

# BANGLADESH

## MARKET SURVEILLANCE: CONSTRUCTION & REAL-ESTATE

### **WEEKLY NEWSLETTER**

16<sup>TH</sup> TO 22<sup>ND</sup> JUNE 2023



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## FLATS, HOUSES TO BE COSTLIER

Flats and houses will become expensive as the government has increased the duties on basic construction materials such as cement, steel and tiles in the proposed budget, said a top executive of a real estate company.

FR Khan, managing director of bti, one of the top developers in the country, said the property registration cost used to be 15 per cent, which was already a burden for property owners. Now, it has been increased to 19 per cent.

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## CHINESE FIRM MINGDA (BANGLADESH) TO INVEST \$76.41 MILLION IN BEPZA EZ



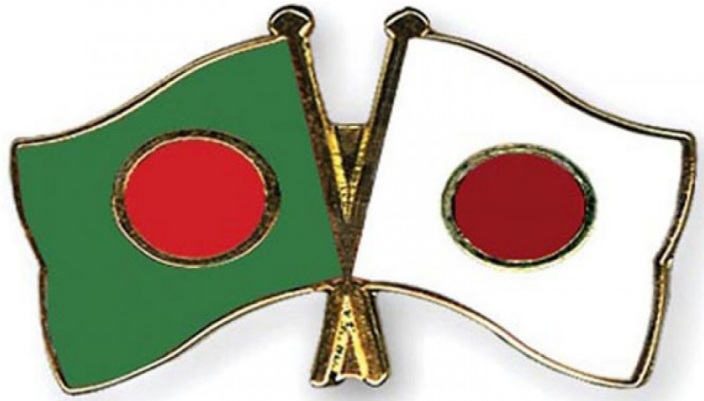
Chinese company Mingda (Bangladesh) New Material Co Ltd will invest \$76.41 million in the Bepza Economic Zone to produce different types of cotton products.

It is the highest amount of investment proposals that came from a single company among the ones who have signed agreements to establish factories inside Bepza EZ.

The list of products Mingda (Bangladesh) will produce includes imitation silk cotton, tile cotton, needle punched cotton, different types of artificial/manmade fabric, artificial fabrics, including geotextile, different hospital products, bags and packaging items, including geo-bag and non-woven bag.

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## PAY ATTENTION TO MACROECONOMY FOR ATTRACTING NEW FDI



Bangladesh has to pay close attention to its macroeconomic management for attracting more and new foreign direct investment (FDI) from countries, including Japan, the Japanese Ambassador to Bangladesh said on Wednesday.

Mr IWAMA Kiminori pointed out key challenges like cumbersome approval procedures, delays in customs clearance and restrictions on customs duties, and complexities in sending remittances abroad from Bangladesh.

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## ALLOW MORE PRIVATE ETPS IN SAVAR TANNERY ESTATE

The government should allow more private companies to build effluent treatment plants (ETPs) inside Savar Tannery Industrial Estate (STIE), said Shaheen Ahmed, chairman of Bangladesh Tanners Association (BTA), yesterday.

This will not only develop the leather and leather goods industry but also brighten its im-

age across the world, he said.

Local exporters are being deprived of standard international prices for not obtaining certifications of Leather Working Group (LWG), a global body for compliance and environmental certification in the leather and leather goods sector.

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## BANGLADESH'S EXPORTS RETAIN DUTY BENEFIT TO UK

Bangladesh's exports to the UK



Bangladesh is one of the 65 countries that will retain duty-free access for 98 per cent of exports, including readymade garments, entering the UK market, the UK high commission said today.

"It is more generous than the European Union's scheme the UK was previously a member of," the high commission said in a statement as the UK's landmark Developing Countries Trading Scheme (DCTS) came into effect today.

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## 3 FIRMS TO INVEST \$27.81M IN REFUELLING STATION, TOURISM, AGRO PROCESSING



Three companies – Istamarina Refuelling Station Ltd, Bangladesh Agriculture Products Ltd, and Rangs Properties Limited – will invest \$27.81 million in refuelling stations, agricultural product processing and tourism sectors.

The firms have been allotted 15 acres of land combined at the Bangabandhu Sheikh Mujib Shilpa Nagar and Sa-brang Tourism Park, which is expected to create more than 850 jobs.

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## FIRST BHUTAN TRADE AND INVESTMENT FAIR TO BEGIN FRIDAY



The Royal Bhutanese Embassy in Dhaka is organizing the first Bhutan Trade and Investment Fair 2023 from June 23-25 at the Shooting Club in the capital Gulshan, reads a press release issued on Monday (19 June).

The event is being organised in collaboration with the Ministry of Commerce, Industry and Employment, and the Ministry of Agriculture and Livestock, Royal Government of Bhutan, supported by the Bhutan Country Office of Food and Agriculture Organisation.

The investment fair is organised with the primary objective to facilitate further the implementation of the provisions of this for the mutual benefit of the people of the two countries, it said.

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## CHEAP LABOUR, BIG YOUNG POPULATION BOUNTIES FOR INVESTMENT IN BD



Bangladesh is becoming an attractive destination for foreign investment for its steady economic growth, growing young population with cheaper labour market, incentives for FDI and increasing domestic consumption, says an expert evaluation report.

PricewaterhouseCoopers Bangladesh Private Limited released Tuesday its report titled 'Destination Bangladesh' that says the gateways of doing business in Bangladesh are expanding every day with determined government efforts, including the establishment of diplomatic ties and bilateral agreements.

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## DEVELOPMENT PROJECTS LINE UP FOR REVISION AMID DOLLAR-DRIVEN COST OVERRUNS

Development expenditure in Bangladesh is set shoot beyond limits as projects line up for revision following mainly dollar-driven cost overruns as the taka loses value to the costly US currency.

Officials said most of the project-evaluation committee (PEC) meetings at the Planning Commission are getting requests from the project directors for raising costs as dollar price

increased nearly 25 per cent over the year.

Citing a few examples a senior Planning Commission official told the FE Tuesday that recently the Industry and Energy Division of the commission held PEC meeting on the Tk 237.36 billion worth of Eastern Refinery Ltd (ERL-2) project.

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## SDG INDEX 2023: BANGLADESH AHEAD OF INDIA, PAKISTAN

Bangladesh has ranked 101st on the Sustainable Development Report 2023, with an overall score of 65.9 out of 100.

In this year's index, Bangladesh is ahead of India (112th), Pakistan (128th), and Afghanistan (158th) in South Asia.

The Sustainable Development Report 2023 including the SDG Index and Dashboards, which was released on Wednesday, is a complement to the official SDG indicators and the voluntary national reviews, published by the Dublin University Press.

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## OIL EASES ON UNCERTAIN DEMAND, MARKET EYES US INVENTORY DATA



Oil futures dipped on Thursday (22 June) amid demand fears after the Federal Reserve chairman hinted at further interest rate hikes, while traders awaited official US inventory data following an industry report that showed an unexpected draw in crude stocks.

Brent LCOc1 futures fell 20 cents, or 0.3%, to \$76.92 a barrel at 0400 GMT, while US West Texas Intermediate (WTI) crude CLc1 futures were down 19 cents, or 0.3%, at \$72.34.

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## BANGLADESH CAN BE THE NEXT OUTSOURCING DESTINATION: PWC

Bangladesh has immense potential to become the next outsourcing destination riding on a higher proportion of the working age population and the government's initiatives aimed at attracting investments, a new study said.

PwC Bangladesh, in its flagship report "Destination Bangladesh", an analysis of the country as an investment destination, said the country is striving to enhance its exports on all fronts of production.

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## BGMEA LOOKS TO TAP \$100B RMG MARKET BY 2030



The apex apparel-body BGMEA has started developing high-end fashion items using local heritage stuff, including fabrics, in a bid to earn \$100 billion from garment exports by 2030.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) steps include raising its global market share to 12 per cent from below 7.0 per cent now.

For this, BGMEA in sync with the commerce ministry and the World Trade Organisation trained 160 varsity students, participants from garment units, weavers and jamdani makers to help them develop designs with local motifs on fabrics for high-end garment items.

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## ECNEC APPROVES HUGE SPENDING ON INFRASTRUCTURE IN RURAL AREAS

The government on Tuesday endorsed 16 development projects involving a total cost of Tk 243.62 billion that include mostly rural and urban infrastructure development-related ones. The Executive Committee of the National Economic Council (ECNEC) approved the projects — at least seven for rural and two for urban infrastructure development — at its meeting in the capital, with Prime Minister Sheikh Hasina in the chair.

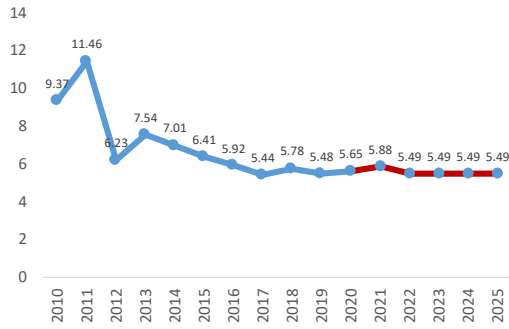
Following the ECNEC meeting, Planning Minister MA Mannan said the government approved a good number of rural infrastructure-development projects as it wants the villages to be more developed.

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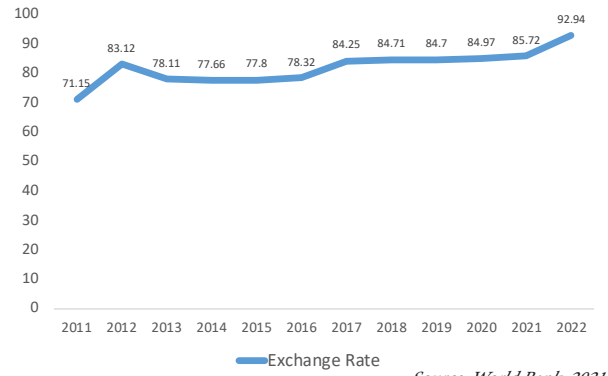


# ECONOMIC INDICATORS

## Inflation

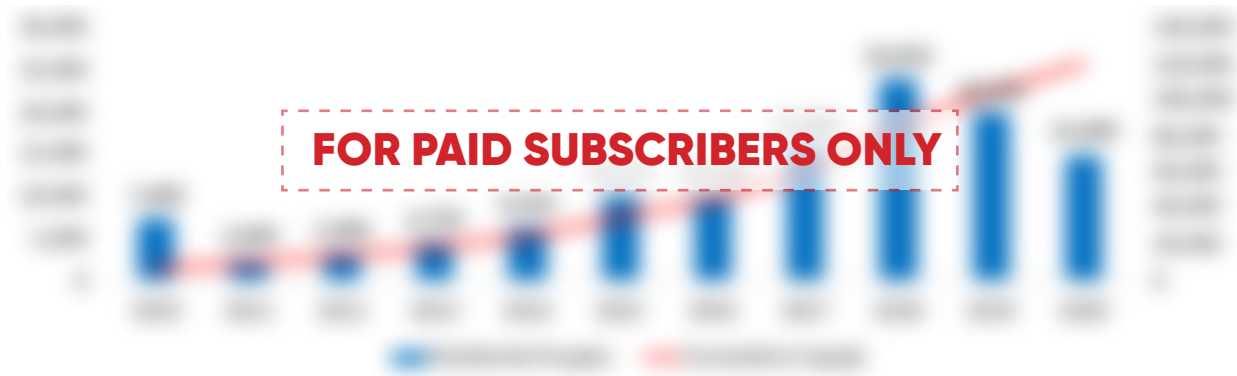


## Annual Exchange Rate



Source: World Bank, 2021

## CUMULATIVE LUXURY APARTMENT SUPPLY



## LOCATION WISE EXISTING & UPCOMING RESIDENTIAL SUPPLY



Source: RII, 2021

## AVERAGE PRICE USD/ SQ. FT. (TIER 1) APARTMENT

## ABSORPTION OF TIER 1 APARTMENT

## AVERAGE RENTAL USD/ SQFT/MONTH





## THE BANGLADESH REAL-ESTATE MARKET REPORT 2023

published by the Research Intelligence Unit (RIUNIT)  
includes key trends and insights on  
the Bangladesh residential, commercial, retail, hotel  
and bare land markets.

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