (Table 5). Barring a few, most of the NER states provide a wide range of incentives and subsidies to the investors. However, except Arunachal Pradesh and

Manipur, no other NER state provides specific incentives for promoting MSMEs. NER states also provide several export promotion incentives to promote exports from the NER. For example, Tripura provides export promotion incentive at 10 per cent on exporting goods through LCSs on value of export with max. ceiling of Rs. 20 lakh per annum (see Box 1).

The NER has immense potential for growth of MSMEs. To promote and unlock the potential of MSMEs in NER, the government has been setting up new and modernizing existing technology parks, industrial estates and several other activities such as IT modules, incubation centres, technology centres, etc., which have been ongoing and completed (Table 6). The North-East Industrial Development Scheme (NEIDS), relaunched in 2018, is aimed at promoting industrialization and boosting employment and income generation in NER states (see Box 2). The scheme encourages MSMEs in manufacturing and service sectors.

Box 2: Salient Features of North-East Industrial Development Scheme (NEIDS)

New units will get a reimbursement of the goods and services tax (GST) that they pay to the central government for a period of five years from the date of commencement of production. The units will also be reimbursed the centre's share of income tax for five years. These units will also get a 3 per cent interest subsidy on working capital credit for the first five years.

In addition, they will get a central capital investment incentive amounting to 30 per cent of the investment in plant and machinery, with an upper limit. They will also get full reimbursement of insurance premium on buildings, plants and machinery for five years. To counter the geographical and logistical hardship of setting up units in the north-east, the scheme proposes a transport incentive. These units will get a transport incentive of 20 per cent of their cost of transportation using railways and inland waterways, and 33 per cent in the case of air freight for perishable items.

There is also an employment incentive wherein the central government will contribute up to 3.67 per cent of the employer's contribution to the employee's provident fund.

Source: NEC

The benefits provided under the Scheme are: Central Capital Investment Incentive for Access to Credit (CCIIAC), Central Interest Incentive (CII), Central Comprehensive Insurance Incentive (CCII), Income Tax (IT) Reimbursement, Goods and Services Tax (GST) Reimbursement, Employment Incentive (EI) and Transport Incentive (TI).

The Export Promotion Industrial Parks scheme (EPIP), Export Promotion Zones scheme (EPZ), and the Critical Infrastructure Balancing scheme (CIB) have been implemented by the government to help create infrastructure for exports in specific locations and boost exports and increase foreign export earnings in the NER (see Appendix Table 4). The NER states also provide several fiscal and non-fiscal concessions to these parks, which helps the business units in manufacturing quality goods at low costs (see Appendix Table

3). For example, a Bamboo Park has been set up at Bodhjungle, Tripura for promoting bamboo-based industries. The Bamboo Park offers modern common facilities as well as physical infrastructure, including a depot for raw bamboo, a unit for splitting and silvering bamboo, a centre for treating and processing bamboo, drying chambers, testing labs, a logistics hub, a warehouse, and a centre for machine maintenance, among others.

The NER states have taken a leading role in the creation of industrial parks like mega food parks, which aim to link agricultural production to the market by bringing together farmers, processors, and retailers in order to maximise value addition, reduce wastage, increase farmers' income, and create employment opportunities, particularly in the rural sector (see Appendix Table 4). Furthermore, the food parks place a

Table 7: Major Sector-wise Industrial Policies in Bangladesh

Industry	Tax Holiday	Subsidy	Tax Exemptions	Rebate	Cash Incentive	Market Access	Supplementary Duty
Agri Processing	*	*	*	*	*	*	*
Ceramic	*	*	*				
Garments and Textiles	*			*		*	
Frozen Food					*		
Pharmaceuticals	*	*	*			*	
IT		*				*	
Leather & Leathers Goods	*		*				
Shipbuilding	*	*					*
Jute and Jute Products		*			*		
Automobiles			*				
Health care and Medical Equipment	*		*		*		*
Steel	*				*		
Electrical and Electronic (E&E)						*	
Plastic Industry					*		
Cement and ceramic							
Light Engineering					*		

Source: See Appendix Table 6 for details

strong stress on backward and forward integration. They frequently include supply chain infrastructure, such as gathering points, primary processing facilities, central processing facilities, cold chains, and completely constructed industrial plots for company owners to erect food processing facilities.

On the other, the NITI Forum for North East has been constituted in collaboration with the NITI Aayog for accelerated, inclusive and sustainable development in the NER with five focus areas including Tea, Tourism, Bamboo, Dairy and Pisciculture. These projects are based on the concept of “HIRA” (Highways, Inland Waterways, Railways and Airways).

4. Industrial Parks and Policies in Bangladesh

The Government of Bangladesh has taken several reform initiatives to improve business and investment opportunities in the country. Bangladesh has the advantage of abundant cost-competitive work force,

investment friendly environment, diversified natural resources, and access to the coast. According to the JETRO, “Bangladesh is a low cost and high return destination in Asia”.¹⁰ The government provides incentives in the form of tax holidays, tax exemptions, cash incentives, rebate, market access opportunities, supplementary duties to industries and businesses the sectors like agro-processing, cement and ceramic, garment and textiles, frozen food, pharmaceuticals, IT sector, leather and leather products, ship building, jute and jute products, iron and steel, healthcare and medical equipment, electricity and power, medical equipment, healthcare, light engineering sector, among others (Table 7).

The Government of Bangladesh also provides several benefits for export-oriented businesses, which include exemption of customs duties on capital machineries, exemption of import duties on raw material used for producing export goods, tariff (if paid) refund on import of raw materials for export, bonded warehousing facilities for export-oriented industries and for large

Box 3: Korean Export Processing Zone

Korean Export Processing Zone (KEPZ) in Chattogram is the first private EPZ in Bangladesh inaugurated in October, 1999. The KEPZ is developed by Youngone Corporation of the Republic of Korea in January 2009. There are 43 operating factories, and 8 factories are under construction, and generated employment above 22,000 workers. This zone includes ICT zones, design and development centres and Bangladesh’s largest roof-top solar panel electricity generation plant. With 22MW capacity, the power plant is self-sufficient to cover the electricity needs of the zone and also incorporated with the Bangladesh’s national electricity grid. KEPZ also invites foreign companies to invest in this zone such as Struass (The German outdoor and sportswear company established a design and development centre here). In 2020, there are 24 Korean companies located in the Chattogram area and mostly situated in KEPZ. There are 73 Korean companies operating across Bangladesh EPZs. 70 per cent of Korean investment in Bangladesh is concentrated in ready-made garments and therefore Korea is looking for diversifying its investment in Bangladesh to uplift Korea-Bangladesh relations to the next level.

Source: Embassy of Republic of Korean in Bangladesh

Box 4: Indian Economic Zones in Bangladesh

India Economic Zone (Mongla)

To Government of Bangladesh has been working with India to establish Mongla Economic Zone (EZ) to revitalizing the Mongla Port to make it a national port with capacity/activity comparable to Chittagong Port. The proposed site for Mongla EZ shares close proximity (within 200 meters) with Mongla port, providing strategic advantage in terms of accessibility to various international markets for trade. Mongla also enjoys the advantage of being on the banks of an inland river, especially since inland water transport is a major mode of transportation in the country. The feasibility study, environmental impact assessment and the process of land acquisition are under development.

Indian Economic Zone (Kushtia)

Bangladesh Economic Zone Authority (BEZA) has signed an MoU with India to establish Kushtia EZ for the Indian investors. The EZ is located in Bheramara Upazila, Kushtia. It has a total area of 477 acres. The proposed area is situated within 1 km of Hardinge Rail Bridge and Lalonshah Road Bridge. The proposed EZ is well connected through river, road, railway and air. It is also near the Irshordi EPZ situated on the opposite side of the Padma River. The existing India-Bangladesh 500 MW electricity line is within 2 kms, water source from Padma River is only 1 km away and gas line is within a 5 km radius. The feasibility study and environmental impact assessment have been completed. BEZA has started the process of land acquisition.

Source: Bangladesh Economic Zone Authority

import for local selling in certain items, up to 90 per cent loan against LC from banks for exporters, cash incentives for export-oriented sectors, among others. Sadharan Bima Corporation (SBC) administers export credit guarantee schemes (ECGS), which covers the risk/solvency of buyers and political risks inherent in foreign trade. New market and product expansion of textile market, export oriented local textiles, ship building units, SMEs in textile industry, export of bone powder, potato, jute thread, diversified jute products, frozen fish (based on ice coating), ship export, potato, light engineering products, furniture, leather goods, agricultural produce (vegetable and fruit), etc. are some of the industries that are utilizing these incentives.

Export Processing Zones (EPZs) are also being developed by Bangladesh to promote export and create employment opportunities by attracting investments. Significant strides have been made in developing hi-tech parks to foster innovation and entrepreneurship in Bangladesh. A total of 28 hi-tech parks and

software technology parks, IT incubation centers are being developed to promote the ICT and IT sector in Bangladesh.¹¹ There are four operational hi-tech parks, which include the Bangabandhu Sheikh Mujib Hi-Tech Park in Gazipur, Janata Tower Software Technology Park in Dhaka, Sheikh Hasina Software Technology Park in Jashore and Sheikh Kamal IT Training and Incubation Center in Natore. These parks offer modern facilities such as high-speed internet, advanced telecommunication systems, and an uninterrupted power supply.

Bangladesh has a total of 97 Special Economic Zones (SEZs) comprising 68 government and 29 private SEZs in potential areas of the country with a view to encourage rapid economic development through diversification of industries and augmentation of employment, production and export.¹² For example, Korea established the first Economic Processing Zone (EPZ) in Chattogram, which has been showing continuous progress in developing the area by adding more factories,

establishing ICT zone, opening design and development centers, etc. (see Box 3). India is developing two Economic Zones (EZs) near Mongla Port and Khastia, which will host investment exclusively from India. Agro-food, light engineering, chemical, automobile assembly, garments, pharmaceutical etc. are expected to develop in this economic zone (see Box 4). Feasibility studies, land acquisition and identifying area specific social and environmental initiatives are underway for the approved EZs.

5. Foreign Direct Investment (FDI) Policies of NER and Bangladesh

5.1. FDI in NER

India has continued to gradually reform the regulatory environment and the process to get FDI since 1991. Majority of the sectors accept FDI via the automatic route, which allows for investment without any prior regulatory approval. Currently, government approval is required for investment in 11 sectors: mining, defence (for FDI in small arms manufacture), broadcasting and print media, civil aviation, satellites, telecommunications, private security agencies, trading (multi-brand and food), financial services not regulated or regulated by more than one regulator, and pharmaceuticals. However, entity or investment owners from countries which share a land border with India (including Bangladesh) can invest only under the government route.¹³

During the period October 2019 to December 2022, cumulative FDI in India touched US\$ 1,79,036 million, but FDI inflows in the NER states was only US\$ 27.65, thereby constituting only 0.02 per cent of the total FDI inflow in the country (Table 8). While the NER states including West

Bengal attracted FDI equity inflows worth US\$ 1300 million during the same period, of which 98 per cent of the FDI inflows went to West Bengal alone. Among the NER states, Assam attracted highest FDI inflows of US\$ 20.43 million, followed by Arunachal Pradesh (US\$ 5.5 million) and Meghalaya (US\$ 1.1 million), respectively. The FDI inflow in NER has been negligible as compared to the rest of India, thus indicating that the geographical terrain and uneven infrastructure development have until recently punctured the scope for investments.

Table 8: Foreign Direct Investment in NER (2019-2022)

State	FDI (US\$ Million)
Assam	20.43
Arunachal Pradesh	5.55
Meghalaya	1.10
Tripura	0.56
Nagaland	0.01
West Bengal (WB)	1,272.40
NER Plus WB	1,300.06
Share (%)	0.73
India	179036

Source: DPIIT, India

To encourage FDI, the central and state governments provide several incentives. India has introduced the 'Make in India' scheme targeting investment in 25 sectors of the country in addition to SEZs and export-oriented units (EOUs). The National Investment and Manufacturing Zones (NIMZs), as part of the National Manufacturing Policy, provide incentives for infrastructure development on a public private partnership (PPP) basis. The India Infrastructure Finance Company Limited's (IIFCL) Scheme has been established by India for financing viable infrastructure projects (SIFTI) for the eligible sectors

such as transport and logistics, energy, water and sanitation, communication, and social and commercial infrastructure. To enhance connectivity and encourage FDI in the NER, states have been offering several schemes such as Tripura Industrial Investment Promotion Incentives Scheme (2022); IT, Electronics, Telecommunications Policy in Sikkim; Nagaland Start-up Policy (2019); Meghalaya Electric Vehicle Policy (2021), among others.

India has signed Bilateral Investment Treaties (BITs) with 10 countries including Bangladesh, for the protection of investors by the legal framework (see Appendix Table 7). India is also part of 16 Treaties with Investment Provision (TIPs), of which 4 are signed and 12 are in force (see Appendix Table 8).

5.2. FDI in Bangladesh

Bangladesh has made gradual progress in eliminating some constraints on investment. Large-scale infrastructure development projects are being undertaken. However, it seems that there is still room for improvement in certain areas, such as infrastructure, financing capabilities, health, medical equipment, IT, tourism, power, renewable sectors. Over the years, important regulatory and institutional changes have taken place with the creation of Bangladesh Investment Development Authority (BIDA) under the BIDA Act (2016), which acts as the main investment promotion agency in Bangladesh. The BIDA has three main functions: (i) investment promotion (e.g., sector/industry-specific promotions); (ii) investment facilitation (e.g., pre-investment information, investor welcome service, registration/approval of foreign, joint venture and local projects, facilitation of utility connections, etc.); and (iii) policy advocacy (e.g., assisting the Government in framing new policies for private-sector development).¹⁴ The BIDA also maintains a One-Stop Shop (OSS) website,

where all the different regulatory requirements of business, relevant laws, rules, procedures, and reporting requirements for investors are provided in one place.¹⁵

The net inflow of FDI in Bangladesh increased to US\$ 2896 million in 2021 from US\$ 2874 million in 2019.¹⁶ The export-oriented ready-made garment industry is an important recipient of FDI, with major investors from South Korea, Hong Kong and China. The main investors in the country are China, South Korea, India, Japan, the UK, the UAE and Singapore.

Despite steady economic growth in the country over the past decade, FDI has been comparatively low in Bangladesh compared to regional peers. However, the country has the advantage of being in a strategic geographical position between South and Southeast Asia. In addition, its domestic consumption potential and the wealth of its natural resources make the country a good candidate for foreign investment. The government is actively seeking to attract foreign investment by providing incentives and favorable conditions for investors in sectors other than the textile sector. The focused sectors include agricultural and agro-industrial products, fishing, manufacturing, transportation, storage and communication, light engineering, leather footwear and leather goods, pharmaceuticals, software and ICT products, power, gas and petroleum as well as shipbuilding. Many incentives are being provided through industrial policy, growth strategy through exports, etc. (see Appendix Table 6). Almost all the sectors are open for foreign investment without any capping on the amount or percentage of equity. Some incentives are discussed below.

- **One-man Private Limited Company Formation:** To make the business environment more friendly, the Government has amended the Companies Act (Draft) whereby a single person can form a limited company.

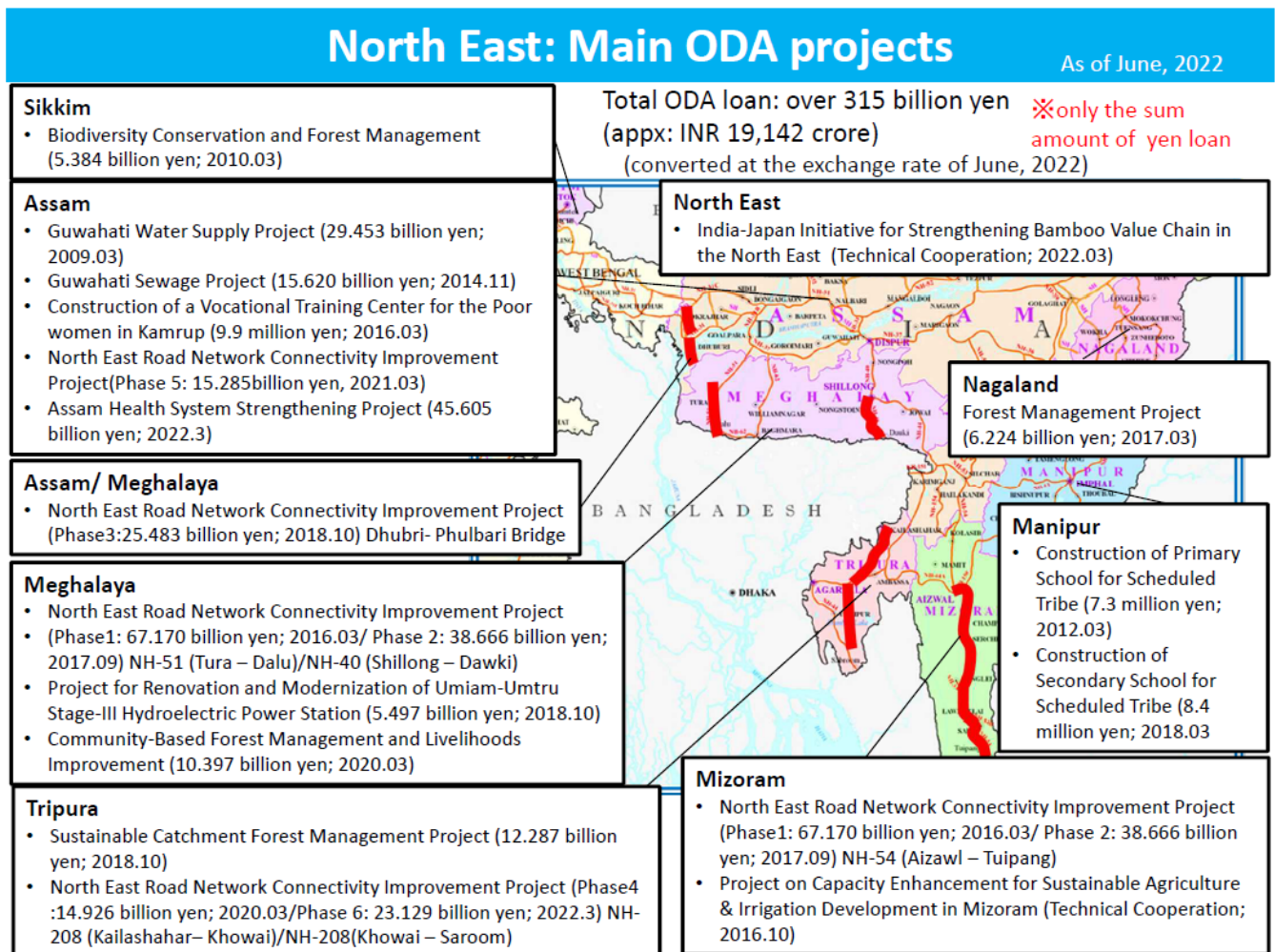
India's NER is the missing link, and therefore, investing in the NER will help Japan to bridge the gap. Japan's ODA has been a force multiplier in the Northeast strategic frontier.

- **Residencship:** Permanent resident is permitted on investing US\$ 75,000 and citizenship on investing US\$ 500,000.
- **Work Permits:** No restrictions on issuance of work permits to project related foreign nationals and employees.
- **Dispute Resolution:** Investors can reach-out to the International Centre for Settlement of Investment Disputes (ICSID), the United Nations Convention for the Recognition and Enforcement of Foreign Arbitral Awards, and the New York Convention for disputes between the state and the investors.

Investor’s interest is also protected by the Arbitration Act 2001 and investors are increasing turning to Bangladesh International Arbitrage Centre (BIAC) which was established in 2011 to improve commercial and transaction disputes in fast-track cases, which is expected to undergo amendments to make the dispute settlements easier and faster.

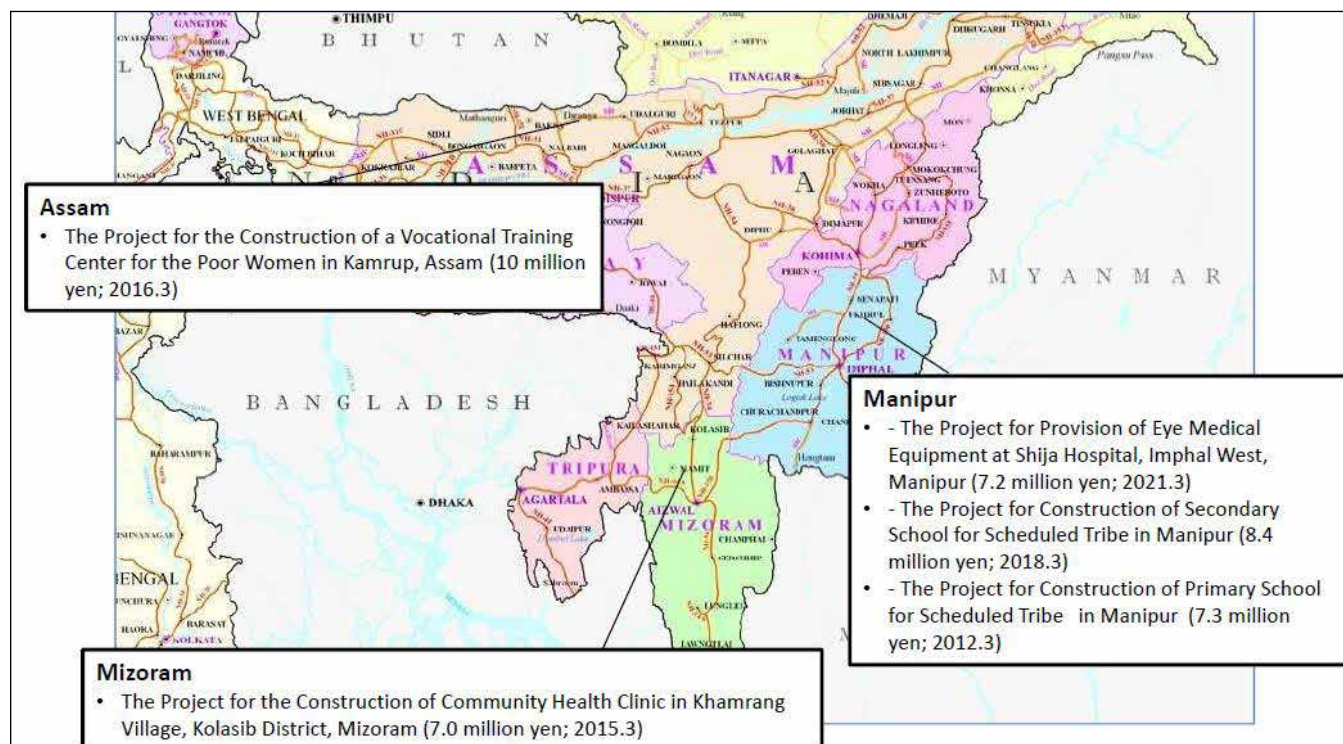
Bangladesh maintains bilateral investment treaties (BITs) with 32 countries, for the promotion and protection of investments by the legal framework (see Appendix Table

Figure 3: ODA Projects in Northeast India



Source: Embassy of Japan in India

Figure 4: Main Grant Assistance for Grassroot Projects in NER



Source: Embassy of Japan in India

9).¹⁷ Bangladesh is also part of 4 Treaties with Investment Provision (TIPs), of which 1 is signed and 3 are in force (see Appendix Table 10). To avoid investors from paying tax in two different countries, it has signed Avoidance of Double Taxation Treaties (DTTs) with 36 countries.¹⁸

6. Japan's Economic and Commercial Cooperation with India and Bangladesh

6.1. India-Japan Relations

India and Japan have had a long history rooted in spiritual affinity and strong cultural ties. Japan is India's greatest bilateral contributor and has been providing loans and grants to the country since 1958. India's efforts to accelerate its economic development are supported by

Japanese Overseas Development Assistance (ODA), notably in important sectors such as power, transportation, environmental projects and projects related to basic human needs. Japanese ODA has played a key role in mega-infrastructure projects such as the Mumbai-Ahmedabad High-Speed Rail, Delhi-Mumbai, and Chennai-Bengaluru Industrial Corridors, Dedicated Freight Corridor, and urban mass rapid transport systems.

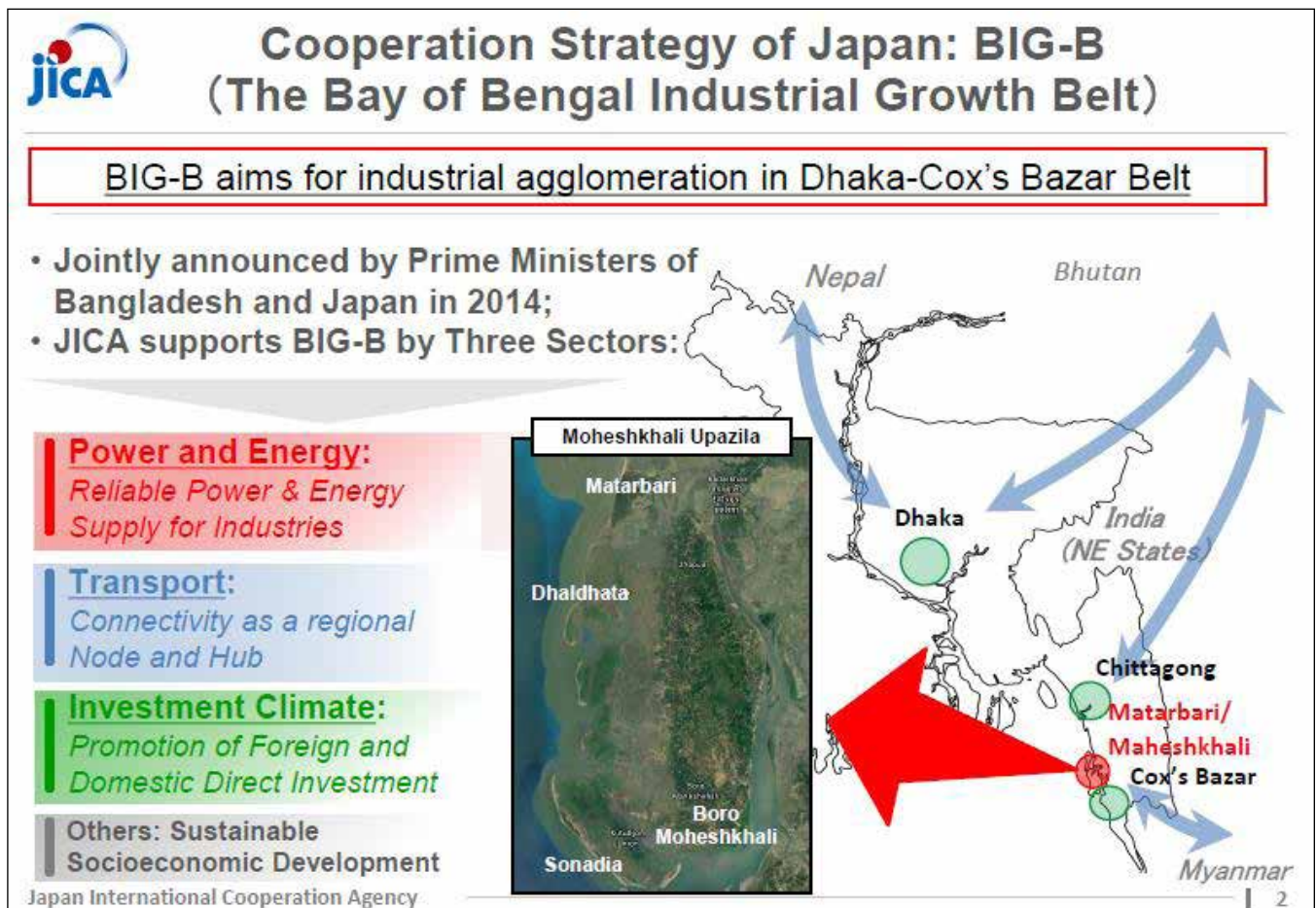
Northeast India has emerged as an important area of cooperation between Japan and India due to Japan's historical fascination with the region and its strategic location which shares borders with Nepal, Bhutan, China, Myanmar, and Bangladesh. Japan already has big presence in Southeast Asian countries such as Indonesia, Vietnam, Thailand and Myanmar as well as Bangladesh. India's NER is the missing link, and therefore, investing in the NER will help Japan to bridge the gap.

Japan's ODA has been a force multiplier in the Northeast strategic frontier.

In 2017, Japan and India formed the Act East Forum (AEF), which has been a driving force to advance India-Japan cooperation in NEI. Under the AEF, several projects have been identified for "economic modernisation" of India's NEI. Areas of immediate interest to the Forum are connectivity, developmental infrastructure, industrial linkages, and people-to-people contacts through tourism, culture, and sports-related activities. Dhubri-Phulbari bridge project, which said to be the longest river

bridge in India, sustained forest management projects in Tripura and Meghalaya, highways and roads in Meghalaya and Mizoram, biodiversity conservation and forest management project in Sikkim, and a forest conservation livelihood project in Nagaland, are some of the noteworthy projects under the AEF (Figure 3). Ongoing projects in the region are worth 231 billion yen or approximately INR 1,600 crore.¹⁹ Japan has also granted an ODA of 39.9 million yen or approximately INR 24.2 million for grass root projects in healthcare, education and skill and vocational training centres (Figure 4). Japan-

Figure 5: Cooperation Strategy of Japan: BIG B



Source: JICA

India North East Bamboo Initiative and Japan-India Workshop on Disaster Risk Reduction were undertaken under the AEF.

In addition to being an indispensable development partner, Japan has been the fifth largest foreign investor in India. The amount of Japan's cumulative investment in India has been about US\$ 38.4 billion (Rs 2,33,040.7 crore) since April 2000 to December 2022, which is about 6 per cent of India's overall FDI during this period.²⁰ The presence of Japanese companies in India has been increasing steadily. Currently, over 1,445 Japanese companies are operating in India as compared to 1,229 in October 2015.²¹ There has been an increase of approximately 216 companies (about 2 per cent CAGR).

Maruti Suzuki, Toyota Kirloskar Motors, UNIQLO, Mitsubishi Group, Mitsui, Honda, Mizuho Corporate Bank Ltd, Hitachi, Sony, Panasonic, Sumitomo, etc. are some of the prominent Japanese investors in India. Japanese FDI into India has mainly been in automobile, electronic system design and manufacturing (ESDM), medical devices, consumer goods, textiles, food processing and chemicals. Moreover, India has showcased investment opportunities for Japanese companies in different emerging sectors such as ICT, renewable energy, electric vehicles, drones, robotics and textiles.

In May 2018, India and Japan formed the India-Japan Startup-hub initiative in Bengaluru stationed at JETRO as an interface between respective start-ups and firms for more collaboration by identifying selected Indian start-ups for the Japanese market and for potential Japanese investors. In addition, an online platform of Japan-India Startup Hub has been set up by Invest India to bridge the gap between Indian and Japanese start-up ecosystems and enable meaningful synergies to promote joint innovation in both economies. One example of India-Japan Startup-hub is the launch of Soft Bank and

Paytm mobile digital payment service in Japan.²² In 2022, 21 startups turned unicorn in India, compared to seven in China.²³

6.2. Bangladesh-Japan Relations

Japan has been significantly contributing to the socio-economic development of Bangladesh since independence through ODA.

Bangladesh is the largest recipient of Japan's ODA. Since Bangladesh's independence, Japan has provided a total of US\$ 24.72 billion ODA constituting grants and loans.²⁴ Japan's development assistance to Bangladesh covers a wide range of areas, from social and economic development to energy and power generation to tangible and intangible infrastructure development. The implementation of Comprehensive Partnership in 2014 between Bangladesh and Japan led to an increase in the financial assistance from Japan. In 2020-21, Japan's ODA to Bangladesh stood at US\$ 2.20 billion.²⁵

Japan has been implementing vital projects under the Bay of Bengal Industrial Growth Belt (BIG-B) initiative for fostering connectivity, developing infrastructure and accelerating industrial growth and investment along the Dhaka-Chittagong-Cox's Bazar belt area and beyond (Figure 5). The BIG-B initiative aims to develop connectivity between Bangladesh and its neighbouring countries such as Bhutan, Nepal and India's NER to become the heart of the regional economy.²⁶ Under the BIG-B initiative, Japan is developing the Matarbari Deep Sea Port (DSP) in Chattogram which is central to Japan's BIG-B initiative, power plant (coal and gas-based), and Liquefied Natural Gas (LNG) terminal in Matarbari. In addition, Japan is developing Dhaka Metro Rail lines (Mass Rapid (MRT) line 5 and MRT line 6) and a new terminal of the Dhaka airport (terminal 3) under the BIG-B initiative. Japan is also developing the Bangabandhu railway bridge over river Jamuna as well as providing

Further improvement of the business environment is vital for improving competitiveness and in attracting future investment given the growth potential in the country.



The promotion of markets and institutions to disseminate information on the prices of products is extremely important. Small industries dominate the industrial scenario in the NER and, so, special efforts have to be made for their expansion and growth.



financial aid for health services in Bangladesh. Under the Moheshkhali-Matarbari integrated infrastructure development initiative (MIDI), Japan International Cooperation Agency (JICA) is developing the fast-track project of Moheshkhali-Matarbari area to facilitate smooth transportation of goods, which will be connected with Dhaka by rail, road and IWT. Bangladesh in cooperation with the JICA is also developing a Japanese EPZ in the suburbs of Dhaka at Araihasar, Narayanganj, which aims to set up agro-food, light engineering, chemical, automobile assembly, garments, pharmaceutical, etc. industries.

Japan is also one of the largest foreign investors in Bangladesh. The amount of Japan's FDI investment increased to US\$ 60.12 million in 2019-20 from US\$ 34.61 million in 2015-16.²⁷ Ajinomoto, Grameen, UNIQLO, Honda, Rohto and YKK are the top five Japanese companies in Bangladesh. Moreover, Bangladesh's continuous economic growth in the past decade, and huge trade potential has led to an increase in the number of Japanese companies. The numbers have increased to 320 in 2021 from 83 in 2010 with investment of over US\$ 3 billion.²⁸ These companies are taking the advantage of competitive human resource, increasing per capita income and huge domestic market by investing in sectors like ready-made garments (RMG), textile, IT, electric and consumer products, fast-moving consumer goods (FMCG), infrastructure development and tech and digital based start-up companies, etc. According to the JETRO, about 54.6

per cent Japanese companies are willing to expand the function of sales, 45.5 per cent plan to go for the production of high-value products, 27.3 per cent for making general-purpose products, and more than 15 per cent of companies intend to expand research and development activities.²⁹ With increasing entry of Japanese companies and investment in Bangladesh, local firms and human resources will benefit from technology spill-overs, which will deepen Bangladesh's integration with global value chains as well as facilitate technology diffusion.

However, the Japanese companies face several challenges such as complexities in rules and regulations, loan processing, taxation, wage compliance, getting skilled manpower, increased procurement cost, difficulties in local purchase of raw materials and parts in expanding their business in Bangladesh. Therefore, further improvement of the business environment is vital for improving competitiveness and in attracting future investment given the growth potential in the country.

What follows is that there remains immense potential for further industrialisation that Japanese capital, technology and networks can capitalise on. Increasing Japanese investment and assistance in NER and Bangladesh will benefit industrial sectors and human resources from greater integration within global value chains as well as lead to technology spill-overs and technology diffusion in the region. With disruption in global supply chains due to

the pandemic and maturing value chains and uncertainties around global trade, Japan's ODA in India's NER and Bangladesh through connectivity collaborations under the AEF and BIG-B initiative will play a vital role in realizing the new and untapped opportunities in the region as well as IPOI and FOIP visions of India and Japan.

7. Opportunities and Challenges

7.1. NER

An important aim of the NER states is to achieve a high level of human development. Raising the quality of education and health is as much a goal in itself as it is a means to enrich the quality of life for people, and expand their choices in life. An important aspect of human development is that of building capacities of the population, through raising the quality of, and access to, health and education.

A development strategy based on the resources of the region will occur simultaneously with the emergence of a group of strong, indigenous entrepreneurs, which, in turn, shall call for enhancement in the skill levels of the region. Capacity development is as important for marketing private institutions as it is for government institutions. Most of the economic activities in the region are government-dependent and, as very high proportions of the resources of the states in the region come from central assistance, development has remained dependent on the funds made available by the central government. The promotion of markets and institutions to disseminate information on the prices of products is extremely important. Small industries dominate the industrial scenario in the NER and, so, special efforts need to be made for their expansion and growth. Thus, the capacity building occupies a strategic position for the overall development of the region for

which the North East Council (NEC) extends support to the NER states.

However, there are many challenges such as land acquisition and encroachment, unlawful activities of insurgent groups, particularly between Imphal and Jiribam and between Imphal and Dimapur, etc. Active participation of state governments in the central projects is needed for timely completion of the projects.

- **Poor infrastructure:** Despite having a high potential of MSMEs in NER, it still remains untapped. Enhancing infrastructure development, ensuring significant investments attractions by showing the NER would help to develop the industrial activity in the NER. Electricity power supply shortage is the major concern for industrial activity. Besides, there is a need to give special attention to the telecom sector, healthcare services, and provide a support system to tap the agricultural industry and the region's rich biodiversity.
- **Lack of awareness:** Lack of enough awareness among people about government schemes, motivation and easy availability of funds are the main deterrents in the growth of industrialization
- **Lack of entrepreneurial enthusiasm:** Policymakers attribute the lack of entrepreneurial spirit among people behind a smaller number of business units in the region. Innovative initiatives are less in the region as compared to the other parts of India. People are reluctant to make big things happen.
- **Financial issues:** Lack of financial access is the major concern in the NER. Most of the entrepreneurs fail to get external funds due to the absence of tangible security and credit in the market. The procedure to avail of the loan facility is too time-consuming that its delay often disappoints the entrepreneurs.

- **Eco-tourism:** As there are many national parks and sanctuaries with dense forests, meadows, lakes and endemic wildlife, the NER State provides an opportunity for tourists to appreciate the beauty of nature. The Forest department may have to encourage the private investment in PPP (Public-Private Partnership) mode to promote eco-tourism in its pristine areas having tremendous tourist potential. People from other regions of India and international tourists have shown great interest in exploring nature in Manipur.
- **Bio-fuels:** The states have conducive climatic conditions for tree species and bamboo species good for the production of biofuels. Since there is global demand to shift from fossil fuels to green fuels, the NER State presents an excellent opportunity to the investors to come forward for investments in raising plantations and setting up a plant for the production of biofuels. The Forest Department would facilitate the establishment of such enterprises.

7.2. Bangladesh

The government has been taking several initiatives to promote and attract investment in the industrial sector. Bangladesh government has been providing institutional capacity building and infrastructure development, firm and employee-level support to promote socially and environmentally responsible industrial growth in Bangladesh. For example, the governments' collaboration with the World Bank has provided technical assistance to public institutions, private investors, and workers in the SEZs and technology parks. Developers and operators of economic zones and software technology parks benefited from access to developed land, better facilities, and cost competitive utility services.

However, a number of different types of obstacles need to be overcome for industrial performance to improve further in Bangladesh. The general environment of the country in terms of physical infrastructure, government assistance and finance need a revamp.

- **Inadequate physical infrastructure:** Infrastructure bottlenecks are among the largest inhibitors of economic growth in Bangladesh. The physical infrastructure in terms of communication networks, roads, ports, and even electricity supply is not satisfactory.
- **State assistance:** The industrial sector in Bangladesh is primarily in the ready-made garment and light manufacturing sector and most of the government assistance has been provided to the businesses and industries to accelerate their development. Therefore, the government needs to provide assistance through capacity building and training programmes to new businesses so that they are able to compete in the international market and able to gain knowledge of new technologies, market opportunities, and legal systems.
- **High taxation and VAT policies:** To attract investors, Bangladesh has restructured its tax policies like other countries. However, there are 15 per cent VAT requirements for setting up industries in the economic zones in Bangladesh. Therefore, VAT policies need to be revised in order to attract high FDI inflows.
- **Financial issues:** Lack of financial access is the major concern in Bangladesh. Businesses fail to get external funds due to the country's bad debt history. As a result, they are unable to access long-term investment from the banking system, leading to a slower growth of the industrial sector. Therefore, resolution

of the bad debt problem of the banking sector, together with strong support from the government is imperative for industrial sector's growth.

To diversify its export basket and move up the value chain, Bangladesh needs to promote markets and institutions for promoting the thrust sectors such as pharmaceutical, footwear, and agro-processing industries, IT, light engineering, ship building, leather products, jute products, ceramic products, and natural gas, among others. Moreover, these sectors have substantial scope for investment and market access opportunities.

8. Conclusions

The resource-rich NER has a pool of large skilled human resource that has the potential to make it one of India's prosperous regions. The NER also has a huge base of agro-forestry products, mineral deposits, mega-biodiversity hotspots, water resources with potential for hydel power, and a workforce. However, the industrial sector's growth in the NER has remained stagnant. There is a need to accelerate the pace of development in the NER to bring it at par with the rest of the country and transform the region as the gateway to the east.

In Bangladesh, pharmaceutical, agro-processing, ICT, light engineering, digital financial services, tourism, etc. are the potential

sectors. However, the challenge for Bangladesh is how to move up the technology ladder through backward and forward linkages. This may require a combination of policies involving improving the investment environment, attracting foreign investments, and providing support to new businesses. Despite having several underlying issues affecting FDI growth, Bangladesh can bring more investments by adopting timely policies and materializing them in a speedy manner. The current emphasis on infrastructure development, bilateral agreements, improved power sector, etc. provide the country with an opportunity to witness increased businesses, which would enhance the industrial growth in Bangladesh.

Developing industrial clusters will play a key role in the region's economic development as clusters have been shown to strengthen competitiveness by increasing productivity, stimulating innovative partnerships, even among competitors, and presenting opportunities for entrepreneurial activity. Therefore, promoting clustering of agro-horticulture industries and designing state policies to facilitate the same in NER and Bangladesh will provide meaningful gains. In addition, strengthening land, air and water connectivity in addition to digital connectivity would enable access to essential infrastructure development that could transform the region into an industrial powerhouse.

Appendix

Appendix Table 1: Sector-wise Investment in Manufacturing Industries in NER States and Bangladesh, 2019-20

Sector	NER		Bangladesh	
	Value* (2018-19)	Value* (2019-20)	Value* (2019-20)	Share in Total (%)
Food Products	51.79	56.74	11.44	4.11
Textiles	0.47	0.51	8.99	3.23
Readymade Garments	0.02	-0.01	90.30	32.46
Wood and Wood Products	2.20	1.28	0.51	0.18
Paper and Paper products	3.65	10.29	0.42	0.15
Printing and Reproduction of Recorded Media	4.98	1.85	1.79	0.64
Chemicals and Chemical Products	107.88	16.98	16.90	6.07
Pharmaceuticals and Medicinal chemical	25.07	37.52	6.84	2.46
Rubber and Plastics Products	34.08	17.30	0.09	0.03
Non-Metallic Mineral Products	32.57	44.03	6.31	2.27
Basic Metals	29.90	2.28	1.02	0.36
Fabricated Metal Products	1.65	0.73	1.72	0.62
Computer, Electronic and Optical Products	0.13	0.13	0.10	0.04
Electrical Equipment	1.20	7.64	88.93	31.96
Machinery and Equipment	0.28	4.55	0.39	0.14
Furniture	0.66	0.23	9.05	3.25

Note: *Value in US\$ Million

Source: ASI 2019-20, MOSPI Database and Bangladesh Bureau of Statistics

Appendix Table 2: Sector-wise Production in Manufacturing Industries in NER States and Bangladesh, 2019-20

Sector	NER Value*	All India Value*	NER's Share in India (%)	Bangladesh Value*	Bangladesh Share in Total (%)
Food Products	451.98	16151.04	2.80	18535.15	12.30
Textiles	7.98	10254.51	0.08	16718.26	11.09
Readymade Garments	0.95	5651.82	0.02	60892.29	40.41
Wood and Wood Products	28.75	724.67	3.97	177.18	0.12
Paper and Paper products	107.44	3544.34	3.03	732.00	0.49
Printing and Reproduction of Recorded Media	9.58	1673.25	0.57	254.74	0.17
Chemicals and Chemical Products	471.14	22976.18	2.05	1388.02	0.92
Pharmaceuticals and Medicinal chemical	168.92	16950.45	1.00	3465.91	2.30
Rubber and Plastics Products	1356.85	9396.38	14.44	11955.21	7.93
Non-metallic Mineral Products	453.19	11447.83	3.96	13872.23	9.21
Basic Metals	35.64	20869.46	0.17	3686.71	2.45
Fabricated Metal Products	10.45	6419.61	0.16	965.69	0.64
Computer, Electronic and Optical Products	0.22	4465.91	0.005	1243.97	0.83
Electrical Equipment	72.96	7537.06	0.97	2540.06	1.69
Machinery and Equipment	2.18	12669.52	0.02	212.47	0.14
Furniture	8.07	739.25	1.09	1412.56	0.94

Note: *Value in US\$ Million

Sources: ASI 2019-20, MOSPI Database and Bangladesh Bureau of Statistics

Appendix Table 3: NER State-wise Industrial Policies and Trust Areas

State	Thrust Areas	State Incentives
Arunachal Pradesh	Agricultural, horticultural and plantation produce industries, bamboo, cane, medicinal plants/herbs, aromatic grass, tea, coffee etc., Textiles, Handicrafts and Sericulture, Electronics and IT based Enterprises, Mineral Based Industries, Facilitation and Development of Industrial Infrastructure including Power, Communications etc. under Public Private Partnership (PPP), Food Processing Industries, Engineering and Allied Industries	<ul style="list-style-type: none"> 99 per cent Sales Tax/VAT/Entry tax exemption to eligible industrial units for 7 years.
		<ul style="list-style-type: none"> 7.5 per cent Price preference for products produced by MSMEs and 7.5 per cent for cooperative ventures.
		<ul style="list-style-type: none"> 90 per cent, 75 per cent and 50 per cent subsidy to micro, small, medium/large sector on cost of preparation of feasible project report (FPR).
		<ul style="list-style-type: none"> Exemption of stamp duty of up to 80 per cent for 5 years.
		<ul style="list-style-type: none"> 20 per cent subsidy as special incentives for food processing industries with a ceiling of Rs. 25 lakhs.
Assam	Food processing Industries, Cold Chain & Cold Storage, Bamboo Industries, Sugar Industries, Jute Industries, Plastic Industries, Pharmaceuticals, IT-ITES including Hardware, Software development, BPO, Call centre, data processing, website designing, Textile, Engineering, Rubber, Automobile, Hotels/Resorts, River cruise, Generation of power through Green Technology	<ul style="list-style-type: none"> State Goods and Service Tax (SGST) reimbursement of 15 years subject to maximum of 200 per cent (250 per cent) of Fixed Capital Investment for micro enterprises (micro enterprises in special park).
		<ul style="list-style-type: none"> SGST reimbursement of 15 years subject to maximum of 150 per cent of Fixed Capital Investment for small, medium and large enterprises.
		<ul style="list-style-type: none"> SGST reimbursement of 15 years subject to maximum of 150 per cent-180 per cent of Fixed Capital Investment for small medium and large enterprises in special parks.
		<ul style="list-style-type: none"> Power subsidy @ 2.00 per unit consumed for a period of 5(five) years with a ceiling of Rs. 50 lakhs per annum and not exceeding 100 per cent of total investment.
		<ul style="list-style-type: none"> Subsidy on Generating set @ 50 per cent of the cost with a ceiling of Rs. 20 lakhs.
		<ul style="list-style-type: none"> Stamp Duty Reimbursement Stamp Duty Reimbursement with a ceiling of Rs. 25 lakhs.
		<ul style="list-style-type: none"> Subsidy up to 75 per cent on technology transfer and quality certification, ZED certification with a ceiling of Rs. 10 lakh per unit.
		<ul style="list-style-type: none"> 2 per cent Interest subsidy on working capital loan for 5 years with a ceiling of Rs. 50 lakhs and not exceeding 100 per cent of total investment.
		<ul style="list-style-type: none"> 30 per cent subsidy to MSMEs listed in Stock Exchange with a ceiling of Rs. 5 lakhs.
		<ul style="list-style-type: none"> 50 per cent subsidy for environmental compliance with a ceiling of Rs. 25 lakhs per unit.
		<ul style="list-style-type: none"> 30 per cent subsidy to private sector infrastructure developer with a ceiling of Rs. 3 Crore.

Appendix Table 3 continued....

Appendix Table 3 continued...

Manipur	Agro, Horti and Floriculture based industries, Medical and Aromatic Plants Industries, Bamboo & Bamboo Products Processing, Coffee, Tea and Rubber Plantation, Spices, Dairy and Allied Products, Meat Processing, Mushroom, Honey, Minor Forest Products, Animal Feed and Poultry Industries, Packaging industries, Breweries, Cash Crops, Mineral based Industries, Textile, Handloom and Handicraft Industries, IT and IT enabled services, Tourism and Hospitality Industry, Health tourism, Sports Infrastructure and Accessories Industry and Entertainment and Music Industries	<ul style="list-style-type: none"> Capital investment subsidy, comprehensive insurance subsidy, interest subsidy and transport freight subsidy.
		<ul style="list-style-type: none"> Priority consideration to young entrepreneurs under the age of 35 under Pradhan Mantri Employment Generation Programme (PMEGP).
		<ul style="list-style-type: none"> Provision of land for developing Food Parks in several districts by DGFT.
		<ul style="list-style-type: none"> Allotment of sheds to MSMEs in some districts.
		<ul style="list-style-type: none"> 35 per cent subsidy on the project cost to innovator/inventor in manufacturing and services industries.
		<ul style="list-style-type: none"> 50 per cent exemption of earnest money and security deposit for MSMEs.
		<ul style="list-style-type: none"> Power subsidy to industrial units for concessional pre-paid meters.
		<ul style="list-style-type: none"> Incentives for registration/renewal for obtaining BIS/ISI certification.
		<ul style="list-style-type: none"> Incentives for timely payments of stamp duty and registration fees.
		<ul style="list-style-type: none"> Tax incentives for all new units in the state and starting its commercial production and will be exempted from GST for 5 years.
Meghalaya	Agro & Horticulture Processing Unit, Processing of Plantation Crops, Tissue Culture and Bio-Technology, Spices, Oleoresin and other Essential Oils Units, Animal Husbandry and Meat Processing Industries, Mineral based Industries: Cement, Lime and hydrated Lime, Precipitated and Activated Calcium Carbonate, Calcium Carbide, Coal briquette and high temperature Carbonization Plant, Low Ash Metallurgical Coke/Coke Breeze, Wall/Floor tiles, Earthen-wares, Stone wares, Fire bricks, Bamboo/ Reclaimed Wood based & Products, Hotel/Nursing Homes/ Captive Power Generation	<ul style="list-style-type: none"> 35 per cent (30 per cent) State Capital Investment Subsidy to micro (small and medium, large, mega and ultra-mega) enterprises with a ceiling of Rs. 7 (75 and 100) lakhs.
		<ul style="list-style-type: none"> 100 per cent Subsidy on the cost incurred for Feasibility Study and Project Reports with a ceiling of Rs. 50000 for micro enterprises and Rs. 1 lakh for small enterprises.
		<ul style="list-style-type: none"> 75 per cent Development Subsidy with a ceiling of Rs. 3 lakhs.
		<ul style="list-style-type: none"> 4 per cent Subsidy on interest payments to Banks/Financial Institutions with a ceiling of Rs. 1 lakh for 5 years for micro & small enterprises.
		<ul style="list-style-type: none"> 30 per cent subsidy on power tariff for 5 years for micro and small (medium, large, mega and ultra-mega) enterprises with a ceiling of Rs. 25 (20) lakhs.
		<ul style="list-style-type: none"> 50 per cent reimbursement of laboratory equipment for quality control and ISI/BIS certification with a ceiling of Rs. 5 lakhs.
		Price preference for eligible manufacturing units.
		<ul style="list-style-type: none"> 75 per cent reimbursement of Stamps Duty & Registration Fees for micro & small (medium, large, mega and ultra-mega) enterprises with a ceiling of Rs. 3 (5) lakhs.
		<ul style="list-style-type: none"> 25 per cent concession to enterprises set up by Tribal entrepreneur.
		<ul style="list-style-type: none"> (99 per cent) Sales Tax (MVAT) remission to eligible micro & small (medium, large, mega and ultra-mega) enterprises on sale of finished goods within the State for 7 years.
		<ul style="list-style-type: none"> 100 per cent reimbursement of Central Sales Tax for micro & small (medium, large, mega and ultra-mega) enterprises with a ceiling of Rs. 25 (100) lakhs.
		<ul style="list-style-type: none"> 15 per cent capital investment subsidy for Micro & Small and all eligible Units/Enterprises set up in Border Areas within 10 Kms from the international border with a ceiling of Rs. 50 lakhs.

Industries in NER and Bangladesh: Opportunities and Challenges

Appendix Table 3 continued....

Mizoram	Bamboo and forest-based Industries, Processing of plantation crops, Food Processing Industries, Handloom & Handicraft Industries, Processing of hill brooms, Textile based industries, Farm Sector, Animal Husbandry, Animal Feed and poultry feed Industries, Tourism and Hospitality Industries, Sport and sports related Service Enterprises, Mines and Minerals, Sericulture and silk industries	<ul style="list-style-type: none"> 75 per cent, 50 per cent and 25 per cent subsidy on cost of project report for 1 year with a ceiling of Rs. 25,000, Rs. 50,000 and Rs. 75000 per unit.
		<ul style="list-style-type: none"> 25 per cent land development subsidy to new MSME units inside notified industrial area for 5 years.
		4 per cent interest subsidy for new micro and small enterprises.
		<ul style="list-style-type: none"> 50 per cent, 25 per cent and 15 per cent power subsidy of total expenditure for new MSME for 5 years.
		<ul style="list-style-type: none"> 50 per cent subsidy on power line for new MSME within 1 year with a ceiling of Rs. 1,50,000.
		<ul style="list-style-type: none"> 50 per cent subsidy on captive power generating set for new MSME for 5 years with a ceiling of Rs. 3,00,000 per unit.
		<ul style="list-style-type: none"> 50 per cent subsidy on transportation of plants & and machineries for new MSME within 1 year of production commencement.
		<ul style="list-style-type: none"> Tax exemption for tribals. GST Reimbursement for Manufacturing Micro, Small & Medium Enterprises on raw materials and finished products for 5 years.
Nagaland	Food Processing Industries, Tourism Industry, Agro-based industries, Mineral based industries, Handloom and Handicrafts, Sericulture, Floriculture, Electronics and IT, Pharmaceuticals, Petrochemicals, Bio-tech Industries, Cane & Bamboo Processing/ manufacturing Industries, Distillations of oils from Medicinal & Aromatic Plants including value added products, Processing/ manufacturing of indigenous Herbs & Natural Dyes and Small-Scale Service & Business Enterprises.	<ul style="list-style-type: none"> Up to 25 per cent reimbursement of the actual wage bill for local tribal employees employed by eligible units for 3 years with a ceiling of Rs. 1 lakh, 2.5 lakhs and 5 lakhs with investment in plant and machinery from 5-2 lakhs, 25-100 lakhs and above 100 lakhs.
		<ul style="list-style-type: none"> Power subsidy @ 30 per cent and 25 per cent for connected loads upto 1 MW and above 1 MW for 5 years with a ceiling of 2 lakhs annually.
		<ul style="list-style-type: none"> 50 per cent subsidy for feasibility study cost with a ceiling of Rs. 1 lakh only for new units with investment in plant & machinery above Rs. 25 lakhs.
		<ul style="list-style-type: none"> 5 per cent capital investment subsidy for 100 per cent export-oriented units with a ceiling of Rs. 3 lakhs and sales tax exemption for one additional year.
		<ul style="list-style-type: none"> Reimbursement of laboratory equipment cost for quality control and ISI/BIS/ISO 9000 certification with a ceiling of 50,000 for SSI and Rs. 1 lakh for large & medium units.
		<ul style="list-style-type: none"> Total Sales Tax exemption for all new Industrial Units for 7 years with effect from 1.12.2000.
		<ul style="list-style-type: none"> Exemption of 50 per cent Stamp Duty and Registration Fee for securing loans from Financial Institutions including Mortgage of fixed assets for 5 years.
		<ul style="list-style-type: none"> 15 per cent Price Preference and exemption of Earnest Money on Govt. Store Purchase Programme.

Appendix Table 3 continued....

Appendix Table 3 continued....

Sikkim	Agro-based industries, Floriculture, Animal Husbandry and Dairy Products, Minor Forest Based Produce, Handloom, Handicrafts and Village Industries, Tourism, Precision oriented, High Value, Low Volume products, Electronic and Software, Hydel power and Tea.	<ul style="list-style-type: none"> • Exemption from Central and State sales tax for a period of 9 (nine) years, from the date of commencement of actual commercial production. • 100 per cent reimbursement of power bill for consuming upto Rs.50,000 per annum. For above Rs.50,000 the reimbursement will be to the extent of Rs. Rs.50,000 plus 25 percent of the balance of actual payment subject to a maximum of Rs.2 lakhs. • Subsidy grant of 30 percent to power tariff to industrial units coming up Growth Centre or Thrust Areas. • 50 per cent of the cost incurred on linking of power from the main line to the factory shed subject to a maximum ceiling of Rs 50,000. • 25 per cent subsidy for purchase of Diesel generating sets subject to maximum ceiling of Rs.30,000. • One-time subsidy on consultancy charge paid to an approved consultant. • Reimbursement of the return journey expenses of second-class train and an allowance of Rs.1000 to entrepreneurs travelling for study tour or inplant training. • Reimbursement of the return journey expense of second class by train and allowance of Rs.500 per worker belonging to the industrial unit. • Reimbursement of up to 30 per cent of the realistic wage bill for local tribal employees annually with ceiling of Rs. 1 Lakh. • Exempted from payment of security deposits or earnest money for tenders or quotations for purchase of stores by Government Department. • Reimbursement of maximum Rs. 10,000 for laboratory equipment for the purpose of quality control and ISI certification per unit if part of the project cost. • Additional reimbursement of Rs.1, 00,000 to export-oriented units committing to export at least fifty percent of the value of the turnover against quality control measures.
Tripura	Bamboo, Rubber, Agri and Horticultural produce, Tea manufacturing and Gas.	<ul style="list-style-type: none"> • State Capital Investment Subsidy of 40 per cent with ceiling of Rs. 70 lakhs per enterprise. • Reimbursement of Interest on working capital loans actually paid to banks/ financial institutions to the extent of @4 per cent with ceiling of Rs.3.00 lakhs per annum for 5 years. • Reimbursement of Power Charges for 5 years @25 per cent of the power charges actually paid by the enterprise with ceiling of Rs.12 lakhs per year. • One-time full Reimbursement of Standard Certification Charges/Fees. • Employment Cost subsidy: re-imburement of ESI/EPF expenditure of employers upto 100 per cent for micro, small and medium industries • Subsidy on fees paid for Credit Guarantee of loans paid to micro and small enterprises on loans granted by Banks. • Export Promotion subsidy on exporting goods through LCS in the state @10 per cent on value of export with max. ceiling of Rs. 20 lakhs per annum. • Subsidy for participation in fares and exhibitions @50 per cent with ceiling of Rs. 50,000/- for each participation.

Source: NER States Industrial Policy Reports

Appendix Table 4: Industrial and Export Promotion Parks in NER

State	Industrial/ Export Promotion Parks
Arunachal Pradesh	Rongoge Mega Food Park at Papum Pare District
Assam	Plastic Park at Gelapukhuri Tinsukia District North East Mega Food Park at Nathkuchi, Nalbari District (Operational) Jute Park at Dhing, Nagaon District Tea Park at Choudhurypara, Chaygaon, Kamrup Amingaon export park at Kamrup District Bamboo Technology Park at Chaygaon, Kamrup District (Operational)
Manipur	Manipur Food Industries Corporation Ltd., Kakching Bamboo Technology Park at Jiribam
Meghalaya	Meghalaya Industrial Development Corporation Ltd. (MIDC), North Garo Hills Export Promotion Industrial Park, Byrnihat
Mizoram	Zoram Mega Food Park at Kolasib District (Operational) Export Promotion Industrial Park (EPIP), Lengte Bamboo Technology Park (BTP), Sairang
Nagaland	DoysAgri Resources Pvt. Ltd., Dimapur
Tripura	Sikaria Mega Food Park at Tulakona (Operational) R.K. Nagar Industrial Park Rubber Park at Bodhjungle Bamboo Park at Bodhjungle Textile Park Export Promotion Park

Sources: NER Databank Web Portal, Department of Industries and Commerce, Government of Tripura; Industries and Commerce, Government of Assam; Ministry of Food Processing Industries.

Appendix Table 5: Promotion of MSMEs in NER

State	Projects	Status
Mini Technology Centres		
Nagaland	1. Setting up of Tool Room & Training Center (TRTC), Dimapur, approved on 04.10.2016	Completed (December 2018)
	2. Branch NTTC at Kiphire	Ongoing
	3. Proposal for setting up of Mini Technology Centre for promotion of Medicinal and Aromatic Plants through infrastructure development in Nagaland" at Razhaphe Basa, Distt. Dimapur by Nagaland Bio Resource Mission, Govt. of Nagaland.	Ongoing
Tripura	Tool Room & Training Center, Agartala, approved on 08.03.2017	Completed (December 2018)
Assam	1. Setting up of Tool Room & Training Center, Tinsukia, approved on 08.03.2017	Under Implementation (The final GOI Grant has been released March 2020)
Sikkim	Center of Excellence for Creative Entrepreneurship approved on 07.02.2019	Under Implementation
	2. MTC for Development Facilities for Sheep Angora Wool Processing	Under Implementation
Industrial Estates		
Assam	12 No. of IID project New/Up-gradation	1 Completed & 11 are Under Implementation
Tripura	04 No. of IID New/Up-gradation	2 Completed & 2 Under Implementation
Sikkim	01 No. of Flatted factory complex at Deorali, Sikkim	Under Implementation
Mizoram	06 IID projects	2 Completed & 4 Under Implementation
Other Activities		
Assam	Development IT modules for ease of doing business for MSEs of Guwahati	Completed
Sikkim	1. Establishment and strengthening of Resource Development Center of Skillpedia Foundation at Gangtok approved on 26.03.2018	Completed
	2. Creation of technology center for bamboo product industry at Sikkim was approved on 07.08.2019	Under Implementation
Nagaland	Agra based Rural Technology & Incubation center Under NTTC, Dimapur was approved on 07.02.2019	Completed
NER & Sikkim	Study on "Scope/business opportunities for MSMEs in Metal Craft, Metal Industries, Foundries/Forgings in North Eastern States & Sikkim" by PPDC Agra, was approved on 07.02.2019	Study completed
NER & Sikkim	Proposal for conducting study on "DC-MSME scheme for MSME Sector-with focus on North Eastern Region including Sikkim", Consultancy Development Center (CDC), New Delhi	The interim report has been received
NER & Sikkim	Study on "Conducting research study for start-ups of NER & Sikkim" by National Productivity Council, New Delhi	The interim report has been received
NER & Sikkim	Study on "Strategy for export promotion form North eastern India of ASEAN in the back drop of Act East Policy" by Indian Institute of foreign Trade, Kolkata	The interim report has been received

Source: North East Council (NEC)

Appendix Table 6: Bangladesh Major Sector-wise Industrial Policies

Industry	Incentive
Agro Processing	Cash incentives to the exporters ranges from 15 per cent to 20 per cent in various sub sectors
	Complete tax exemption on income from rice bran oil production up to 10 years.
	20 per cent export subsidy/ cash incentive for exporters of locally processed agricultural products and 100 per cent halal meats
	No VAT imposition on export goods
	Duty-free market access (preferential treatment) to 52 nations.
	20 per cent special rebate on electricity consumption to agro processing units
	Imposition of supplementary duty on mango, orange, grape, apples, dates and others to utilize the high quality and cheaper local resources.
Ceramic	An array of tax exemption available for Industrial investments such as import duty exemption on capital machineries
	50 per cent tax exemption for income derived from export
	No VAT imposition on export goods
	Bonded warehousing facility for large import of materials
	10 per cent export subsidy/cash incentive on export value
Garments and Textiles	Bilateral agreements with 28 countries
	tariff-free access to EU under the European GSP
	Establishment of new textile/RMG mill in the private sector
	Joint ventures with the existing textile/RMG mill
	An exporter will get additional 2 per cent with existing 4 per cent cash incentives, total 6 per cent for exporting RMG products to Eurozone.
	If a manufacturer can produce a new item or can export to a new destination (Excluding USA, Canada and EU countries) will get another 4 per cent incentives as expansion support.
	Export earnings tax will be deducted at 0.5 per cent rate, which is generally 1.0 per cent.
	Acquisition of public sector textile mills that are being privatised
	Indirect investment through financial services and/or leasing
	December 2020, total exports around stood at USD 27.4 billion, capturing a market share of 6.30 per cent out of the global apparel export market of \$435 billion
Frozen Food	15 per cent cash incentive offered to shrimp export amount.

Appendix Table 6 continued....

Appendix Table 6 continued....

Pharma & API	Duty free access to 52 countries
	WTO extended patent waiver from TRIPS till 2033 helping Bangladesh to produce patented drugs
	Dedicated Park for API factories to encourage production of API.
	Active Pharmaceuticals Ingredients (API) and laboratory reagent producers, will further enjoy tax holiday (from 2023-2032) if they could produce API molecules domestically
	7 per cent export subsidy on exporting pharmaceuticals products
	20 per cent export subsidy on exporting Active Pharmaceuticals Ingredients (API) from Bangladesh.
	3 API molecules producers will get 75 per cent tax holiday
IT Sector	10 per cent export subsidy is available for the export of Software, ITeS, and hardware.
	Locally owned Software, ICT and hardware industries, situated at the high-tech park will get 4 per cent incentives for product and market diversification.
	30 per cent value addition is required to avail the incentive.
Leather & Leathers Goods	Import duty exemption on capital machineries
	No VAT imposition on export goods
Shipbuilding	Reduced tax rate on export income: 5 per cent for publicly-listed company and 10 per cent for non-listed company (SRO-132-AIN/ 2013)
	5 per cent import duties on raw materials used for building ship in local market
	10 per cent export subsidy on export of ships (FE Circular-31, August 2017)
Jute and Jute Products	20 per cent cash incentive for exporting diversified jute product.
	12 per cent cash incentive for exporting jute made final goods (Hessian, Sacking, CBC).
	7 per cent cash incentive for exporting jute fibres (Yarn and Twine).
	20 per cent Export subsidy against export of carbon and jute particle board produced from jute.
Automobiles	Exemption of Import duties on Capital machineries
Health care and Medical Equipment	10-year corporate tax exemption to general & specialized hospitals, established outside Dhaka, Narayanganj, Gazipur & Chittagong effective from July 1, 2021
	10-year corporate tax exemption to institutes providing technical training to healthcare related skills development such as nursing, pharmacy, etc
	Concessional import duty on raw material imports of medical equipment
	50 per cent tax exemption for income derived from export
	10 per cent cash incentive on export value, etc.
	No VAT imposition on export goods
Steel and Cement Industry	4 per cent cash incentive on export of MS steel products and cement sheet
	Only 2 per cent tax to be deducted at source on the supply of cement.

Source: Bangladesh Trade Portal

Appendix Table 7: Bilateral Investment Treaties (BITs) of India till Date

Treaty	Status	Year
Brazil - India BIT (2020)	Signed	2020
India - Kyrgyzstan BIT (2019)	Signed	2019
Belarus - India BIT (2018)	Signed	2018
India - United Arab Emirates BIT (2013)	In force	2013
India - Lithuania BIT (2011)	In force	2011
Colombia - India BIT (2009)	In force	2009
Bangladesh - India BIT (2009)	In force	2009
India - Senegal BIT (2008)	In force	2008
India - Libya BIT (2007)	In force	2007
India - Philippines BIT (2000)	In force	2000

Source: UNCTAD Investment Policy Hub

Appendix Table 8: Treaties with Investment Provision (TIPs) for India till Date

Treaty	Parties	Status	Year
Australia - India ECTA	Australia, India	In force	2022
India - United Arab Emirates CEPA	India, United Arab Emirates	In force	2022
Mauritius - India CECPA	India, Mauritius	In force	2021
ASEAN - India Investment Agreement	ASEAN (Association of South-East Asian Nations), India	Signed	2014
India - Malaysia FTA	India, Malaysia	In force	2011
India - Japan EPA	India, Japan	In force	2011
India - Korea, Republic of CEPA	India, Korea, Republic of	In force	2009
India - Singapore CECA	India, Singapore	In force	2005
Chile - India Framework Agreement	Chile, India	Signed	2005
GCC - India Framework Agreement	GCC (Gulf Cooperation Council), India	Signed	2004
BIMSTEC Framework Agreement	BIMSTEC	In force	2004
SAFTA	SAFTA (South Asian Free Trade Area Accord)	In force	2004
India - Thailand Framework Agreement	India, Thailand	Signed	2003
ASEAN - India Framework Agreement	ASEAN (Association of South-East Asian Nations), India	In force	2003
India - MERCOSUR Framework Agreement	India, MERCOSUR (Mercado Común Sudamericano)	In force	2003
EC - India Cooperation Agreement	EU (European Union), India	In force	1993

Source: UNCTAD Investment Policy Hub

Appendix Table 9: Bilateral Investment Treaties (BITs) of Bangladesh till Date

Treaty	Status	Year
Bangladesh - Kuwait	Signed	2016
Cambodia - Bangladesh	Signed	2014
Bangladesh - Turkey BIT	In force	2012
Bangladesh - United Arab Emirates	In force	2011
Bangladesh - Denmark	In force	2009
Bangladesh - India	In force	2009
Bangladesh - Viet Nam	Signed	2005
Bangladesh - Singapore	In force	2004
Bangladesh - Thailand	In force	2002
Bangladesh - Iran	In force	2001
Austria - Bangladesh	In force	2000
Bangladesh - Switzerland	In force	2000
Bangladesh - Uzbekistan	In force	2000
Bangladesh - Korea	Signed	1999
Bangladesh - Japan	In force	1998
Bangladesh - Indonesia	In force	1998
Bangladesh - Philippines	In force	1997
Bangladesh - Poland	In force	1996
Bangladesh - China	In force	1996
Bangladesh - Pakistan	Signed	1995
Bangladesh - Netherlands	In force	1994
Bangladesh - Malaysia	In force	1994
Bangladesh - Italy	In force	1990
Bangladesh - Thailand	Terminated	1988
Bangladesh - Turkey	Terminated	1987
Bangladesh - Romania	In force	1987
Bangladesh - Korea, Republic of	In force	1986
Bangladesh - United States of America	In force	1986
Bangladesh - France	In force	1985
Bangladesh - BLEU (Belgium-Luxembourg Economic Union)	In force	1981
Bangladesh - Germany	In force	1981
Bangladesh - United Kingdom	In force	1980

Source: UNCTAD Investment Policy Hub

Appendix Table 10: Treaties with Investment Provision (TIPs) for Bangladesh till Date

Treaty	Parties	Status	Year
APTA Investment Agreement	Bangladesh; China; Korea, Republic of; Lao People's Democratic Republic; Sri Lanka;	Signed	2009
SAFTA	SAFTA (South Asian Free Trade Area Accord);	In force	2004
Bangladesh - EC Cooperation Agreement	Bangladesh; EU (European Union);	In force	2000
OIC Investment Agreement	OIC (Organisation of Islamic Cooperation);	In force	1981

Source: UNCTAD Investment Policy Hub

Endnotes

- ¹ Refer, UNIDO (2020)
- ² See Chapter 2 for details
- ³ Refer, Thakur (2022)
- ⁴ See Chapter 2 for details
- ⁵ Refer, Bangladesh Trade Portal, <https://www.bangladeshttradeportal.gov.bd/index.php?r=site/display&id=1157>
- ⁶ See Appendix for details
- ⁷ See Appendix for details
- ⁸ See Appendix for details
- ⁹ See Appendix for details
- ¹⁰ Refer, Bangladesh Trade Portal, <https://www.bangladeshttradeportal.gov.bd/index.php?r=site/display&id=1157>
- ¹¹ Refer, <http://bhtpa.gov.bd/>
- ¹² Refer, <https://www.beza.gov.bd/economic-zones-site/>
- ¹³ DPIIT, FDI Policy Section, Press Note No. 3 (2020 Series), https://dipp.gov.in/sites/default/files/pn3_2020.pdf
- ¹⁴ WTO (2019). Trade Policy Review. Report by the Secretariat. Bangladesh. World Trade Organization.
- ¹⁵ Refer, <http://www.bida.gov.bd/>
- ¹⁶ UNCTAD (2022), World Investment Report 2021
- ¹⁷ Out of the 32 BITs, 25 are in force, 5 are signed and 2 are terminated. They include Belgium, Canada, France, Germany, Iran, Italy, Japan, Malaysia, Pakistan, Philippines, Poland, Republic of Korea, Romania, Switzerland, Thailand, The Netherlands, Turkey, United Kingdom, USA, Indonesia. Negotiations are ongoing with India, Hungary, Oman, Moldova, DPRK, Egypt, Austria, Mauritius, Uzbekistan.
- ¹⁸ Other countries having signed a DTT with Bangladesh are: Nepal, Kuwait, Bhutan, China, Canada, Viet Nam, UK, USA, UAE, Turkey, Thailand, Switzerland, Sweden, Sri Lanka, Korea, Republic of, Singapore, Romania, Poland, Philippines, Pakistan, Norway, Netherlands, Myanmar, Mauritius, Malaysia, Saudi Arabia, Japan, Italy, Germany, France, Denmark, Belgium, Belarus, Bahrain, Indonesia and India. <https://bida.gov.bd/treaties>
- ¹⁹ Refer, <https://www.asiancommunitynews.com/act-east-forum-india-japan-to-work-on-new-projects-in-north-eastern-region>
- ²⁰ DPIIT, Fact Sheet on FDI Inflow, https://dpiit.gov.in/sites/default/files/FDI_Factsheet_December_2022.pdf
- ²¹ Refer, <https://www.investindia.gov.in/country/japan-plus>; <https://www.indconosaka.gov.in/pages.php?id=43>
- ²² Refer, “SoftBank & Paytm to Launch Mobile-based Digital Payments Service in Japan”, <https://inc42.com/buzz/softbank-paytm-work-together-to-launch-mobile-digital-payments-in-japan/>
- ²³ Refer “Japanese companies keen to invest in Indian startups”, <https://www.indianarrative.com/economy-news/japanese-companies-keen-to-invest-in-indian-startups-91724.html>
- ²⁴ Refer, <https://japan-forward.com/interview-ambassador-shahabuddin-ahmed-on-japans-part-in-bangladeshs-progress/>
- ²⁵ Refer, <https://erd.gov.bd/site/page/9a23bb25-5ff7-421b-8a73-b7c6b33c8032/Foreign-Aid-Scenario-2020-21>
- ²⁶ Refer Dutta, G (2016), <https://maritimeindia.org/japan-and-the-big-b-plan-for-bangladesh-an-assessment/>
- ²⁷ “JICA’s 50 Years in Bangladesh Toward Sonar Bangla” https://www.jica.go.jp/bangladesh/english/office/others/c8h0vm00009u4ya3-att/50years_en.pdf
- ²⁸ Refer, <https://www.thedailystar.net/business/news/68-japanese-companies-operating-bangladesh-plan-expand-business-3008776>
- ²⁹ Refer, <https://en.prothomalo.com/business/local/japanese-companies-in-bangladesh-top-export-ratio-list-jetro>