

Final Report:

Study on Prospect and Policy Recommendation of Gulf Co-operation Council (GCC) for the Identification of Prospective Market Access and Area of Cooperation

(Package N. SD-41-F)

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Preface

This study investigated Prospect and Policy Recommendation of Gulf Co-operation Council (GCC) for the identification of prospective market access and area of cooperation. The overall objective of this study is to assess Bangladesh's economic prospects within the Gulf Cooperation Council (GCC) countries - KSA, UAE, Kuwait, Qatar, Oman and Bahrain and provide strategic policy recommendations aimed at strengthening market access and cooperation. The study seeks to promote mutually beneficial relationships and sustainable economic growth between Bangladesh and GCC countries. Specific objectives include identifying key sectors, evaluating regulatory frameworks, and recommending measures to streamline trade processes, thereby supporting regional stability and fostering enduring partnerships between Bangladesh and the GCC.

This study focuses on (1) The Export and import analysis by product and country: Analyze historical trade trends between Bangladesh and GCC countries, examining exports and imports on a product-by-product and country-by-country basis. Identify potential markets for diversified Bangladeshi products, including an assessment of tariff and non-tariff barriers. (2) Market share comparison and Identify market access opportunities: Compare the market share of Bangladesh's top 20 products in GCC countries against competitors like India, China, Vietnam, and Thailand to identify competitive positioning and potential areas for growth. Explore and evaluate new market access opportunities for Bangladeshi goods and services in GCC countries, with a focus on overcoming tariff and non-tariff barriers. (3) Economic modeling: Conduct economic modeling to assess the potential benefits of enhanced trade and economic cooperation with the GCC for Bangladesh, highlighting projected impacts on GDP growth, employment, and trade balance. (4) Investment opportunities in Bangladesh: Identify investment prospects for GCC countries in non-energy sectors in Bangladesh, such as ports, textiles and clothing, ceramics, pharmaceuticals, IT and software services, banking and finance, and real estate. Examine investment potential: Investigate potential areas for investment collaboration, pinpointing sectors that offer high potential for mutual benefit, such as infrastructure, healthcare, and information technology. (5) Gap analysis of policy and legal framework: Performed a gap analysis of Bangladesh's policy and legal frameworks in relation to GCC standards, providing recommendations for harmonizing regulations to facilitate trade and investment. The study also examine the regulatory frameworks in GCC countries, identifying key challenges faced by Bangladeshi exporters and investors, and propose policy recommendations to enhance trade facilitation and regulatory alignment. It also developed policy recommendations. It formulated detailed policy recommendations for the Government of Bangladesh to enhance diplomatic, economic, and trade relations with the GCC, taking into account the unique dynamics of each GCC member country. (6) Prospect and policy recommendations: Develop policy recommendations aimed at enhancing Bangladesh's market access and cooperation opportunities within the GCC.

The study examined the impact of tariffs on Bangladesh's export to GCC countries which is important for the policy makers as well as for the private sectors. For

understanding the potential impact of tariff on export the study analyzed the potential impact of tariffs on Bangladesh's export to GCC countries by using a gravity model that combines information on the current exports and imports, tariff rate by country and product. This study projected exports of Bangladesh to GCC countries by 2030 and 2035.

This study examined present trade scenario and trade relations between Bangladesh and GCC countries, identifying strengths, patterns, and areas where improvements can be made. It examined the regulatory frameworks in GCC countries, identified key challenges faced by Bangladeshi exporters, and investors, and propose policy recommendations to enhance trade facilitation, ease of doing business and regulatory alignment.

It conducted a gap analysis of Bangladesh's policy and legal frameworks in relation to GCC standards. Reviewed exiting policy and legal frameworks and identified gaps. Recommend measures to streamline trade processes, minimize bureaucratic obstacles, and promote smoother and more efficient transactions between Bangladesh and GCC member states.

We are confident that the insights and recommendations presented in this study will serve as a valuable resource for policymakers, private sector stakeholders, and development partners working to strengthen Bangladesh's trade and investment ties with the GCC region.

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While this report reflects a collective effort, all final interpretations and any remaining limitations are solely the responsibility of the author.

Prof. Dr. S.M. Fakhru Islam

Consultant

Bangladesh Regional Connectivity Project-1

Acronyms

ADB – World Bank
AED – Arab Emirate Dinner
APTA - Asia Pacific Trade Agreement in international trade
ARIMA – Auto Regressive Integrated Moving Average
BAPI - Bangladesh Association of Pharmaceuticals Industries
BB- Bangladesh Bank
BBS – Bangladesh Bureau of Statistics
BDT- Bangladesh Taka
BEPZA- Bangladesh Export Processing Zone Authority
BGMEA, - Bangladesh Garment Manufacturers and Exporters Association
BIDA - Bangladesh Investment Development Authority
BIMSTEC - Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation.
BIT - Bilateral Investment Treaties
BKMEA – Bangladesh Knitwear Manufacturers and Exporters Association
BRCP-1 - Bangladesh Regional Connectivity Project-1
BSTI - Bangladesh Standards and Testing Institution
BTTC - Bangladesh Trade and Tariff Commission
CEPAS - Comprehensive Economic Partnership Agreements
CAGR – Compound Annual Growth Rate
COO - Certificates of Origin
D-8 PTA - D-8 Preferential Trade Agreement
DCCI –Dhaka Chamber of Commerce and Industries
DFQF - Duty-free and Quota-free
DGDA - Directorate General of Drug Administration
DTAAs - Double Taxation Avoidance Agreements
EPAs - Economic Partnership Agreements
EPB - Export Promotion Bureau
ERC - Export Registration Certificates
EU – European Union
FBCCI – Federation of Bangladesh Chambers of Commerce and Industry
FDI – Foreign Direct Investment
FGD - Focus Group Discussion
FTA – Free Trade Agreement
FY- Financial Year
GAU - Gazipur Agricultural University
GCC- Gulf Cooperation Council
GDP – Gross Domestic Productions
GMP – Good Manufacturing Practices
GSO - Gulf Standardization Organization
GSTP - Global System of Trade Preferences
ICD - Inland Container Depots
ICT- Internet Communication Technology

IDB – Islamic Development Bank
IMF- International Monetary Fund
IRC - Import Registration Certificates
ISO – International Standard Organization
IT- Internet Technology
ITC – International Trade Center
KIIs - Key Informant Interviews
KSA- Kingdom of Saudi Arabia
LDC- Least Developed Country
LDCF - Least Developed Country Fund
LMFMEAB – Leather Goods and Footwear Manufacturers & Exporters Association of Bangladesh
LNG- Liquid Natural Gas
MN – Million
MOC - Ministry of Commerce
MoU – Memorandum of Understanding
MRAs - Mutual Recognition Agreements
NBR - National Board of Revenue
NTMs- Non-Tariff Measures
NTBS- Non-Tariff Barriers
OEC- Observatory of Economic Complexity (a data visualization tool for international trade)
PIF - Public Investment Fund
PPP - Public-Private Partnership
PTA- Preferential Trade Agreement
R&D – Research and Development
RCEP - Regional Comprehensive Economic Partnership
RMG- Ready-made garments
RTA- Regional Trade Agreement
SAFTA South Asian Free Trade Agreement
SEZs - Special Economic Zones
SFDA - Saudi Food and Drug Authority
SPS - Sanitary and Phytosanitary Standard
STAT – Statistics
TBT - Technical Barriers to Trade
ToR - Terms of Reference
TPS-OIC - Trade Preferential System among the Member States of the Organization of the Islamic Conference
TRIPS - Agreement on Trade-Related Aspects of Intellectual Property Rights.
TVET – Technical Vocational Training
VAE - Value Added Enhancement
UAE – United Arab Emirate
UNCTAD.- United Nations Conference on Trade and Development
UNFCCC- United Nations Framework Convention on Climate Change

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Executive Summary

Chapter 1: Background and Introduction

This study, commissioned under the Bangladesh Regional Connectivity Project-1 (BRCP-1) of the Ministry of Commerce, examines the scope for strengthening trade and economic cooperation between Bangladesh and the Gulf Cooperation Council (GCC) and develops policy-oriented recommendations to expand market access and identify priority areas for collaboration. As Bangladesh advances toward upper-middle-income status by 2030 and developed-country status by 2041—while preparing for graduation from LDC status and the gradual erosion of duty-free, quota-free preferences—the need for diversified trade strategies and deeper regional partnerships has become increasingly urgent. Trade remains a cornerstone of Bangladesh’s growth, employment, and investment performance, and regional trade arrangements are critical to reducing tariff and non-tariff barriers and enhancing competitiveness. The GCC, comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE, represents a strategically important market due to its economic scale, energy dominance, and strong labor and trade linkages with Bangladesh, as reflected in exports of USD 1.56 billion and imports of USD 6.12 billion in FY2023-24. Against this backdrop, the study seeks to identify high-potential sectors, assess market access opportunities, and propose actionable policy measures to deepen Bangladesh–GCC economic cooperation in the post-LDC era.

Bangladesh’s recent economic transformation—driven by sustained growth, deeper global integration, and progress toward Vision 2030 and Vision 2041—has heightened the importance of diversifying export markets and strengthening regional economic partnerships, particularly as the country prepares for graduation from LDC status. The gradual withdrawal of LDC-specific trade preferences underscores the need for new strategies to enhance competitiveness and secure stable, long-term trading relationships. In this context, the Gulf Cooperation Council (GCC) has emerged as a strategically significant partner for Bangladesh, given its central role in global energy markets, investment flows, and trade, as well as its strong people-to-people links through a large Bangladeshi expatriate workforce and substantial remittance inflows. While bilateral trade between Bangladesh and the GCC has expanded steadily, considerable untapped potential remains across goods, services, investment, and broader economic cooperation.

Against this backdrop, the Bangladesh Regional Connectivity Project-1 (BRCP-1) of the Ministry of Commerce commissioned this study to assess the prospects for enhanced trade and economic cooperation with GCC countries and to develop evidence-based policy recommendations.

The overall objective of this study is to assess Bangladesh's economic prospects within the Gulf Cooperation Council (GCC) and provide strategic policy recommendations aimed at strengthening market access and cooperation. The study seeks to promote mutually beneficial relationships and sustainable economic growth between Bangladesh and GCC countries, identify key sectors. Assess regulatory framework and recommend streamlining trade process. The study adopted a mixed-methods approach combining both quantitative and qualitative data collection and analysis.

Chapter 2: Economic Landscape of Bangladesh and GCC Countries

This section provides a comparative overview of the economic environments of Bangladesh and the Gulf Cooperation Council (GCC) countries, highlighting structural differences,

development trajectories, and strategic complementarities that underpin prospects for stronger bilateral cooperation.

Bangladesh has positioned itself as one of South Asia's fastest-growing economies, driven by a dynamic manufacturing sector, especially in ready-made garments (RMG), and supported by robust remittance inflows and rising domestic consumption. Despite global economic headwinds, the country achieved a GDP growth rate of 5.8% in FY2022-23. The government has articulated long-term aspirations to transition to an upper-middle-income country by 2031 and a developed economy by 2041, with strategic focus on infrastructure, ICT, agro-processing, and export diversification. While promising, Bangladesh faces challenges including infrastructure bottlenecks, climate vulnerability, and skills mismatches that must be addressed to ensure inclusive and sustainable growth.

The GCC countries features some of the world's wealthiest nations, largely built on oil and gas exports. However, facing the imperative of economic sustainability, these countries are diversifying aggressively through national visions such as Saudi Vision 2030 and UAE Centennial 2071. Key sectors under expansion include renewable energy, financial services, tourism, and logistics. High per capita incomes, advanced infrastructure, and significant sovereign investment funds have enabled these countries to integrate into global markets, although challenges persist in the form of oil price volatility and geopolitical uncertainties. Bangladesh presents a high-labor, cost-efficient production base while GCC offers capital-rich, resource-based markets. Bangladesh's competitive advantage lies in its manufacturing, particularly RMG, while GCC countries need labor-intensive manufacturing and agri-food imports. The complementarity in economic structures offers natural alignment for trade and investment collaboration.

Chapter 3: Trade Relations, Opportunities and Analysis of Exports to GCC countries

Bangladesh's trade relationship with the Gulf Cooperation Council (GCC) countries has historically been shaped by labor migration and remittance flows, which remain a cornerstone of bilateral economic ties. However, evolving global value chains, regional diversification strategies in the Gulf, and Bangladesh's own development aspirations are redefining this relationship beyond labor-centric engagement. Bangladesh increasingly views the GCC as a strategic partner for trade diversification and market expansion, aligning its export ambitions with long-term transformation agendas such as Saudi Vision 2030 and the UAE Centennial 2071. This strategic convergence creates new scope for deeper trade, investment, and services collaboration.

The ready-made garment (RMG) sector continues to anchor Bangladesh's export performance, generating over USD 39 billion in FY2023 and employing more than four million workers. In GCC markets, Bangladesh has already established a strong competitive position, holding the third-largest apparel market share in both the UAE (13 percent) and Saudi Arabia (11 percent), after China and India. Despite this foothold, a substantial export potential—estimated at USD 5.84 billion across the GCC—remains untapped. Comparative trade analysis reveals significant gaps between actual and potential exports in products such as cotton T-shirts, knitwear, trousers, and home textiles, with particularly large unrealized opportunities in the UAE and Saudi Arabia.

Beyond garments, the analysis identifies clear opportunities for sectoral diversification. Rising demand for halal and hygienic food products across GCC markets presents strong prospects for Bangladeshi agri-food exporters, provided compliance with halal, SPS, and

cold chain requirements is strengthened. Additional high-potential sectors include pharmaceuticals, ceramics, leather goods, light engineering products, and ICT and IT-enabled services. On the services front, GCC economies are increasingly demanding skilled and semi-skilled professionals—such as nurses, engineers, ICT specialists, and technicians—signaling a shift away from exclusive reliance on low-skilled labor exports toward higher-value human resource engagement. Bilateral trade between Bangladesh and the GCC exceeded USD 10 billion in FY2022–23, though the balance remains heavily tilted toward imports due to Bangladesh’s dependence on GCC energy supplies. Bangladesh’s key exports include RMG, frozen foods, pharmaceuticals, and leather products, while imports are dominated by fuel, fertilizers, and industrial chemicals. Despite growing demand, export expansion is constrained by tariff and non-tariff barriers, complex certification and conformity requirements, logistics inefficiencies, and limited market intelligence. These challenges weaken Bangladesh’s ability to fully penetrate GCC markets and diversify its export base.

Empirical export analysis shows steady growth in Bangladesh’s exports to all six GCC countries, with the UAE and Saudi Arabia accounting for over 87 percent of total GCC-bound exports. Between 2011 and 2023, average annual exports stood at USD 375.72 million to the UAE and USD 230.04 million to Saudi Arabia, rising to USD 402.64 million and USD 310.97 million, respectively, in FY2023–24. Export baskets to the GCC are increasingly diversified, encompassing agricultural and processed foods, pharmaceuticals, leather goods, home textiles, ceramics, plastic products, electrical machinery, and medical instruments, reflecting gradual structural upgrading.

Tariff simulation results using the OEC Tariff Simulator underscore the sensitivity of Bangladesh’s exports to tariff changes. A tariff increase to 10 percent in the UAE would negatively affect most major export products, while even modest increases in Kuwait, Oman, Qatar, and Bahrain would significantly reduce export competitiveness. These findings highlight the importance of proactive tariff diplomacy, preferential trade arrangements, and deeper engagement on trade facilitation. Forward-looking projections indicate that, with supportive policies and improved compliance, Bangladesh’s exports to the GCC could reach USD 3.7 billion by 2030 and USD 4.3 billion by 2035, contributing USD 2.9 billion and USD 3.43 billion to GDP and generating approximately 2.6 million and 3.0 million jobs, respectively. Together, these results confirm the GCC region as a critical frontier for Bangladesh’s export-led growth strategy. Total exports of labour to GCC countries is projected to reach 2.23 million number in 2030, further would rise to 2.77 million number by 2035. Total remittance of Bangladesh from GCC countries is projected to reach 33.3 billion USD in 2030, further would rise to 40.2 billion USD by 2035.

Chapter 4: Import of Bangladesh from GCC Countries

Bangladesh’s total imports in 2023 were dominated by ten major categories, primarily reflecting the country’s reliance on energy, industrial machinery, and chemical inputs. The Top three imports were Machinery (USD 8.0B), Petroleum (USD 7.2B), and Chemicals (USD 4.8B) jointly accounted for 50% of total import value. Other notable imports included electrical equipment, iron and steel, foodstuffs, textiles, and pharmaceuticals.

Between 2015 and 2023, imports from Saudi Arabia (KSA) demonstrated a consistent upward trajectory, expanding at an average annual growth rate of 18.3%. In FY 2022–23, total imports reached USD 1,811.6 million, underscoring the strategic importance of KSA as a trade partner. The import portfolio was dominated by crude and refined petroleum, fertilizers such as DAP and nitrogenous compounds, and various industrial chemicals—

reflecting Bangladesh's reliance on Saudi energy and agro-inputs. This trade relationship is further reinforced by robust labor and energy linkages, complemented by development cooperation initiatives channeled through the Saudi Fund for Development (SFD), which continue to deepen bilateral economic engagement.

Imports from the United Arab Emirates (UAE) have experienced robust growth over the past eight years, rising from USD 583.8 million in 2015–16 to USD 1,703 million in 2022–23—an impressive average annual growth rate of 23.9%. This surge reflects deepening trade ties, particularly in energy and industrial inputs. Petroleum products alone accounted for USD 913.5 million in 2022–23. Imports from Kuwait reached USD 920 million in 2022–23, marking a steady rise from USD 582 million in 2015–16 and reflecting an average annual growth rate of 10.5%. The trade relationship is primarily anchored in petroleum. Imports from Qatar reached USD 2,366.5 million in 2022–23, making it Bangladesh's largest import source among GCC countries. This sharp rise from USD 1,050.9 million in 2018–19 reflects a robust average annual growth rate of 25.4%, driven primarily by energy demand. Liquefied Natural Gas (LNG) and petroleum products.

Imports from Bahrain reached USD 17.1 million in 2023, reflecting a steady upward trend from USD 12.7 million in 2018 and an average annual growth rate of 6.19%. The import composition is relatively modest but diverse, led by stranded aluminum wire—used in electrical and industrial applications.

Bangladesh's imports from GCC countries are heavily concentrated in energy and industrial goods, especially petroleum, LNG, and fertilizers. The UAE, KSA, and Qatar are the top three GCC sources, with strong upward import trends driven by energy dependence and industrial growth. Diversifying import sources and negotiating favorable long-term contracts, particularly for LNG and petroleum, are essential to ensure economic resilience. Strategic partnerships, especially with Qatar and the UAE, can further enhance energy security, while Oman and Bahrain offer niche industrial and food-related trade opportunities.

Chapter 5: Investment of GCC Countries in Bangladesh, Potentials and Collaborations

Investment flows from the Gulf Cooperation Council (GCC) countries—particularly the United Arab Emirates (UAE) and Saudi Arabia—have emerged as a significant driver of Bangladesh's evolving foreign direct investment (FDI) landscape. The UAE stands as the fifth-largest foreign investor in Bangladesh, with diversified investments across textiles, banking, energy, ports, LNG infrastructure, and renewable energy, including flagship clean energy projects such as Masdar's 250 MW solar initiative. Saudi Arabia has rapidly expanded its investment footprint, anchoring large-scale projects in power generation, port operations, renewable energy, tourism, and agro-processing, reinforced by a US\$ 1.2 billion investment package announced in March 2024. Other GCC members—Kuwait, Qatar, Oman, and Bahrain—also contribute through a combination of joint ventures, energy cooperation, concessional finance, labor-linked engagement, and emerging sectoral interests, collectively deepening Bangladesh–GCC economic ties beyond traditional labor and remittance channels.

Beyond existing investments, Bangladesh–GCC collaboration is gaining strategic importance amid shifting global economic and geopolitical dynamics. As Bangladesh advances toward middle-income status and GCC countries pursue ambitious economic diversification agendas under national visions such as Saudi Vision 2030, UAE Vision 2031,

and Qatar National Vision 2030, complementarities between the two regions are becoming increasingly evident. Bangladesh offers GCC investors a stable macroeconomic environment, a large and youthful labor force, competitive production costs, expanding domestic demand, and targeted investment incentives, making it an attractive destination for sovereign wealth funds and private conglomerates seeking long-term, high-growth opportunities in South Asia.

Looking ahead, the scope for Bangladesh–GCC investment collaboration is substantial and multi-sectoral. High-potential areas include energy and power (renewables, LNG, and energy infrastructure), ports and industrial zones, real estate and urban development, agriculture and food processing linked to GCC food security needs, ICT and the digital economy, pharmaceuticals and healthcare, and backward linkages in textiles and RMG. Strategic partnerships in these sectors—supported by improved investment facilitation, regulatory predictability, and structured bilateral engagement—can unlock mutual benefits, accelerate technology transfer, generate employment, and position Bangladesh as a key investment and production hub for GCC markets and beyond.

Chapter 6: Policy & Regulatory Frameworks and Challenges in Trade Between Bangladesh and GCC Countries

Key policy differences are: (1) Trade Liberalization: Bangladesh maintains higher import tariffs to protect domestic industries, whereas GCC countries adopt low-tariff regimes and offer duty-free access within the bloc. (2) Export Diversification: Bangladesh remains heavily reliant on ready-made garments (RMG), with recent efforts to diversify into pharmaceuticals, leather, and agro-products. GCC exports are dominated by hydrocarbons but are gradually expanding into non-oil sectors. (3) Trade Agreements: Bangladesh lacks Free Trade Agreements (FTAs) with GCC countries, while the GCC benefits from integrated regional trade and global preferential trade arrangements. (4) FDI and Investment Environment: GCC countries provide attractive investment policies through tax exemptions and regulatory ease. Bangladesh, despite offering opportunities in SEZs and priority sectors, faces bureaucratic bottlenecks.

Despite growing economic engagement between Bangladesh and GCC countries, several regulatory and procedural barriers continue to hinder seamless trade and investment flows. These obstacles primarily arise from gaps in standards, complex customs procedures, investment hurdles, and labor mobility restrictions.

Key Challenges Identified are: (1) Standards and Compliance Gaps: Lack of mutual recognition of testing and certification—especially in food, pharmaceuticals, and electronics—results in costly delays. Varying Halal certification systems across GCC countries also complicate market entry for Bangladeshi exporters. (2) Customs and Documentation Inefficiencies: Redundant paperwork and limited digitization at ports create bottlenecks. The absence of integrated customs platforms between Bangladesh and GCC partners limits trade efficiency. (3) Market Access Restrictions: Sudden changes in import licensing rules, quotas, and sectoral restrictions—particularly in sensitive sectors like perishables, petrochemicals, and textiles—pose unpredictability for Bangladeshi exporters. (4) Investment Regulatory Complexity: Bureaucratic delays in land acquisition and project approvals in Bangladesh discourage long-term GCC investments. Conversely, foreign ownership limits in key GCC sectors constrain Bangladeshi joint venture prospects. (5) Labor and Mobility Barriers: Strict visa policies and inconsistent labor laws across GCC states restrict movement of skilled workers and hinder Bangladeshi business travel and service delivery.

Chapter 7: Identifying Key Areas of Cooperation Between Bangladesh and GCC

Several key sectors offer high potential for win-win cooperation are: (1) Agro-Food and Halal Industry: Bangladesh's strong agricultural base can meet the growing GCC demand for halal-certified food, meat, dairy, and seafood, especially through compliance with GCC food safety standards. (2) Textiles and RMG: As the world's second-largest RMG exporter, Bangladesh can supply modest fashion, uniforms, and low-cost apparel to GCC markets. There is scope for joint ventures in textiles and apparel manufacturing. (3) Pharmaceuticals: Bangladesh's pharmaceutical sector, known for affordable generics, can expand into GCC markets with improved GMP compliance and regulatory alignment. (4) Construction and Real Estate Services: Bangladeshi firms and skilled manpower can contribute to GCC mega infrastructure projects, offering cost-effective solutions in housing, engineering, and logistics. (5) Fisheries and Agro-Processing: High-value aquaculture products like shrimp and freshwater fish have strong export potential to GCC nations with food security needs. (6) ICT and Digital Services: Bangladesh's growing software and freelancing industry can support GCC digital transformation efforts, especially in fintech, cyber security, and outsourcing services. (7) Renewable Energy Technologies: Joint R&D and technology transfer in solar, wind, and hydrogen energy can support Bangladesh's green transition while aligning with GCC sustainability agendas. (8) TVET and Skills Development: Collaborative vocational training institutes targeting sectors like automation, healthcare, and construction can upgrade the Bangladeshi workforce to meet GCC labor market needs. (9) Energy Security: Long-term LNG and petroleum supply deals with GCC countries can strengthen Bangladesh's energy stability. There are also opportunities for FDI in LNG terminals, oil storage, and renewable energy infrastructure. (10) Infrastructure Development: GCC investment in Bangladesh's roads, ports, SEZs, and industrial hubs can be mutually beneficial. Landmark projects like the Dhaka Elevated Expressway serve as successful models for future collaboration. (11) Healthcare and Medical Services: Joint ventures in hospital services, pharmaceutical production, and telemedicine platforms can enhance healthcare access in both regions. Bangladesh also holds potential in medical tourism for GCC patients seeking cost-effective, quality care.

Chapter 8: Policy Recommendations for Improving Trade Between Bangladesh and GCC Countries

Key strategic recommendation made include: (1) Regulatory Harmonization and Standards Alignment: Bangladesh must prioritize the establishment of Mutual Recognition Agreements (MRAs) with GCC countries in technical standards, halal certification, sanitary and phytosanitary (SPS) measures, and professional qualifications. Upgrading national institutions such as BSTI and food safety authorities to meet international accreditation benchmarks is essential to facilitate smooth exports, especially in agro-food, pharmaceuticals, and halal sectors. (2) Institutional and Legal Reforms: Outdated investment laws, fragmented certification systems, and weak dispute resolution mechanisms are major barriers for GCC investors. Bangladesh should enact a modern Investment Protection Act, expand Bilateral Investment Treaties (BITs) with GCC states, and establish commercial arbitration courts tailored to investor needs. (3) Digital and Infrastructure Modernization, (4) Labor Mobility and Skills Recognition with reforms in Technical and Vocational Education and Training, (5) Export Diversification and Compliance Readiness.

9. Findings from the Field Survey

The field survey—drawing on extensive Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs)—confirms that Bangladesh–GCC trade relations are strong, evolving, and underpinned by deep structural complementarities. A central pillar of this relationship is the labor–remittance nexus, with over 5 million Bangladeshi workers in GCC countries contributing nearly US\$ 20 billion annually in remittances, reinforcing economic interdependence and people-to-people ties. Beyond labor, consistent demand exists in GCC markets for Bangladeshi goods such as RMG, seafood, vegetables, and halal products, while growing interest from GCC sovereign wealth funds and private investors in Bangladesh’s energy, SEZs, logistics, and infrastructure sectors reflects rising confidence in Bangladesh’s long-term economic prospects. Shared cultural and religious affinities—particularly in halal-certified trade—along with strategic alignment between GCC national visions (e.g., Saudi Vision 2030, UAE Vision 2031) and Bangladesh’s development goals, further strengthen the foundation for expanded collaboration.

However, the survey also highlights several persistent constraints limiting the full realization of this potential. Bangladesh’s engagement with the GCC remains overly dependent on labor exports and remittances, leaving trade and investment linkages underdeveloped and vulnerable to external shocks. Respondents identified underutilized investment potential due to regulatory uncertainty, procedural delays, land acquisition challenges, and weak institutional coordination. The absence of mutual recognition agreements (MRAs), limited alignment with GCC regulatory frameworks, inadequate SPS, halal certification, packaging standards, and weak cold chain infrastructure contribute to export rejections and higher transaction costs. Moreover, Bangladesh’s limited strategic alignment with GCC diversification agendas and the lack of a joint roadmap constrain deeper integration in high-value sectors.

Despite these challenges, the survey identifies substantial opportunities for diversification in both goods and services. High-potential export sectors include pharmaceuticals, halal food and agro-processed products, jute and eco-friendly goods, leather, home and technical textiles, ceramics, and frozen seafood, while service-sector opportunities span ICT and digital services, construction and engineering, healthcare, education and skills training, and hospitality support services. To unlock these opportunities, respondents emphasized the need for a layered trade agreement strategy—prioritizing PTAs in the short term, FTAs and MRAs in the medium term, and potentially CEPAs in the long term—alongside targeted investment facilitation, regulatory harmonization, and institutional capacity building. Addressing these gaps through proactive diplomacy, trade facilitation reforms, and strategic engagement can transform Bangladesh–GCC relations from a labor-centric partnership into a diversified, resilient, and investment-driven economic alliance.

Chapter 10: Conclusions and Recommendations

This study concludes that Bangladesh’s trade and investment relationship with the Gulf Cooperation Council (GCC) countries has strengthened markedly over the past decade and holds substantial untapped potential. Empirical analyses confirm robust and statistically significant export growth to all six GCC markets, with the United Arab Emirates (UAE) and Saudi Arabia (KSA) emerging as the dominant destinations. Bangladesh’s export basket to the GCC is gradually diversifying beyond traditional garments and textiles into higher-value products such as pharmaceuticals, leather goods, ceramics, processed foods, ICT services,

and skill-based professional services. Tariff simulation results underscore the high price sensitivity of Bangladeshi exports: even modest tariff increases could significantly suppress export volumes, while a 5 percent tariff reduction would generate broad-based export gains—particularly in Qatar, the UAE, and Saudi Arabia. Forward-looking projections indicate that exports to the GCC could reach USD 3.7 billion by 2030 and USD 4.3 billion by 2035, contributing approximately USD 2.9 billion and USD 3.43 billion to GDP and generating an estimated 2.59 million and 3.01 million jobs, respectively.

Despite these positive trends, the analysis identifies several structural and institutional constraints that limit deeper integration. Bangladesh's imports from the GCC remain heavily concentrated in energy and intermediate inputs, resulting in a persistent trade imbalance in favor of GCC countries. Investment interest from GCC economies—particularly in energy, infrastructure, logistics, and special economic zones—is rising, yet realized FDI remains below potential due to regulatory uncertainty, procedural delays, limited land readiness, and outdated investment protection frameworks. On the trade side, the absence of bilateral or regional trade agreements, weak compliance with GCC-specific standards (halal, SPS, pharmaceuticals), inadequate trade infrastructure, and limited branding and market intelligence continue to constrain export competitiveness. These gaps point to the need for a more strategic, coordinated, and GCC-focused policy response.

In response, the report recommends a phased and prioritized reform agenda centered on market access, export diversification, compliance readiness, and investment facilitation. Immediate priorities include strengthening bilateral engagement through FTAs/PTAs, DTAAs, BITs, and sector-specific MRAs; safeguarding tariff-free or preferential market access through proactive economic diplomacy; and establishing dedicated GCC trade and compliance mechanisms. Over the medium term, Bangladesh should deepen export diversification into high-value goods and services, develop a GCC-focused export promotion strategy, upgrade standards and testing infrastructure, and accelerate trade digitization through single-window and e-certification systems. In the longer term, enhanced investment facilitation, stronger public-private coordination, and integration of the labor-trade-investment nexus can anchor a durable partnership with GCC economies. Collectively, these measures can transform Bangladesh-GCC engagement from a predominantly labor- and energy-linked relationship into a diversified, rules-based, and investment-driven economic partnership aligned with Bangladesh's long-term development aspirations and the GCC's diversification agendas.

1. Introduction and Background

1.1 Background

The Bangladesh Regional Connectivity Project-1 (BRCP-1) of the Ministry of Commerce has commissioned this study to examine the prospects of enhanced trade and economic cooperation between Bangladesh and the Gulf Cooperation Council (GCC), and to develop policy recommendations for expanding market access and identifying priority areas of collaboration.

Bangladesh is progressing toward its national goals of becoming an Upper Middle-Income Country by 2030 and a developed country by 2041, while advancing implementation of the SDGs. With the country's upcoming graduation from LDC status, existing duty-free and quota-free market preferences will gradually phase out, underscoring the need for new trade strategies and diversified regional partnerships.

Trade remains a central driver of Bangladesh's economic growth—supporting employment, attracting investment, and integrating domestic enterprises into global markets. In this context, regional trade agreements play a critical role by reducing tariff and non-tariff barriers, enhancing competitiveness, and fostering economic integration. Bangladesh is therefore exploring deeper engagement with several regional blocs, including RCEP, MERCOSUR, BIMSTEC, IPEF, and the GCC.

The GCC is a major political and economic union with significant influence in global trade and energy markets. Bangladesh maintains strong bilateral relations with all GCC member states, reflected in expanding trade flows and substantial labor mobility. In FY 2021–22, Bangladesh exported USD 1.27 billion to the GCC and imported USD 5.85 billion, resulting in a trade imbalance but also highlighting the region's importance as a high-value market.

Given the strategic relevance of the GCC for exports, investment, energy security, and employment, this study aims to identify prospective sectors, assess market access opportunities, and propose actionable policy measures to strengthen Bangladesh–GCC economic cooperation in the post-LDC era.

1.2 Introduction

Bangladesh's economic transformation over the past decade has been marked by sustained growth, expanding global integration, and a strong commitment to achieving the national development goals articulated in Vision 2030 and Vision 2041. As the country prepares for its graduation from Least Developed Country (LDC) status, the need to diversify export markets, secure stable trading relationships, and strengthen regional economic cooperation has become increasingly critical. The phasing out of LDC-specific preferential market access will require Bangladesh to adopt new strategies that enhance competitiveness and deepen engagement with dynamic regional blocs.

Against this backdrop, the GCC emerges as a strategically important partner for Bangladesh. The GCC is a major global hub for energy, investment, and trade, and hosts a large Bangladeshi expatriate workforce that significantly contributes to the national economy through remittances. Bilateral trade between Bangladesh and GCC countries has expanded over the years, yet substantial untapped potential remains in goods, services, investment, and broader economic cooperation.

Recognizing this opportunity, the Bangladesh Regional Connectivity Project-1 (BRCP-1) of the Ministry of Commerce has commissioned this study to assess the prospects of enhanced trade and economic cooperation with the GCC and to develop evidence-based policy recommendations for improving market access and identifying priority areas of collaboration. The study seeks to analyze current trade patterns, evaluate sector-specific

opportunities, examine regulatory and market conditions in GCC countries, and propose actionable measures to strengthen Bangladesh's position in the region.

The findings of this study are expected to support the Government of Bangladesh in formulating a forward-looking trade strategy that aligns with post-LDC graduation requirements, enhances export diversification, and leverages regional partnerships to sustain long-term economic growth.

Objectives of the study: The overall objective of this study is to assess Bangladesh's economic prospects within the Gulf Cooperation Council (GCC) and provide strategic policy recommendations aimed at strengthening market access and cooperation. The study seeks to promote mutually beneficial relationships and sustainable economic growth between Bangladesh and GCC countries.

Specific objectives include identifying key sectors, evaluating regulatory frameworks, and recommending measures to streamline trade processes, thereby supporting regional stability and fostering enduring partnerships between Bangladesh and the GCC identifying prospective market access and area of co-operation.

1.3 Scope of the Study

The scope of this study includes the following key areas:

- 1) **Export and import analysis by product and country:** Analyze historical trade trends between Bangladesh and GCC countries, examining exports and imports on a product-by-product and country-by-country basis. Identify potential markets for diversified Bangladeshi products, including an assessment of tariff and non-tariff barriers.
- 2) **Market share comparison and Identify market access opportunities:** Compare the market share of Bangladesh's top 20 products in GCC countries against competitors like India, China, Vietnam, and Thailand to identify competitive positioning and potential areas for growth.
Explore and evaluate new market access opportunities for Bangladeshi goods and services in GCC countries, with a focus on overcoming tariff and non-tariff barriers.
- 3) **Economic modeling:** Conduct economic modeling to assess the potential benefits of enhanced trade and economic cooperation with the GCC for Bangladesh, highlighting projected impacts on GDP growth, employment, and trade balance.
- 4) **Investment opportunities in Bangladesh:** Identify investment prospects for GCC countries in non-energy sectors in Bangladesh, such as ports, textiles and clothing, ceramics, pharmaceuticals, IT and software services, banking and finance, and real estate **Examine investment potential:** Investigate potential areas for investment collaboration, pinpointing sectors that offer high potential for mutual benefit, such as infrastructure, healthcare, and information technology.
- 5) **Gap analysis of policy and legal framework:** Perform a gap analysis of Bangladesh's policy and legal frameworks in relation to GCC standards, providing recommendations for harmonizing regulations to facilitate trade and investment.
Study regulatory frameworks: Examine the regulatory frameworks in GCC countries, identifying key challenges faced by Bangladeshi exporters and investors, and propose policy recommendations to enhance trade facilitation and regulatory alignment. **Develop policy recommendations:** Formulate detailed policy recommendations for the Government of Bangladesh to enhance diplomatic, economic, and trade relations with the GCC, taking into account the unique dynamics of each GCC member country.

- 6) **Prospect and policy recommendations:** Develop policy recommendations aimed at enhancing Bangladesh's market access and cooperation opportunities within the GCC.

Additional Areas of Analysis:

- 1) **Evaluate economic prospects:** Assess current and potential economic opportunities for Bangladesh within GCC member countries, considering growth trends and emerging sectors.
- 2) **Analyze trade relations:** Conduct an in-depth analysis of existing trade relations between Bangladesh and GCC countries, identifying strengths, patterns, and areas where improvements can be made.
- 3) **Assess sectoral cooperation:** Identify specific sectors with significant potential for cooperation, such as energy, technology, infrastructure, and healthcare, and outline strategic pathways for establishing joint ventures and partnerships.
- 4) **Analyze cultural and social dynamics:** Assess cultural and social factors that influence business interactions between Bangladesh and GCC nations, and develop strategies to promote effective cross-cultural engagement.
- 5) **Propose trade facilitation measures:** Recommend measures to streamline trade processes, minimize bureaucratic obstacles, and promote smoother and more efficient transactions between Bangladesh and GCC member states.
- 6) **Consider environmental sustainability:** Evaluate the environmental implications of potential trade and investment collaborations, and recommend sustainable practices that align with both Bangladesh's and GCC's environmental priorities.

This study has been designed to provide a comprehensive analysis and actionable insights for the Government of Bangladesh to leverage opportunities within the GCC, strengthen economic ties, and ensure sustainable development in the context of a changing global trade environment. Through this in-depth analysis, the study will offer strategic insights and a pragmatic roadmap for the Government of Bangladesh to enhance its economic footprint in the GCC. It aims to empower policymakers with the data and tools necessary to negotiate more favorable trade terms, attract investments, and ensure inclusive, sustainable development amid a rapidly evolving global trade environment.

1.4. Methodology and approach

1.4.1. Approach to the study

Based on the Terms of Reference (ToR), background review, and the availability of relevant secondary information, the study adopted a mixed-methods approach combining both quantitative **and** qualitative data collection and analysis. This ensured a comprehensive understanding of the current trade landscape, opportunities, and challenges between Bangladesh and the GCC countries.

(i) Quantitative Data

Quantitative data were collected from secondary sources, including:

- Statistical yearbooks (e.g., ITC, GCC STAT, OEC, Trade Yearbook, Bangladesh Bureau of Statistics, etc.)
- Export data from the Export Promotion Bureau (EPB)
- Financial and remittance data from the Bangladesh Bank
- Trade and investment figures from relevant GCC government websites and databases
- Reports and publications by international organizations (e.g., World Bank, ADB, ITC, etc.)
- Trade-related news articles, policy briefs, and research papers

This data were used to analyze market share, potential markets, trade volumes, market trends, sectoral and competitiveness, etc.

(ii) Qualitative Data

To supplement secondary data, qualitative data were collected through Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs). KIIs and FGDs were conducted with the experts from the government organizations, private sector and think tank academia to capture perceptions, experiences, and recommendations on trade and investment with the GCC region.

Justification for selecting respondents for KIIs and FGDs

The selection of respondents for the Key Informant Interviews (KIIs) and FGDs were guided by the need to capture a comprehensive, policy-relevant, and market-informed understanding of Bangladesh's trade and investment prospects with the GCC countries. Government institutions such as Bangladesh Bank, National Board of Revenue, Ministry of Commerce (FTA Wing), Bangladesh Trade and Tariff Commission, and Export Promotion Bureau were purposively selected due to their central roles in trade policy formulation, tariff and fiscal management, export promotion, and financial regulations. Insights from these agencies were essential to assess existing policy frameworks, regulatory constraints, ongoing trade negotiations, and institutional readiness for deeper economic engagement with the GCC region.

Private sector organizations and industry associations were included to reflect firm-level experiences, sector-specific export challenges, market access barriers, and investment opportunities in GCC markets. Key apex bodies and export-oriented associations—covering garments, knitwear, jute goods, agro-products, pharmaceuticals, leather and footwear, and women-led enterprises—were selected to ensure representation of Bangladesh's major and emerging export sectors with relevance to GCC demand. In addition, inputs from think tank academia, particularly Gazipur Agricultural University, were incorporated to provide analytical perspectives on agri-food trade potential, standards compliance, and diversification opportunities. Together, this mix of respondents ensured triangulation of perspectives across policy, market, and research domains, strengthening the robustness and practical relevance of the study's findings and policy recommendations.

The key stakeholders for conducting KIIs and FGDs were identified from the government agencies, private sector and think tank academia as follows: (i) Government organizations: (1. Bangladesh Bank (BB), (2) National Board of Revenue (NBR), (3) Ministry of Commerce (MOC), FTA Wing, (4) Bangladesh Trade and Tariff Commission (BTTC), (5) Export Promotion Bureau (EPB). ii) Private sector: (6) Federation of Bangladesh Chamber of Commerce and Industries (FBCCI), (7) Dhaka Chamber of Commerce and Industries (DCCI), (8) Bangladesh Garments Manufacturing Exporters Association (BGMEA), (9). Bangladesh Knitwear Manufacturers and Exporters Association. (BKMEA), (10). Bangladesh Jute Goods Exporter Association (11) Bangladesh Fruits, Vegetables & Allied Products Exporter's Association (BFVAPEA) (12). Bangladesh Association of Pharmaceuticals Industries (BAPI), (13). Leather goods And Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB), (14) Dinajpur Women Chamber of Commerce. (iii) Think tank academia: (14) Gazipur Agricultural University (GAU).

1.4.2. Detailed Methodology for the Study

The study has been conducted in three interrelated phases, utilizing both primary and secondary data sources, as outlined below:

Phase 1: Inception and Desk Review

- Review of project documents and TOR
- Collection and analysis of secondary data
- Identification of key stakeholders and development of data collection tools (KIIs and FGD checklists)
- Drafting of inception report and finalization after inception meeting with the stakeholder

Phase 2: Data Collection and Field Engagement

- Conducting KIIs and FGDs with targeted stakeholders
- Collection of trade statistics, investment data, and relevant policy/regulatory documents
- Preliminary synthesis of findings to identify trends, gaps, and opportunities

Phase 3: Analysis, Reporting, and Recommendations

- Analysis of both quantitative and qualitative data using appropriate statistical and thematic methods
- Development of comparative assessments, sectoral profiles, and investment opportunity maps
- Formulation of strategic policy recommendations to enhance market access, trade facilitation, and investment cooperation between Bangladesh and GCC countries
- Preparation of the draft and final report, integrating stakeholder feedback

A flowchart (Figure 1) is provided below to visually illustrate the step-by-step methodology and data flow across the three phases of the study.

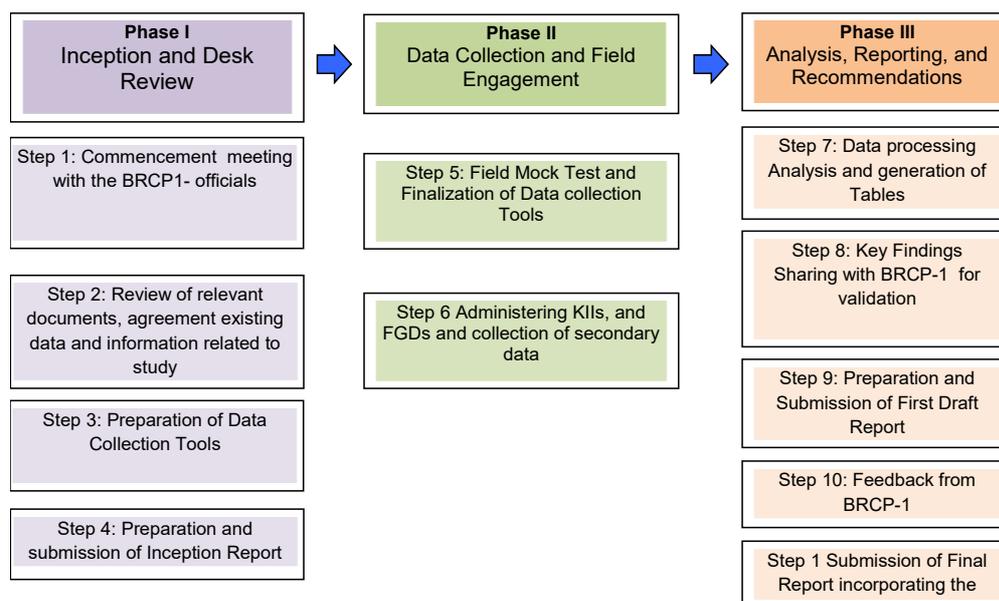


Figure 1 Phases and steps of the study

Phase - I: Inception and Desk Review

Step 1: Commencement meeting with the BRCP1- officials

The Consultant commenced the assignment immediately upon signing the contract. He conducted initial consultation with BRCP-1 Management to exchange views and share opinion that helped to finalize the methodology, survey plan and data collection instruments. Also, he



collected all necessary information, identified key stakeholders for collection of data and project-related information from the BRCP-1 Management.

Step 2: Review of relevant documents, agreements, existing data and information related to study

The consultant reviewed necessary documents from multiple secondary sources during the inception work like published and unpublished reports, relevant project documents, review of the agreement, analyzing and comparing among regulatory regimes, measuring indicators and reports on any other related consultancies commissioned by the project, scholarly articles, EPB data, BBS data, GCC-Stat, online portals, Newspaper articles and any other relevant documents etc. This review helped drafting the questions for the KIIs and FGDs.



Step 3 Preparation of data collection tools

Considering objectives and scope of the study, the consultant prepared survey instruments (checklists) that contain qualitative questions on the key dimensions of the issues of the present study. Following survey instruments were prepared for collection of primary information and data relating to the study:

- Checklist for (KIIs);
- Checklist for Focus Group Discussion (FGD).

The check lists included the following key areas:

- Investment opportunities in Bangladesh for GCC countries in non-energy sectors in Bangladesh
- Gaps of Bangladesh's policy and legal frameworks in relation to GCC standards,
- Current and potential economic opportunities for Bangladesh within GCC member countries
- Existing trade relations between Bangladesh and GCC countries, identifying strengths, patterns, and areas where improvements can be made.
- Identify specific sectors with significant potential for cooperation
- Regulatory frameworks in GCC countries, identifying key challenges faced by Bangladeshi exporters and investors
- Cultural and social factors that influence business interactions between Bangladesh and GCC nations
- Trade facilitation issues
- Identification of key challenges and their solutions, etc.

Step 4 Preparation and submission of inception report

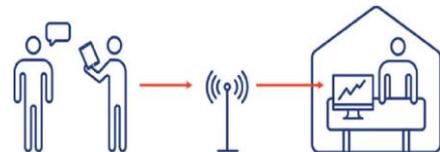
A draft inception report was submitted. After receiving feedback from BRCP-1 officials the inception report and checklists for field level data collection were finalized.

Phase II: Data Collection and Field Engagement

Step 5: Administering Data Collection (KIIs, FGD and secondary data)

Ethical Clearance: The consultant Liaise and secured the necessary authorizations from the BRCP-1 Management and Authority for conducting KIIs and FGDs. The consultant followed all the policy and ethical considerations of BRCP-1 and respect all Human Rights.

Key Informants Interview (KIIs): As per TOR, conducted 11 Key Informant Interviews (KIIs) with the key stakeholders We shall undertake Key Informant Interviews (KII) with the key stakeholders as mentioned earlier KIIs were conducted by the Consultant and field staff.



Focus Group Discussion (FGD): As per TOR, conducted 1 Focus Group Discussions (FGDs) at the key stakeholder level where around 5-8 participants involved. Conducted FGD with the key stakeholders including Exporters, Importers, Chamber of Commerce, and Government officials. The FGD was audio-recorded, notes and photographs were taken. The FGD will complement the data generated from the qualitative and quantitative methods.

Phase III: Analysis, Reporting, and Recommendations

Step 6: Data processing, analysis and generation of tables

The collected data were processed and database were prepared for analysis. The collected were analyzed by using SPSS software and NCSS software. Taking into account the TOR of the study, interpretation of data were made by the consultants.

1.4.3 Data analysis

1.4.3.1 Quantitative data

Analytical framework

To fulfill the study objectives, both descriptive and econometric techniques were employed to analyze quantitative data. This includes trend analysis, projections, and the application of econometric modeling to estimate potential impacts and assess opportunities for trade and economic cooperation between Bangladesh and the GCC countries.



(1) Analysis of key indicators influencing trade

The analysis focus on a set of macroeconomic and trade-related indicators that significantly influence export and import dynamics between Bangladesh and the GCC member states. These include:

- **Macroeconomic Indicators:** GDP growth, inflation, exchange rates, Foreign direct investment, etc
- **Trade and Investment:** Export and import values, tariff and non-tariff barriers, FDI inflows, investment opportunities.
- **Sectoral Competitiveness:** Sector-specific competitiveness (e.g., textiles, garments,).
- **Regulatory Environment:** Reforms in tax policies, investment incentives, digital infrastructure, and entrepreneurship promotion.

(2) Analytical models and projections

a. Descriptive and Trend Analysis

We will analyze growth and historical trend of key indicators- exports, imports, and potential market for the diversified product. and projections: Conducted product and country wise export, import, and investment opportunities/potentials, benefits, supporting business environment, etc. Tabular and graphical analysis were carried out.

b. Exponential Growth Time Series Analysis

To analyze non-linear growth trends in trade and economic indicators, the exponential growth model were applied:

$$Y_t = b_0(b_1^t) + e_t \quad (1)$$

Taking natural logarithm of equation (1) we get, $\ln Y_t = \ln b_0 + t \ln b_1 + \ln e_t$ (2)

where

- Y_t = the value of the data at time t
- b_0 = a constant
- b_1 = the coefficients for time
- e_t = white noise or random error term

An exponential growth trend was fitted to observations Y_t by applying ordinary least-squares regression to the equation (2).

c. Potential impact of tariffs on export of Bangladesh to GCC countries

Understanding the impact of tariffs on Bangladesh's export to GCC countries is important for the policy makers as well as for the private sectors. For understanding the potential impact of tariff on export we have used a professional popular simulator tool known as OEC Tariff Simulator, a tool to explore the potential impact of tariffs by interacting with an advanced tariff model.

The model and data used to estimate the impact of tariffs

The OEC Tariff Simulator uses an expanded and revised version of the bilateral relatedness model developed by Jun et al. (2020). This is an extended gravity model that combines information on the current exports and imports, tariff rate by country and product, the distance between countries, their GDPs and populations, measures of cultural and geographic similarity etc. to measure impact on export of Bangladesh.

d. Projections of potential export scenarios

We have conducted economic modeling to assess the potential benefits of enhanced trade and economic cooperation with the GCC for Bangladesh. For this purpose Auto-regressive Integrated Moving Average (ARIMA) model was used considering export of Bangladesh's products in the GCC countries.

The **Auto-Regressive Integrated Moving Average (ARIMA)** model, developed by Box and Jenkins (1976), were applied for forecasting exports in the GCC countries. This method is particularly suitable for time series data with potential autocorrelation and non-stationary. The Box and Jenkins ARIMA model is widely used in the world for forecasting purposes because of its very low forecast error and reliability of estimates (Box and Jenkins 1976). The ARIMA (p, d, q) model has p and q autoregressive and moving average terms of the stationary time series of order dis expressed as:

$$(Y_t - \alpha_1 Y_{t-1} - \alpha_2 Y_{t-2} - \dots - \alpha_p Y_{t-p}) = \beta_0 + (u_t - \beta_1 u_{t-1} - \beta_2 u_{t-2} - \dots - \beta_q u_{t-q}) \quad (3)$$

Where: Y_t is the d^{th} difference of the original time series, and U is a random noise. Differencing of the original variable gives a stationary time series t .

NCSS software were utilized for the estimation of these econometric models.

(3) Analyze Market share and market access opportunities: We analyzed market shares of Bangladesh's selected top 10 products (regular and diversified products) and that of the competitor countries India, China and Vietnam. Examined potential markets for existing and diversified products. Descriptive statistics were estimated and graphs were used for visualizing information.

(4) Analyze trade relations: We analyzed present trade scenario and trade relations between Bangladesh and GCC countries, identified strengths, patterns, and areas where improvements can be made. Tabular analysis and graphs will be used.

(5) Analyze regulatory frameworks, policy gap and trade facilitation measures: Examined the regulatory frameworks in GCC countries, identifying key challenges faced by Bangladeshi exporters, and investors, and proposed policy recommendations to enhance trade facilitation, ease of doing business and regulatory alignment. Some specific analysis were carried on:

- Conduct policy comparison of GCC countries and Bangladesh

- Identify favorable trade policy and drivers,
- Examine tariff and non-tariff barriers,
- Examine by bilateral agreement between Bangladesh and GCC countries
- Examine regulatory compliance
- Tabular and graphical analysis were be carried out

(6) Conducted a gap analysis of Bangladesh’s policy and legal frameworks in relation to GCC standards. Reviewed exiting policy and legal frameworks and identified gaps. A matrix of policy, legal frameworks, gaps and necessary recommendation were formulated.

Gave prioritized recommends and rod map of policy actions to streamline trade processes, minimize bureaucratic obstacles, and promote smoother and more efficient transactions between Bangladesh and GCC member states.

(7) Action matrix: Prepared a matrix of challenges, actions required to augment export of Bangladesh to GCC countries, and concerned organizations to support the actions in the recommendation chapter of the study report.

(8) Findings of the quantitative data and qualitative data from KIIs and FGDs were presented separately in the study report.

(9) Software used

Estimated descriptive statistics, tabular analysis, graphs, flow diagram, etc. Software used for data analysis and modeling were Excel, SPSS, NCSS, OEC tools, etc.

1.4.3.2 Qualitative data analysis

For qualitative data rank ordering of responses on specific issues were done. For qualitative data analysis tools like Content analysis, Narrative analysis, etc. were performed.

Qualitative data were collected through KIIs, and FGDs The following stages were applied for the formalization of qualitative information through tabulation, structuring, data entry and data processing. Data processing refers to:

- Identification of critical categories, patterns, influences, etc.
- Presentation of data (usually takes narrative form enforced .).
- Argument and proposition development.
- With the objective to answer the ‘why’ and ‘how’ questions-analysis takes a qualitative (narrative-based) turn with the support of quantitative means, i.e. scoring, ranking, triangulation, composite scoring.

Preparation and submission of Draft Report and validation workshop

The consultant prepared a draft report on the basis of the (1) Findings on the basis of desk research with secondary data.(2) Findings from the field suvey- KIIs and FGDs.

Feedback from BRCP-1: The BRCP-1 Management reviewed the Draft Report and provided feedback with valuable comments and suggestions. The consultant incorporated those comments and suggestion to enrich the report. The draft report was presented in a validation workshop.

Submission of Final Report: The Draft Report has been finalized incorporating comments and suggestions received from the BRCP-1 Management and feedback received from the

validation workshop also incorporated and finalized the report. The final report has been produced and submitted to the BRCP-1.

2. Economic Landscape of Bangladesh and GCC

2.1 Overview of Bangladesh's economy and key macroeconomic indicators

Bangladesh has emerged as one of the fastest-growing economies in South Asia, underpinned by a strong demographic dividend, a vibrant manufacturing sector, and a growing service industry. The economy of Bangladesh gained considerable momentum between FY2012 and FY2022 with an average GDP growth rate of 6.74 percent, significantly exceeding the average growth rate of emerging markets and developing economies. Owing to the outbreak of COVID-2019 in 2020, the global economy was hit with an abrupt slowdown and consequently many countries including the developed ones had to endure negative growth rates. However, Bangladesh was one of few countries that managed to remain in the positive growth quadrant. The GDP growth rate in FY2020 fell to 3.45 percent from 7.88 percent in FY2019. In FY2022-23, despite global uncertainties, Bangladesh's GDP growth stood at approximately 5.8%, reflecting resilience in domestic consumption and investment.

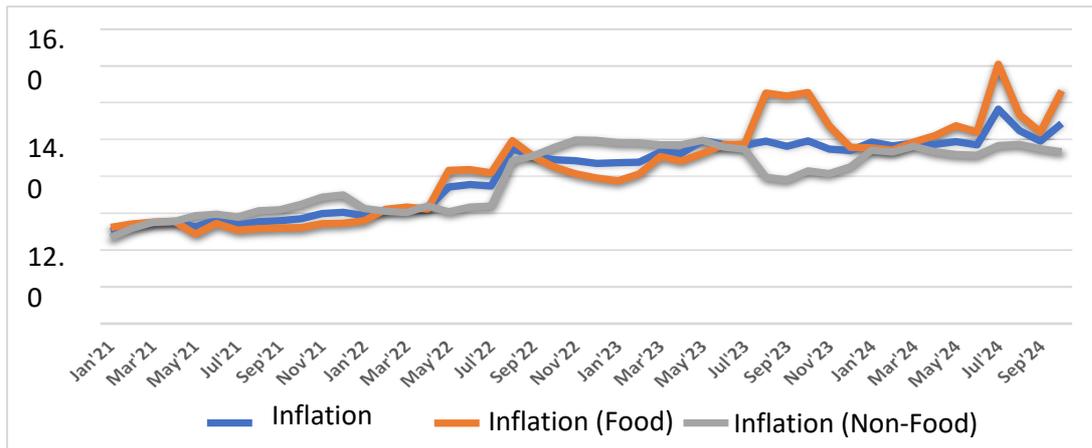
The economic structure of Bangladesh is dominated by the agriculture, industry, and services sectors. The ready-made garment (RMG) industry remains the country's export powerhouse, accounting for over 80% of total exports. Remittances, primarily from migrant workers in the Middle East, particularly the GCC countries, play a critical role in macroeconomic stability, contributing significantly to foreign exchange reserves and household income.

Bangladesh is gradually transitioning from a low-income to a lower-middle-income country and aspires to achieve upper-middle-income status by 2031 and developed country status by 2041. The government has prioritized infrastructure development, digital transformation, and export diversification, with an increasing focus on ICT, pharmaceuticals, and agro-processing.

Despite its progress, Bangladesh faces challenges such as infrastructure bottlenecks, limited access to finance, skill mismatches, and climate vulnerability. Addressing these constraints is key to sustaining long-term growth and global competitiveness.

Inflation and Exchange Rate

The resulting uncertainty due to Ukraine war in the global supply of essential commodities such as wheat, fertilizer, and gas caused price hike sharply impacting nearly all countries, including Bangladesh. As a result, point-to-point inflation, which stabilized at around 6 percent between FY2013 and FY2021, has exceeded 10 percent in recent times (Figure 2). To contain further rise in inflation, the government has increased policy rates and started to monitor import prices stringently.



Source: Bangladesh Bureau of Statistics

Figure 2. Inflation (point to Point) since January 2021

As global inflation started to rise in the beginning of 2022, most of the countries and regions including the US and the EU adopted tight monetary policy and raised interest rates. Because of this, Bangladeshi Taka, like many other currencies, started to depreciate against the US dollar. Calculations show that Taka depreciated against the US dollar by almost 25 percent between FY2021 and FY2023(Figure 3). Taka further depreciated by 25 percent to take 120 per US\$ in August 2024 and since then it remains same.

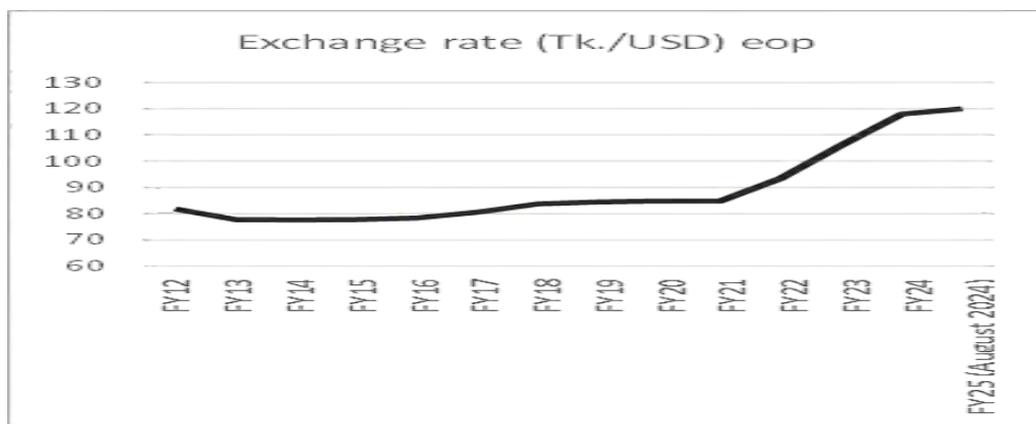


Figure 3. Exchange rate of Bangladesh Taka with USD

Source: Finance Division, Ministry of Finance

External Sector

The key external sector variables showed robust growth during the FY2012-FY2022 period. The growth of these variables, however, slowed down when COVID-19 broke out globally. In FY2012, the volume of exports (f.o.b) and imports (f.o.b) were US\$ 24.3 billion and US\$ 35.5 billion respectively (Figure 4). This grew to US\$ 49.25 billion and US\$ 82.49 billion respectively by the end of FY2022. During the COVID-19 peak period (FY2020-2021), global trade slowed down because of lockdown imposed by all the countries. When the vaccine arrived and situation started to normalize, a surge in

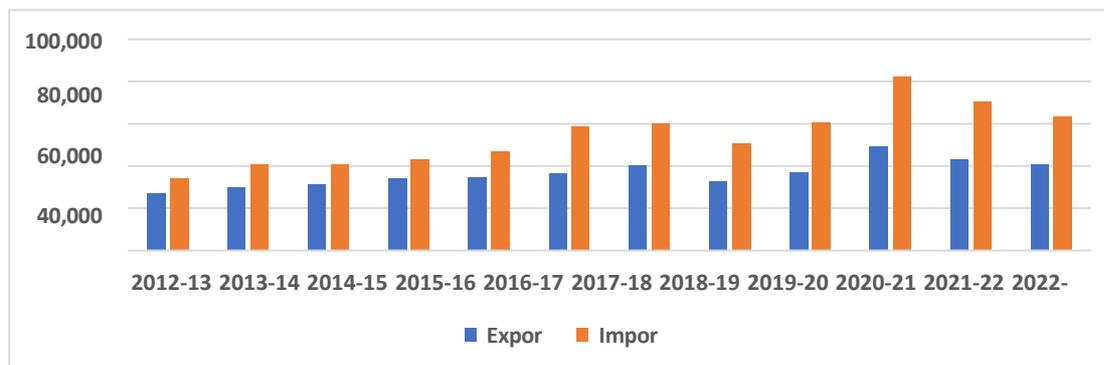
both export and import was observed in FY2022. In that year, imports grew by more than 35 percent to US\$ 82.49 billion and exports grew by more than 33 percent to US\$ 49.25 billion. This reveals that during the FY2012-FY2022 period, both the volume of exports and the volume of imports almost doubled.

Remittance has been a key stabilizing factor for the economy. The inflow of remittances remained stable and during the period FY2012- FY2024 grew with an average of 6.1 percent per annum. Yearly remittance inflow in FY2000 was only US\$ 1.95 billion, which grew to US\$ 23.9 billion by the end of FY24 (Figure 5). When combined with the net exports, figures for several years were found to be positive, and this has helped to build the foreign exchange reserves.

Foreign Direct Investment

The flow of foreign direct investments into Bangladesh is gradually picking up. During the FY2010-FY2022 period, on average, US\$ 2.09 billion FDI entered the country annually. In FY 2022, the total FDI inflow reached US\$ 3.44 billion. Data for the first three quarter shows that, at an annualized rate, about US\$ 3 billion FDI flowed into Bangladesh in FY2024. (Figure6). A summary of some macroeconomic indicators of Bangladesh are presented in Table 1.

Figure 4. Export and import of Bangladesh during 2012-24 (in Million US\$)



Source: Finance Division, Ministry of Finance, Bangladesh Bank and Export Promotion Bureau

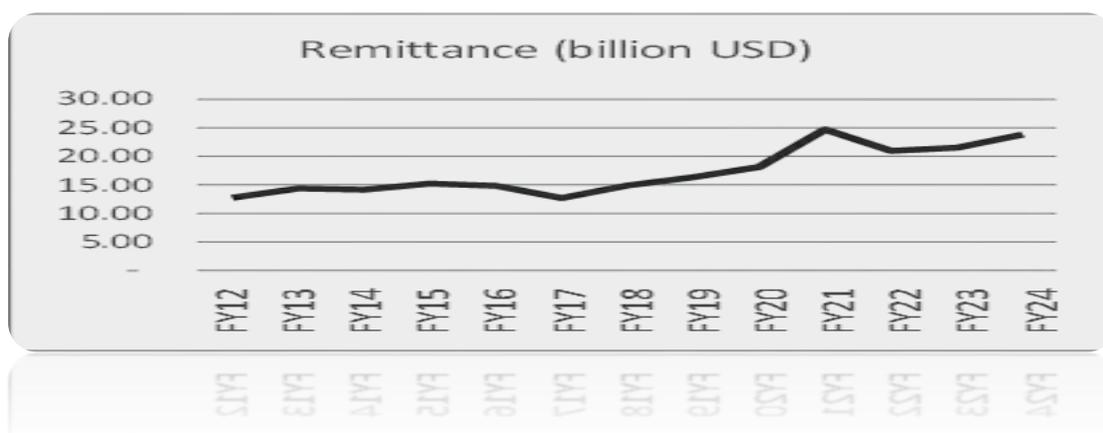


Figure 5. Remittance inflow in Bangladesh

Source: Finance Division, Ministry of Finance

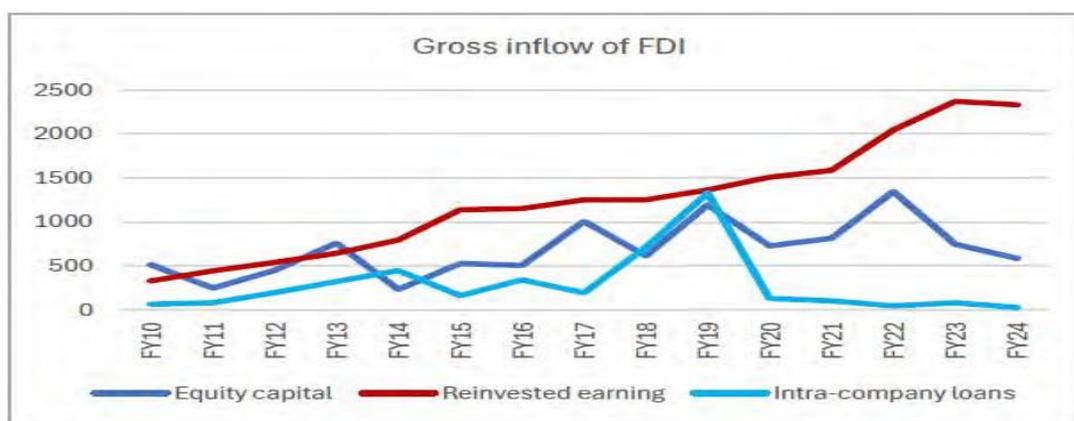


Figure 6. Component of FDI inflow into Bangladesh

Source: Finance Division, Ministry of Finance

Table 1 Current status of some macroeconomic indicators of Bangladesh

Indicator	Unit	2019-20	2020-21	2021-22	2022-23	2023-24(p)
GDP Growth	%	3.45	6.94	7.10	5.78	5.82
Investment	% of GDP	31.31	31.02	32.05	30.95	30.98
Private investment	% of GDP	24.02	23.70	24.52	24.18	23.51
Public Investment	% of GDP	7.29	7.32	7.53	6.77	7.47
Tax Revenue	%of GDP	7.00	7.64	7.54	7.30	7.32
Budget deficit	%of GDP	4.87	3.70	4.56	4.6	4.00
Import	Mill. US\$	50,690	60,681	82,495	70,748	63,242
Export	Mil US\$	32,832	36,903	49,245	43,364	40,810
Remittance	Mil US\$	18,205	24,778	21,032	21,611	23,912
FDI	Mil US\$	3,233	3,387	4,636	4,428	4,160
Exchange rate	Taka per US\$	84.78	84.81	86.30	99.46	111.06
Current account Balance	% of GDP	-1.26	-1.10	-4.05	-2.58	-1.43
Foreign exchange Reserve	Mil US\$	36,037	46,391	41,827	31,203	26,093
Inflation	%	5.65	5.56	6.15	9.02	9.73
External Debt	% of GDP	11.8	11.9	12.5	15.0	16.0

Source: EPB, Bangladesh Bank, ERD and BBS

2.2 Overview of the GCC economy and key macroeconomic indicators

The six GCC countries represents one of the most dynamic and strategically significant regional blocs in the global economy. Since its establishment in 1981, the GCC has evolved into a major hub for energy production, international trade, investment flows, and labor mobility. The region's economic structure is shaped by abundant hydrocarbon resources,

high per-capita income, ambitious diversification agendas, and a demographic profile dominated by expatriate workers. This chapter provides a narrative overview of the GCC economy, focusing on GDP growth, population dynamics, per-capita income, inflation trends, trade performance, foreign direct investment, and the inflow of foreign workers.

Economic Size and Growth Trends

The GCC economies collectively generate more than USD 2 trillion in GDP, positioning the bloc among the world's largest regional economic groupings. Saudi Arabia and the United Arab Emirates account for the majority of this output, reflecting their diversified economic bases and large-scale investment programs. While hydrocarbon revenues remain the backbone of GCC fiscal strength, recent years have seen a deliberate shift toward non-oil sectors such as logistics, tourism, manufacturing, financial services, and renewable energy. Economic growth in the GCC has moderated following the post-pandemic rebound, but medium-term prospects remain stable, supported by structural reforms, public investment, and ongoing economic diversification strategies such as Saudi Vision 2030, UAE Centennial 2071, Qatar National Vision 2030, and similar national development plans across the region.

Population and Demographic Characteristics

The GCC has a combined population of roughly 60 million, with significant variation across member states. Saudi Arabia is the largest, while Bahrain is the smallest. A defining demographic feature of the GCC is the exceptionally high share of expatriate workers, who constitute the majority of the labor force in the UAE, Qatar, Kuwait, and Bahrain. In several GCC states, expatriates account for 70–90 percent of the total population. This demographic structure has shaped labor markets, consumption patterns, and the overall economic model of the region, making foreign labor a critical driver of economic activity.

Per Capita Income and Level of Development

The GCC is one of the world's highest-income regions. Qatar, the UAE, and Saudi Arabia consistently rank among the top countries globally in terms of GDP per capita, reflecting strong hydrocarbon revenues, high productivity in capital-intensive industries, and substantial sovereign wealth assets. Human development indicators across the GCC are similarly high, with strong performance in education, health, infrastructure, and digital connectivity. These development outcomes have been supported by sustained public investment and comprehensive social welfare systems.

Inflation and Macroeconomic Stability

Inflation in the GCC has historically remained moderate due to stable exchange rate regimes—most GCC currencies are pegged to the US dollar—along with government subsidies and strong fiscal buffers. While global commodity price fluctuations occasionally influence domestic inflation, the region generally maintains price stability relative to many emerging economies. This macroeconomic stability has been a key factor in attracting foreign investment and supporting long-term development planning.

Trade Performance: Exports and Imports

The GCC is a major global exporter, primarily of crude oil, refined petroleum products, natural gas, petrochemicals, and aluminum. Hydrocarbon exports account for a substantial share of government revenue and foreign exchange earnings. At the same time, the GCC is a large importer of machinery, vehicles, electronics, food products, construction materials, and consumer goods. The region's strategic geographic location—connecting Asia, Africa, and Europe—has enabled it to develop world-class ports, logistics hubs, and free-trade zones, reinforcing its role as a global trade gateway.

Foreign Direct Investment (FDI)

FDI inflows into the GCC have grown steadily, driven by large-scale infrastructure projects, economic diversification initiatives, and regulatory reforms aimed at improving the business environment. The UAE and Saudi Arabia are the leading destinations for FDI in the region, attracting investment in renewable energy, logistics, financial services, real estate, technology, and tourism. GCC sovereign wealth funds—among the largest in the world—also play a significant role in global investment markets, further strengthening the region’s financial influence.

Inflow of Foreign Workers

Foreign labor is a cornerstone of the GCC economic model. Millions of expatriate workers from South Asia, Southeast Asia, Africa, and other regions contribute to the construction, services, manufacturing, logistics, and domestic work sectors. The GCC’s reliance on foreign labor has shaped its demographic structure, wage patterns, and economic competitiveness. For countries like Bangladesh, the GCC remains the single most important destination for overseas employment, with remittances from GCC-based workers forming a critical component of national income and household livelihoods.

The GCC economy is characterized by high income levels, strong fiscal capacity, a large expatriate workforce, and ongoing efforts to diversify beyond hydrocarbons. Its strategic location, investment potential, and demand for labor make it an important economic partner for Bangladesh. Understanding the structural features of the GCC economy is essential for identifying opportunities for enhanced trade, investment, and cooperation—particularly in the context of Bangladesh’s post-LDC graduation strategy.

2.3 Comparative Analysis: Bangladesh and the GCC

Synthesis

While Bangladesh and GCC economies differ significantly in income levels, economic structure, and development status, there is strong potential for complementary cooperation. Bangladesh offers a cost-competitive labor force and export capabilities in sectors like garments, agriculture, and pharmaceuticals. Conversely, the GCC presents opportunities in capital, technology, and markets for Bangladeshi products and services. Table 2 presents information on comparative analysis of Bangladesh and GCC countries

In light of shifting global trade dynamics, climate adaptation imperatives, and the need for inclusive growth, deeper Bangladesh-GCC cooperation in areas such as skilled labor migration, halal food trade, infrastructure, and renewable energy could prove mutually beneficial.

Table 2 Comparative analysis: Bangladesh and the GCC

Aspect	Bangladesh	GCC Countries
Economic Classification	Lower-middle income	High-income
Main Economic Drivers	RMG exports, agriculture, remittances	Oil and gas, financial services, real estate, logistics
GDP Growth Trend	5.5–7% (pre-pandemic and recovering)	2–5% (variable, linked to oil prices and diversification success)
Demographics	Large, young, low-cost labor force	Smaller populations, high reliance on migrant labor
Export Basket	Concentrated (mainly RMG), Agri-food, leather goods and Pharmaceuticals	Diversified in some, but still oil-dominant in many countries
Import Needs	Capital machinery, fuel, food	Labor-intensive goods, garments,

Aspect	Bangladesh	GCC Countries
	products	food products, services
Investment Climate	Emerging reforms, infrastructure growth, SEZs	Business-friendly, high FDI inflow, mature infrastructure
Remittance Flows	Major recipient, particularly from GCC countries	Major source of remittances
Strategic Priorities	Industrialization, export diversification, LDC graduation	Economic diversification, sustainability, private sector development
Key Opportunities	GCC labor markets, trade and investment partnerships	Import substitution, sourcing from Bangladesh, joint ventures, food security

Bangladesh and the GCC countries represent contrasting economic profiles, yet offer complementary strengths that can be harnessed for deeper trade and investment cooperation. Bangladesh is classified as a lower-middle-income economy, while GCC nations fall within the high-income bracket, largely due to their resource wealth and diversified service sectors. Bangladesh’s economy is driven by ready-made garment (RMG) exports, agriculture, and remittance inflows, whereas the GCC relies on oil and gas, financial services, real estate, and logistics.

Demographically, Bangladesh benefits from a large, youthful, and cost-effective labor force, which underpins its export competitiveness. GCC countries, with smaller native populations, are heavily reliant on migrant labor—much of which originates from South Asia, including Bangladesh. This labor dynamic creates a strong interdependence and opens avenues for skill-based service exports.

Bangladesh’s export basket remains concentrated, dominated by RMG, agri-food products, and leather goods. GCC countries, while diversifying in some sectors, still maintain a heavy dependence on oil exports. However, their import needs—particularly for labor-intensive goods, food products, and services—align well with Bangladesh’s production capabilities.

The investment climate in Bangladesh is evolving, with reforms underway to improve infrastructure, expand Special Economic Zones (SEZs), and attract foreign capital. GCC countries, on the other hand, offer mature infrastructure, streamlined regulatory frameworks, and consistently high FDI inflows, making them attractive partners for joint ventures and strategic investment.

Remittance flows further reinforce the bilateral relationship. Bangladesh is a major recipient of remittances from GCC countries, which play a vital role in its foreign exchange reserves and household income. Conversely, GCC nations are key sources of global remittance outflows, reflecting their reliance on foreign labor.

Strategically, Bangladesh is focused on industrialization, export diversification, and preparing for LDC graduation. GCC countries are pursuing economic diversification, sustainability, and private sector development under long-term national visions. These shared priorities create fertile ground for collaboration.

Key opportunities lie in leveraging GCC labor markets, expanding trade and investment partnerships, and exploring joint ventures in food security, clean energy, and infrastructure.

For GCC countries, sourcing from Bangladesh supports import substitution and supply chain resilience, while for Bangladesh, it offers a pathway to economic upgrading and regional integration.

3. Trade Relations, Opportunities and Analysis of Exports to GCC countries

In recent years, trade and investment ties have gained increasing importance between Bangladesh and GCC countries, with mutual interests expanding beyond labor to goods, services, and strategic partnerships. As Bangladesh aspires to diversify its exports and integrate further into global value chains, the GCC region presents a promising avenue for enhanced bilateral trade and investment cooperation.

3.1 Market access and opportunities in GCC countries

3.1.1 Comparative advantage of apparels of Bangladesh

Bangladesh's robust economic growth is significantly driven by two key sources: export earnings—particularly from the apparel sector—and remittance inflows. Among these, the apparel industry stands out as a cornerstone of the national economy, contributing approximately 14.09 percent to the country's GDP. In FY2023, export earnings from the apparel sector reached USD 39 billion (EPB, 2018). The country is home to approximately 5,000 apparel factories operating at full capacity (BKMEA, 2018), making Bangladesh the second-largest apparel exporter globally. The sector serves as a major engine for employment generation and poverty alleviation, particularly among low-income and female workers. It directly employs around 4.1 million workers and supports the livelihoods of over 15 million people indirectly.

The finding of some studies on competitiveness of Bangladesh's RMG shows that the country has revealed a comparative advantage in the major export potential apparel products in the world markets (Kabir et al, 2018, Adnan et al, 2019)). Previous research on Bangladesh apparel industry revealed that vast labor force, favorable location, foreign demand and affordable price are the key resources for Bangladesh's competitive advantages (Swazan and Das, 2020, Rahman & Anwar, 2007; Uddin, 2014). Bangladesh's competitive advantage in the global apparel market largely stems from the availability of low-cost labor, which has attracted international buyers and fostered industrial growth. Recognizing this potential, successive governments have prioritized the development of the apparel sector to harness this comparative advantage and sustain export-led growth.

3.1.2 Market share of top 20 products in the GCC countries

Market share of apparels in the GCC

UAE: Figure 3.1 present information on market share of apparels of Bangladesh and competing countries in UAE markets. In terms of market share of export of apparels in UAE, China (45%) stood first position followed by India (26%) and Bangladesh stood third position with a market share of 13%.

KSA: In terms of market share of export of apparels in KSA, China (67%) stood first position followed by India (14%) and Bangladesh stood third position with a market share of 11% (Figure7.).

Other GCC countries: The market share of Bangladesh in Kuwait, Qatar, Oman and Bahrain were 15.3%, 14.8%, 9.2% and 14%, respectively while China had highest share followed by India (Table 3)

Comparison with the global scenario: Bangladesh and its competitor countries share in the global apparel market Among apparel-exporting countries, Bangladesh, Cambodia, China, India, Turkey, and Vietnam have emerged as the dominant suppliers. Together, these six countries account for 56 per cent market share. China holds the largest share in the cotton apparel market, with about 24 per cent, followed by Bangladesh (16.5%), Vietnam (5.9%), and India (4.0%). As China's share in the global apparel market is declining, Bangladesh and Vietnam have capitalized on this trend.

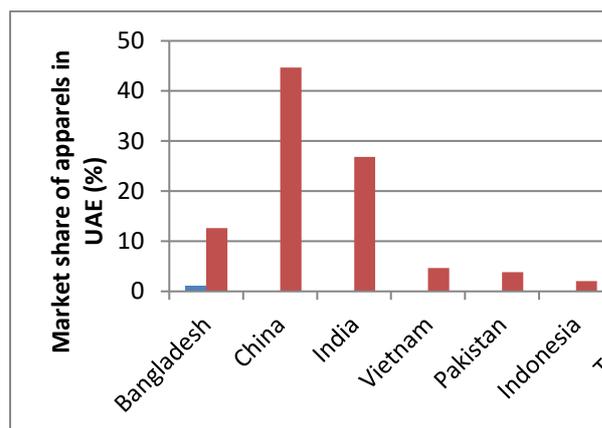


Figure 7 Market share of apparel of Bangladesh and competing countries in UAE
Data source: ITC

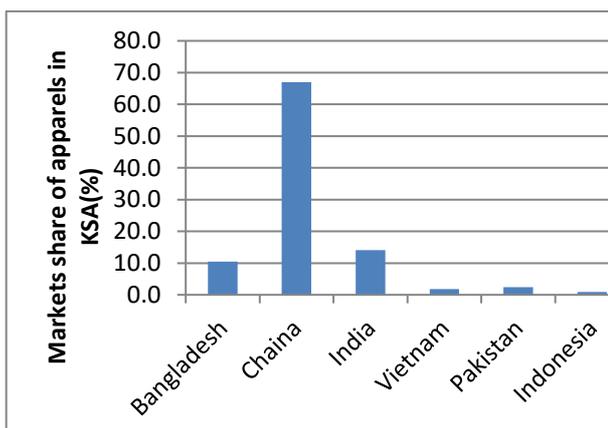


Figure 8 Market share of apparel Bangladesh and competing countries in KSA
Data source: ITC

Table 3. Market share of apparels of Bangladesh and competing countries in the GCC countries

Apparel	Market share (%)							GCC
	UAE	KSA	Kuwait	Qatar	Oman	Bahrain		
Bangladesh	12.60	10.51	15.3	14.8	9.2	14.0	11.9	
China	44.67	66.94	57.7	38.3	42.4	47.8	53.6	
India	26.80	14.03	17.4	20.6	42.4	17.8	21.4	
Vietnam	4.67	1.83	3.8	3.4	0.0	2.5	3.4	
Pakistan	3.86	2.44	2.7	2.9	1.0	2.7	3.1	
Indonesia	2.08	0.90	1.6	1.3	0.6	1.7	1.5	
Turkey	5.32	3.35	1.6	18.7	4.6	13.4	5.0	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Data source: ITC

3.1.3 Potential and actual exports of Bangladesh to GCC

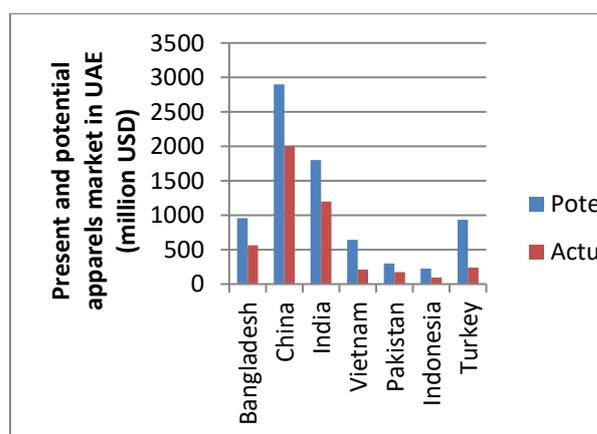
Country wise export of apparels Bangladesh to six GCC countries are presented in Table 4. It was found that total export potential of apparels to GCC country is 15140.5 MN USD while actual export is 9299.13 MN USD. So, there is huge unrealized opportunity of 5841.37 MN USD. Table 4 presents product wise potential and actual export of Bangladesh. It was found

that total export potential of home textile to six GCC country is 17.5 MN USD while actual export is 10.47 MN USD.(Table 8.

Table 4 Potential and present exports of apparels of Bangladesh and competing countries to GCC (In Mn USD)

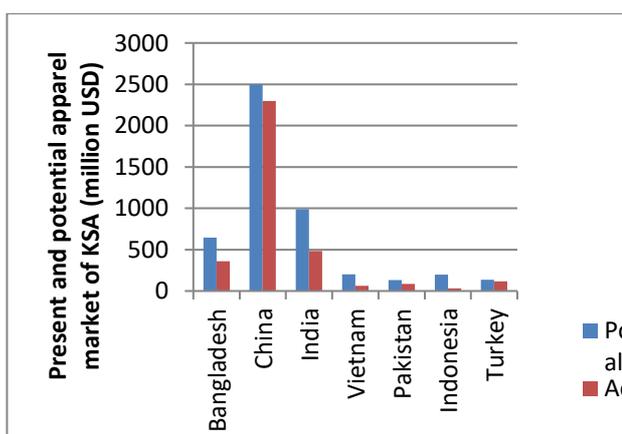
	Apparels	Bangladesh	China	India	Vietnam	Pakistan	Indonesia	Turkey	GCC
UAE	Potential	955	2900	1800	643	300	224	934	7756
	Actual	564	2000	1200	209	173	93	238	4477
KSA	Potential	647	2500	991	200	134	197	137	4806
	Actual	361	2300	482	63	84	31	115	3436
Kuwait	Potential	180	506	257	54	47	30	30	1104
	Actual	97	365	110	24	17	10	10	633
Qatar	Potential	131	269	179	46	56	29	117	827
	Actual	56.0	145.0	78.0	13.0	11.0	5.0	71.0	379
Oman	Potential	32	122	118	3.1	36	5.4	24	341
	Actual	20	92	92	0.03	2.1	1.2	9.9	217
Bahrain	Potential	51	114	81	9	22	4	26	307
	Actual	22	75	28	4	4.3	2.6	21	157
GCC	Potential	1996	6411	3426	955.1	595	489.4	1268	15141
	Actual	1120	4977	1990	313.03	291.4	142.8	464.9	9299

Data source: ITC



Data source: ITC

Figure 9 Present and potential apparel markets of Bangladesh and competing countries in UAE



Data source: ITC

Figure 10 Present and potential apparel markets of Bangladesh and competing countries in KSA

3.1.3 Product wise potential and actual exports of apparels

Saudi Arabia: The products with greatest export potential from Bangladesh to Saudi Arabia are T-shirts & vests of cotton, knit/crochet, Men's trousers & shorts of cotton, and Jerseys & pullovers, of cotton, knit/crochet. T-shirts & vests of cotton, knit/crochet shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$62 MN (Table 5)

United Arab Emirates: The products with greatest export potential from Bangladesh to United Arab Emirates are T-shirts & vests of cotton, knit/crochet, Men's trousers & shorts of cotton, and Jerseys & pullovers, of cotton, knit/crochet. T-shirts & vests of cotton,

knit/crochet shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$121 MN (Table 5)

Kuwait: The products with greatest export potential from Bangladesh to Kuwait are T-shirts & vests of cotton, knit/crochet, Jerseys & pullovers, of cotton, knit/crochet, and Men's trousers & shorts of cotton. T-shirts & vests of cotton, knit/crochet shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$29 MN (Table 5).

Qatar: The products with greatest export potential from Bangladesh to Qatar are T-shirts & vests of cotton, knit/crochet, Men's trousers & shorts of cotton, and Jerseys & pullovers, of cotton, knit/crochet. T-shirts & vests of cotton, knit/crochet shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$20 MN. (Table 6)

Bahrain: The products with greatest export potential from Bangladesh to Bahrain are T-shirts & vests of cotton, knit/crochet, Men's trousers & shorts of cotton, and Jerseys & pullovers, of cotton, knit/crochet. T-shirts & vests of cotton, knit/crochet shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth \$7.9 MN (Table 6).

Total export potential of apparels to GCC country is 15140.5 MN USD while actual export is 9299.13 MN USD. So, there is huge unrealized opportunity of 5841.37 MN USD. RMG remains the cornerstone of Bangladesh's exports, its market share in the GCC is relatively small compared to competing countries China and India . There is scope for enhancing exports to retail chains, uniform suppliers, and hospitality sectors in the GCC.

3.1.4 Demand for Ready-Made Garments (RMG) in GCC Markets

The Gulf Cooperation Council (GCC) region represents one of the world's most import-dependent apparel markets, driven by high per-capita income, rapid urbanization, a large expatriate population, and expanding retail and tourism sectors. Across all six countries domestic garment manufacturing remains limited, resulting in a structural reliance on imported ready-made garments (RMG). According to UN Comtrade data (HS 61 and 62), more than 90 percent of apparel consumed in GCC markets is imported, underscoring the region's significance for major exporting countries such as Bangladesh.

Recent industry assessments indicate that the GCC apparel market is valued between USD 25–30 billion annually, with Saudi Arabia and the UAE accounting for the largest shares. Mordor Intelligence (2024) estimates the broader GCC textile market at USD 16.1 billion in 2025, projected to reach USD 22.35 billion by 2030, with apparel constituting the dominant segment. Complementary estimates from Statista (2024) and BlueWeave Consulting (2023) place the combined apparel retail market of Saudi Arabia and the UAE at approximately USD 20–23 billion, reflecting strong consumer spending and sustained retail expansion.

Given the region's high import dependence, the apparel market size serves as a reliable proxy for RMG demand. Applying a conservative import share of 90 percent, the annual RMG demand in the GCC is estimated at USD 22–27 billion. Country-level estimates suggest that Saudi Arabia accounts for USD 11–12 billion, the UAE USD 7–9 billion, Kuwait USD 1.8–2.5 billion, Qatar USD 1.3–1.8 billion, Oman USD 0.9–1.3 billion, and Bahrain USD 0.4–0.8 billion in annual RMG demand. These figures align with macroeconomic consumption patterns reported by the World Bank (2023) and retail sector analyses by Oxford Business Group (2023), which highlight rising discretionary spending, expanding mall infrastructure, and the growing penetration of international fashion brands. For Bangladesh, the GCC region presents a substantial and expanding export opportunity. Even a 10 percent market share of the estimated GCC RMG demand would translate into USD 2.2–2.7 billion in annual exports—significantly higher than current levels. Opportunities are particularly

strong in women's fashion, athleisure, premium cotton garments, uniforms, and value-added knitwear. Strengthening compliance, improving delivery lead times, and expanding product diversification will be critical for enhancing Bangladesh's competitiveness in these markets.

Table 5 Product wise and actual and potential exports of apparels of Bangladesh to KSA, UAE and Kuwait (In MN USD)

HS code	Products	KSA		UAE		Kuwait	
		Potential	Actual	Potential	Actual	Potential	Actual
610910	T shirt and Vest of cotton knitted/crochet						
620342	Men's trouser and shorts of cotton	134	73	219	98	45	16
611020	Jersey's & pullover of cotton knit/crochet	54	35	113	74	13	9.8
620462	Women's trouser	40	16	54	28	17	12
610462	Women's trouser & shorts of cotton, knit/crochet	30	16	44	35	5.9	2.6
611120	Baby's garment and accessories of cotton, knit/crochet	28	10	33	17	6.9	2.3
610342	Men's trouser and shorts of cotton, knit/crochet	23	10	33	21	5.6	3.3
610442	Women's dresses of cotton, knit/crochet	22	14	31	16	7.1	3.4
620442	Women's dresses of cotton	16	4.8	13	6.6	2	0.5
620521	Men's shirt	16	4.5	13	6.3	0	0
620520	Men's shirt of cotton, knit/crochet	16	8.1	0	0	0	0
611030	Jerseys & pullover of man made fiber knit/crochet	0	0	45	27	4.2	1.9
610711	Men's underpants & brief of cotton, knit/crochet	15	8.4	19	10	3.8	0.9
620343	Men's trouser & shorts of synthetic fiber	15	3.3	16	14	2.1	1.1
650500	Hats & other headgear, knit/crochet	14	5.6	15	6.2	3.2	0.8
610990	T shirt & vests, knit/crochet n.e.s	13	0.5	0	0	2	0.4
6210XB	Women's garments with plastic	11	6.2	19	6.3	3.4	3.9
530720	Cabbled yarn of textiles blast fibers, knit/crochet	11	4.3	9	0.3	0	0
610831	Women's pyjamas of cotton	9.9	7.6	0	0	0	0
610821	Women's brief and pantie of cotton, knit/ crochet	9.8	2.5	11	11	2.3	0.8
610510	Men's shirt of cotton. knit/crochet	8.3	6.6	16	18	2	1.8
620920	Baby's garment and accessories of cotton	8.1	3.8	0	0	3.9	2.7
611420	Garments of professional& sporting purposes, knit/crochet, of cotton n.e.s	0	0	13	5.6	0	0
621210	Brassieres	0	0	12	5.3	2.3	0.6

HS code	Products	KSA		UAE		Kuwait	
610220	Women's overcoats, caps similar of cotton, knit/crochet	0	0	9.7	17	3	7.4
620190	Men's overcoat & onorak of cotton, n.e.s	0	0	6.8	0.1	3	2
620530	Men's shirt of man made fiber	0	0	0	0	2.6	0.9
	Total	494.1	240.2	744.5	422.7	140.3	75.1

Data source: ITC

Table 6 Product wise potential and present exports of apparels of Bangladesh to Qatar, Oman, Bahrain and total GCC countries (In MN USD)

HS code	Products	Qatar		Oman		Bahrain		Total GCC	
		Potential	Actual	Potential	Actual	Potential	Actual	Potential	Actual
610910	T shirt and Vest of cotton knitted/crochet	29	9.5	4.9	0.2	11	3.5	442.9	200.2
620342	Men's trouser and shorts of cotton	9.3	5.5	3.6	0.5	3.9	2.3	196.8	127.1
611020	Jersy's & pullover of cotton knit/crochet	7.7	2.3	2.5	0.1	3	1.2	124.2	59.6
620462	Women's trouser	4.4	1.9	1.7	0.2	1.8	0.6	87.8	56.3
610462	Women's trouser & shorts of cotton, knit/crochet	3.9	1.4	1.5	0.1	1.8	0.8	75.1	31.6
611120	Baby's garment and accessories of cotton, knit/crochet	4.4	1.6	0	0	1.5	0.5	67.5	36.4
610342	Men's trouser and shorts of cotton, knit/crochet	2.8	1.1	1.2	0.3	1.7	1.2	65.8	36
610442	Women's dresses of cotton, knit/crochet	0	0	0	0	1.2	0.3	32.2	12.2
620442	Women's dresses of cotton	0	0	0.6	0.6	0	0	29.6	11.4
620521	Men's shirt	0	0	0	0	0	0	16	8.1
620520	Men's shirt of cotton, knit/crochet	4.5	1.6	1.4	0.7	2	0.8	57.1	32
611030	Jersy's & pullover of man made fiber knit/crochet	4.2	1.1	0.8	0.08	1.6	0.6	44.4	21.08
610711	Men's underpants & brief of cotton, knit/crochet	0	0	0.5	0.02	0.7	0.3	34.3	18.72
620343	Men's trouser & shorts of synthetic	2.8	0.5	0.5	0.4	0.7	0.3	36.2	13.8

		Qatar		Oman		Bahrain		Total GCC	
	fiber								
650500	Hats & other headgear, knit/crochet	2.7	0.6	0.7	0.08	0.7	0.06	19.1	1.64
610990	T shirt & vests, knit/crochet n.e.s	2.8	2.9	0.6	0.07	1	1.2	37.8	20.57
6210XB	Women's garments with plastic	0	0	0.7	0.08	0	0	20.7	4.68
530720	Cabled yarn of textiles bast fibers, knit cochet	0	0	0	0	0	0	9.9	7.6
610831	Women's pyjamas of cotton	0	0	0	0	0	0	23.1	14.3
610821	Women's brief and pantie of cotton, knit/crochet	1.6	0.9	0.5	0.02	0.8	0.4	29.2	27.72
610510	Men's shirt of cotton. knit/crochet	2.6	0.9	0.5	0.04	1.3	0.4	16.4	7.84
620920	Baby's garment and accessories of cotton	1.6	0.4	0	0	0.7	0.1	15.3	6.1
611420	Garments of professional& sporting purposes, knit/crochet, of cotton n.e.s	1.7	0.4	0	0	0	0	16	6.3
621210	Brassieres	0	0	0.4	0.03	1.2	1.9	14.3	26.33
610220	Women's overcoats, caps similar of cotton, knit/crochet	0	0	0	0	0	0	9.8	2.1
620190	Men's overcoat a & onorak of cotton, n.e.s	2.4	1.3	0	0	0	0	5	2.2
	Total	88.4	33.9	23	3.62	37.8	16.61	1528.1	792.13

Data source: ITC

Historically, Bangladesh's trade with GCC countries has been modest but steadily growing. These relations were initially underpinned by:

- **Energy imports:** Bangladesh has long relied on GCC countries—especially Saudi Arabia, the UAE, and Qatar—for crude oil, petroleum products, and liquefied natural gas (LNG).
- **Labor migration and remittance flow:** A major portion of Bangladesh's workforce is employed across the GCC, contributing significantly to bilateral relations and foreign exchange reserves through remittances.

Table 7 Product wise potential and present exports of home textile of Bangladesh to six GCC countries (In MN USD)

	HS code	630221	630260	630231	630291	630251	630492	630222	630130	630499	
Country	Products	Bed linen of cotton	Toilet/kitchen linen of terry fabrics	Bed linen of cotton n.e.s	Toilet/kitchen linen of cotton	Table linen of cotton	Furnishing articles of cotton	Printed bed linen of man made fiber	Blankets & traveling rugs of synthetic fiber	Furnishing articles n.e.s	Total
KSA	Potential	1.4	0.6	0.6	0.9	0.2	0.04	0.05	0.2	0.07	4.26
	Actual	0.4	0.2	0.2	0.2	0.02	0.04	0.01	0.02	0.07	1.23
UAE	Potential	2.9	2.5	1.2	0.6	0.2	0.3	0.1	0.07	0.05	7.92
	Actual	2.4	1.9	1.2	0.6	0.2	0.4	0.1	0.08	0.02	6.9
Kuwait	Potential	0.7	0.2	0.2	0.1	0.02	0.02	0.06	0.01	0.04	1.37
	Actual	0.4	0.3	0.1	0.06	0.02	0.04	0.02	0.02	0.02	1
Qatar	Potential	0.7	0.3	0.4	0.1	0.06	0.2	0.2	0.2	0.06	2.28
	Actual	0.09	0.08	0.06	0.08	0	0.2	0	0	0	0.51
Oman	Potential	0.1	0.03	0.3	0.03	0.02	0.05	0.07	0.09	0.03	0.78
	Actual	0.01	0	0.1	0	0	0.01	0	0	0	0.12
Bahrain	Potential	0.1	0.05	0.05	0.06	0.06	0.07	0.06	0.04	0.03	0.54
	Actual	0.04	0.02	0.03	0.05	0.06	0.01	0.04	0.03	0.03	0.71
GCC total	Potential	5.9	3.68	2.75	1.79	0.56	0.68	0.54	0.61	0.28	17.15
	Actual	3.34	2.5	1.69	0.99	0.3	0.7	0.17	0.15	0.14	10.47

Data source: ITC

Table 8 Potential and actual export of top 10 products of home textile in GCC(MN USD)

HS code	Products	Potential	Actual
630221	Bed linen of cotton	5.9	3.34
630260	Toilet/kitchen linen of terry fabrics	3.68	2.5
630231	Bed linen of cotton n.e.s	2.75	1.69
630291	Toilet/kitchen linen of cotton	1.79	0.99
630251	Table linen of cotton	0.56	0.3
630492	Furnishing articles of cotton	0.68	0.7
630222	Printed bed linen of man- made fiber	0.54	0.17
630130	Blankets & traveling rugs of synthetic fiber	0.61	0.15
630499	Furnishing articles n.e.s	0.28	0.14
630391	Curtain & bed valances of cotton	0.36	0.49
	Total	17.15	10.47
	% Increase	63.8%	

Data source: EPB

Table 9 Potential and actual export of top 10 products of fish and cell fish in GCC countries (in million USD)

HS code	Products	Potential	Actual
0306XA	Shrimps & prawns, frozen	6.85	0.2
0303XA	Fish frozen n.e.s	5.5	3.77
0302Xb	Flat Fish, fresh n.e.s	3.1	0.29
0301Xb	Live fish n.e.s	0.89	0
03XXXX	Aquatic invertebrates & edible meals n.e.s	0.183	0.42
0304Xd	Fish Fillet frozen n.e.s	0.17	0.52
030614	Crab frozen	1.03	0.774
0306Xd	Crab, not frozen	0.6	0.01
0304Xa	Fish cut fresh n.e.s	1.92	1.014
030354	Mackerel, frozen	2	0.12
	Total	22.243	7.118
	% Increase	212.4895	

Data source: ITC

Country-wise historical trade pattern:

- **United Arab Emirates (UAE)** has been a prominent trading partner and a key transit hub for Bangladeshi exports to the Middle East and Africa. It also serves as a re-export destination for Bangladeshi goods.
- **Saudi Arabia** has historically been a major supplier of fuel and also a large employer of Bangladeshi workers.
- **Qatar** emerged as an important LNG supplier in recent years, with growing interest in importing Bangladeshi agricultural and food products.
- **Bahrain and Oman** have smaller trade volumes but growing interest in textiles, processed foods, and manpower supply.
- **Kuwait** maintains consistent trade flows centered on fuel, textiles, and manpower.

3.2 Current trade volumes

As of the latest available trade data (2022–2023), Bangladesh's total bilateral trade with GCC countries exceeded USD 10 billion, with imports accounting for a significant share due to energy purchases. The trade composition is presented in Table 10

Table 10 Current trade volumes of Bangladesh and GCC countries

Country	Exports from Bangladesh (mn USD)	Imports to Bangladesh (USD)	Major Bangladeshi Export Products
UAE	\$650	\$2.5 billion	RMG, frozen fish, leather, jute, ceramics
KSA	\$400	\$2.0 billion	RMG, pharmaceuticals, agri-products
Qatar	\$250	\$1.5 billion	Agri-products, jute, frozen food
Oman	\$100	\$0.80 billion	Light engineering goods, frozen food
Bahrain	\$70	\$0.60 billion	Textile goods, agri-products
Kuwait	\$85	\$0.90 billion	Pharmaceuticals, apparel, processed food
Total	\$ 1305	\$ 8.3 billion	

Note: Figures are approximate and based on multiple trade sources and estimates.

3.3 Export diversification opportunities of Bangladesh

Several GCC markets offer untapped or underutilized opportunities for diversification Bangladesh's export, including:

Halal-certified agro and food products: With increasing demand for halal and hygienic food, Bangladeshi processed food and agricultural exporters can benefit from targeted certification and branding strategies. Bangladesh produces a variety of fruits, vegetables, rice, and fish suitable for GCC consumption. Establishing cold chains and compliance with food safety standards can significantly boost exports.

Pharmaceuticals: Bangladesh's generic drug industry, supported by WTO TRIPS waiver until 2033, offers cost-effective solutions that align with GCC public health priorities. Bangladeshi pharmaceutical companies have already started making inroads in the GCC markets. Opportunities lie in bulk drug supplies, contract manufacturing, and government procurement under health sector reforms.

ICT and tech services: As GCC countries focus on digitalization under their long-term visions (e.g., Saudi Vision 2030), Bangladesh's ITES (IT-enabled services) and software development companies have a niche opportunity. The GCC's shift toward smart cities, AI integration, and e-governance under their Vision programs offers promising avenues for collaboration with Bangladesh's growing IT talent pool.

Construction materials and ceramics: Bangladesh is increasingly exporting ceramic tiles and construction inputs, which align with GCC infrastructure investment plans.

Leather goods and light engineering: Products like footwear, wallets, auto parts, and machinery components have rising potential in GCC retail and industrial sectors.

Skills-based labor and health professionals: Moving beyond traditional low-skilled labor export, there is a demand for nurses, engineers, IT specialists, and skilled technicians from Bangladesh. The evolving skill demands in the GCC labor market require a shift in Bangladesh's labor export policy—focusing more on vocational training, digital skills, and professional development.

3.4 Sectoral analysis of demand for diversified products and services in GCC markets

(1) Halal-certified agro and food products

The GCC halal food market reached a size of USD 65.1 billion in 2024, with expectations to grow to USD 88.7 billion by 2033 at a CAGR of 3.33%. Within this, total meat volume in the GCC reached 2.8 million tons in 2022, up from 2.5 million tons in 2018, with Saudi Arabia accounting for 1.6 million tons (58%) of GCC meat consumption. Given high import dependence and the halal certification focus, this represents a substantial annual demand pool for halal-certified processed foods, meat, poultry, seafood, fruits, vegetables, and ready-to-eat products.

(2) Pharmaceuticals (generic medicines and formulations)

The GCC pharmaceuticals market was valued at USD 23.7 billion in 2024 and is projected to reach USD 48.98 billion by 2033, implying a CAGR of 7.60% during 2025–2033. Other forecast exercises place GCC pharmaceutical opportunities (sometimes using narrower definitions) at more than USD 12 billion by 2030. The demand is driven by chronic diseases, ageing populations, and investments in healthcare infrastructure, with a notable increase in demand for cost-effective generic medicines. This aligns closely with Bangladesh's competitive advantage under the WTO TRIPS waiver to 2033.

(3) ICT and tech services (ITES, software, BPO)

The GCC ICT market is estimated at USD 141.32 billion in 2025, with projections of USD 222.37 billion by 2030 at a CAGR of 9.49%. Digitalization initiatives under national visions

(e.g., Saudi Vision 2030, UAE digital strategies) drive demand for cloud computing, cybersecurity, data analytics, software development, and business process outsourcing services. This creates a sizeable annual services-import opportunity for Bangladeshi ITES firms and software houses able to serve remotely or through local partnerships.

(4) Construction materials and ceramics

The GCC ceramic tiles market was valued at USD 9.68 billion in 2023, with a projected CAGR of 7.3% between 2024 and 2030. Related estimates for ceramic tiles and sanitary ware together put the 2023 market around USD 12.0 billion, with growth to about USD 30.69 billion by 2033 at 9.5% CAGR. This demand is fueled by high construction expenditure in Saudi Arabia, UAE, Bahrain, and Kuwait, including large infrastructure and real estate projects. For Bangladesh, this underpins rising annual demand for tiles, sanitaryware, and other construction inputs.

(5) Leather goods and light engineering products

The GCC luxury leather goods market was estimated at USD 130 million (base year 2024), with forecasts of expansion toward USD 3.6 billion, supported by higher incomes, affluent consumer segments, and demand for premium handbags, footwear, and accessories. Online market projections suggest revenue in GCC luxury leather goods of around USD 113.8 million in 2024, with expected annual growth of 11.97% to achieve USD 200.2 million by 2029. While these figures relate primarily to the luxury/e-commerce segment, they are indicative of growing annual demand for leather goods; combined with a GCC luxury market of USD 16.93 billion in 2024, they point to a broader upscale consumption trend. Bangladesh can position competitively in mid-range footwear, wallets, belts, bags, and selected light-engineering consumer and industrial products.

(6) Skills-based labor and health professionals

GCC economies continue to depend heavily on foreign workers. A recent GCC-Stat-based synthesis notes that the total labor force in GCC countries reached 31.8 million in 2023, representing 54.2% of the total population, with foreign workers forming a very large share of that workforce and driving outbound remittances of USD 131.5 billion in 2023. GCC labour market statistics maintain a differentiation between nationals and non-nationals, with non-nationals occupying a substantial proportion of jobs, especially in private sector and service roles. This indicates strong ongoing annual demand for migrant labour, especially in skilled and professional categories such as nurses, doctors, engineers, IT specialists, and technicians, beyond traditional low-skilled roles. A summary of estimated demand of diversified products in GCC countries is presented in Table 11.

Table 11 Summary table of estimated demand for diversified products in GCC countries

Sector / category	Annual demand in GCC	Key implication for Bangladesh	Sources Reference
Halal-certified agro & food products	Halal food market size USD 65.1 billion in 2024, projected USD 88.7 billion by 2033; total meat consumption 2.8 million tons in 2022 (Saudi Arabia 1.6 million tons; 58% of GCC total)	Large and growing import demand for halal-certified processed foods, meat, poultry, seafood, fruits/vegetables, and RTE products	IMARC Group. (2024), and Salaam Gateway. (2025). And Alpen Capital. (2023),
Pharmaceuticals (generics, formulations)	Pharmaceuticals market size USD 23.7 billion in 2024, projected USD 48.98 billion by 2033; opportunity projections exceeding USD 12 billion by 2030 in some	Strong scope for cost-effective generic exports aligned with GCC public health priorities and procurement needs	IMARC Group. (2024), Statista. (2025), Kuick Research.

Sector category /	Annual demand in GCC	Key implication for Bangladesh	Sources Reference
	studies		(2024)
ICT and tech services (ITES, software, BPO)	ICT market size USD 141.32 billion in 2025, projected USD 222.37 billion by 2030 (CAGR ~9.49%)	Significant space for Bangladeshi ITES and software firms to provide offshore and hybrid digital services	Data Insights Market. (2025),
Construction materials and ceramics	Ceramic tiles market USD 9.68 billion in 2023 (CAGR 7.3% to 2030); ceramics and sanitaryware market USD 12.0 billion in 2023, projected USD 30.69 billion by 2033 (CAGR 9.5%)	Sustained demand for tiles, sanitaryware, and construction inputs linked to infrastructure and real-estate projects	Grand View Research. (2024)
Leather goods & light engineering	Luxury leather goods market USD 130 million (base 2024) with potential growth to USD 3.6 billion; online luxury leather goods revenues USD 113.8 million in 2024, projected USD 200.2 million by 2029; GCC luxury market overall USD 16.93 billion in 2024	Rising demand for leather goods (footwear, accessories) and complementary light-engineering products in retail and premium segments	Consalnsights. (2023), Research and Markets. (2024) (2023) Ken Research. (2025), Statista. (2024), and IMARC Group. (2024) and
Skills-based labour & health professionals	Total GCC labour force 31.8 million in 2023 (54.2% of total population); remittances USD 131.5 billion in 2023; high reliance on foreign workers across sectors	Continued annual demand for foreign nurses, health professionals, engineers, IT specialists, and skilled technicians, supporting a move beyond low-skilled migration	Statista. (2024), Gulf Business. (2025) and Gulf Migration / GCC-Stat. (2024)

Source: author's estimation

3.5. Analysis of export of Bangladesh to GCC countries

This chapter focuses on application of econometric model for analysis of trend in exports, impact of tariff on trade volume and projections of export in GCC countries by 2030. The detail of the models has been presented in the methodology section. The key findings based on the desk research include:

3.5.1 Year-wise exports

Tables 3.10 and 3.11 present the annual exports of Bangladesh to the six GCC countries—United UAE, KSA, Qatar, Kuwait, Oman, and Bahrain—during 2011–2023, along with key descriptive statistics. Among the GCC nations, UAE and Saudi Arabia emerged as the top two export destinations for Bangladesh. The average annual exports to these countries were USD 375.72 million for UAE and USD 230.04 million for KSA. In terms of total export value, UAE ranked first, followed by KSA (2nd), Qatar (3rd), and Kuwait (4th) (Table 12 and 13). In FY 2023-24, exports to UAE and KSA stood at USD 402.64 million and USD 310.97 million, respectively. The total exports to all six GCC countries amounted to USD 818.72 million.

3.5.2 Trend in export by GCC countries: Estimation of exponential growth model

Figure 3.5 and Figure 3.6 illustrate trend in Bangladesh's exports to 6 GCC countries during 2010-11 to 2023-24. There had been increasing trend in exports over the years, although had annual fluctuation.

To analyze long-term growth trends, an exponential growth model was fitted using ordinary least-squares regression on the time-series export data. The results of the regression models for each of the six countries are presented in Table 14. All models showed a strong goodness-of-fit, as indicated by high R² values and statistically significant F-values. Using the estimated coefficient b from the exponential model, the annual growth rate of exports was calculated using the formula: Growth rate = $e^b - 1$. The resulting growth rates and associated statistics are detailed in Table 3.12, while Figure 11 illustrates export growth by country. On average the GCC country had an export growth of 4.9%.

Table 12 Exports of Bangladesh to GCC countries (In MN USD)

Year	UNITED ARAB EMIRATES	SAUDI ARABIA	BAHRAIN	KUWAIT	OMAN	QATAR	GCC
2011-12	170.17	136.72	3.99	15.45	3.42	11.92	341.67
2012-13	251.25	169.13	4.39	20.81	10.04	13.55	469.17
2013-14	245.35	187.54	5.77	25.79	15.32	17.89	497.66
2014-15	293.04	186.32	5.71	17.13	16.73	17.01	535.94
2015-16	425.91	225.68	7.90	27.00	20.92	33.27	740.68
2016-17	380.11	185.21	6.67	23.10	23.08	26.40	644.57
2017-18	329.55	205.32	6.96	24.26	24.47	38.95	629.51
2018-19	340.84	249.73	7.66	33.62	29.72	47.12	708.69
2019-20	294.91	262.88	9.26	23.53	24.76	35.30	650.64
2020-21	495.85	261.12	7.01	28.21	28.02	51.04	871.27
2021-22	864.24	290.64	7.15	32.25	29.84	42.30	1266.41
2022-23	490.59	241.34	6.02	31.77	24.25	30.37	824.33
2023-24	402.64	310.97	6.68	32.64	35.15	30.63	818.72

Data source: EPB

Table 13 Descriptive Statistics of export of Bangladesh to GCC countries

Countries	Export (MN USD)					Rank
	N	Minimum	Maximum	Mean	Std. Deviation	
UNITED ARAB EMIRATES(UAE)	16	170.17	864.24	375.72	157.13	1st
SAUDI ARABIA(KSA)	16	136.72	310.97	230.04	50.03	2nd
QATAR	16	11.92	51.04	29.38	11.72	3rd
KUWAIT	16	15.45	33.62	25.44	5.47	4th
OMAN	16	3.42	35.15	22.38	7.97	5th
BAHRAIN	16	3.99	9.26	6.36	1.38	6th
GCC	16	341.67	1266.41	689.33	209.74	

Source: Author's estimation

3.5.3 Exports to GCC countries by products

Tables 15 to 20 present product-wise export data from Bangladesh to the six GCC countries for the period 2020–2024. Major exported items include: (i) Agricultural products,

(ii) Processed food items, (iii) Leather goods, (iv) Home textiles and knitwear, (v) Ceramics, (vi) Pharmaceuticals and medical instruments, (vii) Plastics and (viii) Electrical machinery and equipment. These diversified product categories reflect Bangladesh's growing capacity in both traditional and non-traditional export sectors. Analysis of export data of Table 3.13 to 13.18 showed that during 2020-24 the average export of Bangladesh to UAE, KSA, Kuwait, Oman, Qatar and Bahrain were 563 million USD, 276 Mn USD, 31 Mn ,USD, 29 Mn USD, 39 Mn USD and Bahrain 7 Mn USD, respectively (Figure 14). Exports found to fluctuate over the years.

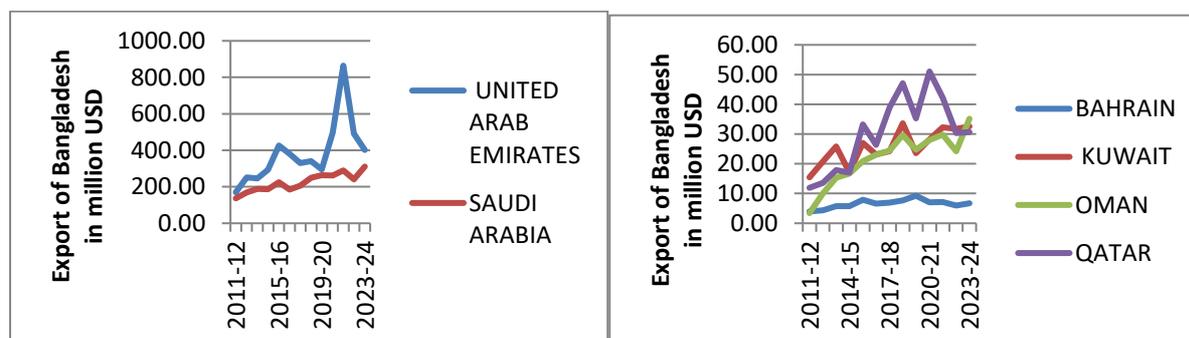


Figure 11 Trend in Bangladesh's exports to UAE and KSA Figure 12 Trend in exports to 4 GCC countries (Data: Source: EPB)

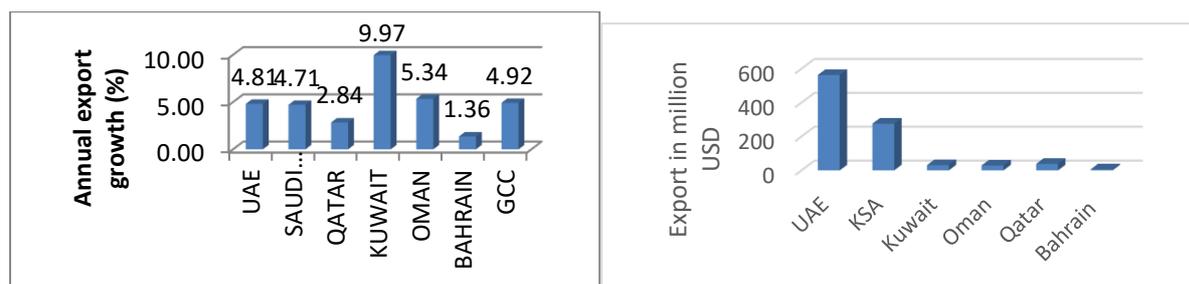


Figure 13 Export growth by countries, Figure 14 Annual exports of Bangladesh to GCC countries 2022-24 (Data Source: EPB)

Table 14 Estimation of exponential growth model for GCC countries (2011-24)

Model		Coefficients		t-value	Sig.	R ²	F-Value	Growth (%)
		B	Std. Error					
UAE	Constant	5.481**	.177	31.050	.000	558	5.89**	
	X _t	.047**	.019	2.427	.031			4.81
KSA	Constant	5.048	.066	76.649	.000	868	39.75**	
	X _t	.046	.007	6.305	.000			4.71
Kuwait	Constant	2.984	.112	26.627	.000			
	X _t	.028	.012	2.307	.038	539	5.32**	2.84
Oman	Constant	2.239	.224	9.992	.000			
	X _t	.095	.025	3.844	.002	729	14.77**	9.97
Qatar	Constant	2.879	.218	13.203	.000			
	X _t	.052	.024	2.150	.051	512	4.62**	5.34

Model		Coefficients		t-value	Sig.	R ²	F-Value	Growth (%)
		B	Std. Error					
Bahrain	Constant	1.719	.128	13.416	.000			
	X _t	.013	.014	.938	.365	.252	5.88**	1.36
GCC	Constant	6.111	.126	48.486	.000			
	X _t	.048	.014	3.433	.004	.690	11.78**6	4.92

Source: Author's estimation

Table 15 Export of Bangladesh to United Arab Emirates by products during 2021-2025 (In lakh USD)

HS Code(2 digit) and product	2020-21	2021-22	2022-23	2023-24
Total	4958.51	8642.37	4905.87	4026.39
03: Fish and shellfish	26.46	24.74	28.70	21.33
07 & 14 Vegetables	183.06	114.57	116.94	162.77
09: Coffee, tea, mate and spices	73.07	75.38	70.40	92.98
08-17 Other Agricultural product	65.22	237.21	138.18	212.36
19-20 Processed food	24.84	459.05	379.50	171.00
24: Tobacco and manufactured tobacco substitutes	0.58	46.81	0.94	231.76
28, 30, & 32 Chemicals	19.48	1.65	5.06	4.19
30: Pharmaceutical products	17.24	1.38	0.00	5.50
39: Plastics and articles thereof	0.02	24.74	21.78	19.99
42: Articles of leather	7.51	61.52	56.48	27.66
48: Paper or paperboard; articles of paper pulp	435.22	3.04	0.06	3.94
53: Other vegetable textile fibers; paper yarn and woven fabrics of paper yarn	3.29	53.96	0.66	169.33
56 to 59 Home Textiles	3.85	7.92	4.81	4.10
60 & 61 Knit wear	1662.68	1144.70	1377.30	1397.40
62 & 63 Oven garments	78.27	2140.35	1150.00	1269.54
64: Footwear, gaiters and the like; parts of such articles	6.63	1446.85	7.10	75.28
67: Prepared feathers and down and articles; artificial flowers	0.36	9.51	19.95	22.00
69: Ceramic products	23.72	5.24	0.00	4.76
82: Tools, implements, cutlery, spoons and forks, of base metal	69.04	6.63	2.22	2.52
84: Nuclear reactors, boilers, machinery and appliances; parts thereof	1.02	3853.25	122.42	34.08
85: Electrical machinery and equipment and parts thereof;	3.69	54.34	2.21	43.44
90: Optical, photographic, medical or surgical instruments	6.61	3.69	2.21	14.81
94: Furniture; bedding, mattresses, mattress supports, cushions	16.26	100.69	2.00	2.96
87: Vehicles others than railway or tramway rolling-stock, and parts	3.38	1.02	0.41	1.17
96: Miscellaneous manufactured articles	215.03	12.43	0.00	0.76

Data Source: EPB

Table 16 Export of Bangladesh to Saudi Arabia by products during 2021-2025 (In lakh USD)

HS code (2 digit) and product	2020-21	2021-22	2022-23	2023-24
All product total	2611.23	2906.41	2413.43	3109.75
03: Fish and shellfish	68.49	49.81	38.75	41.75
04: Dairy produce	2.59	0.75	0.75	5.68
07 & 14 Vegetables	171.35	374.90	191.27	520.61
08 -18 Other Agricultural Products	283.48	270.74	281.69	369.79
19-21 Processed food	637.36	541.93	438.28	502.35
25, 26 & 29 Chemicals	0.08	0.02	0.01	6.53
30: Pharmaceutical products	0.00	0.00	3.34	0.94
39: Plastics and articles thereof	7.27	15.27	7.89	5.09
40: Rubber and articles thereof	0.31	0.00	0.04	0.00
41: Raw hides and skins and leather	0.00	0.00	0.00	0.01
42: Articles of leather	8.49	17.55	4.56	4.39
44: Wood and articles of wood; wood charcoal	0.58	0.64	1.13	0.61
46: Manufactures of straw, of plaiting materials; basket ware	1.42	0.70	2.15	1.67
48: Paper or paperboard; articles of paper pulp	0.05	0.09	0.27	0.11
49: Printed books, newspapers, pictures and other products	0.66	0.28	0.37	0.44
52-59 Home textiles	97.29	107.36	75.10	65.38
60 & 61 Knit wear	653.16	857.25	768.39	920.01
62, 63 & 65 Oven garments	636.64	587.08	541.84	626.01
64: Footwear, gaiters and the like; parts of such articles	14.94	18.70	7.47	7.50
67: Prepared feathers and down and articles; artificial flowers	0.00	0.00	0.00	3.39
69: Ceramic products	0.30	0.12	0.00	0.07
70: Glass and glassware	0.00	0.30	0.00	0.00
73: Articles of iron or steel	0.02	0.05	0.02	0.41
76: Aluminum and articles thereof	0.16	0.00	0.63	0.22
79: Zinc and articles thereof	2.76	9.38	0.00	1.45
82: Tools, implements, cutlery, spoons and forks,	0.11	0.00	0.00	0.10
83: Miscellaneous articles of base metal	0.00	0.00	0.00	0.00
84: Nuclear reactors, boilers, machinery, appliances & parts	0.10	0.28	0.76	0.13
85: Electrical machinery and equipment and parts	7.81	30.01	32.69	5.39
85: Electrical machinery & equipment	0.00	0.00	0.00	5.44
90: Optical, , medical or surgical	0.99	0.00	0.03	0.01
94: Furniture; bedding, mattresses .	11.58	20.39	11.38	6.46
95: Toys, games and sports thereof	0.22	0.00	0.23	0.09
96: Misc. manufactured articles	0.00	0.12	1.44	2.62

Data Source: EPB

Table 17 Export of Bangladesh to Kuwait by products during 2021-2024 (In lakh USD)

HS code (2 digit) and products	2020-21	2021-22	2022-23	2023-24
Total of all products	282.15	322.55	317.65	326.43
02: Meat and edible meat offal.	2.82	1.37	1.53	31.34
03: Fish and shell fish	10.07	19.45	24.88	0.34
04: Dairy produce; bird's eggs, natural honey;	0.60	0.07	0.02	0.00
07 & 14 Vegetables	58.45	31.99	25.36	65.77
08-17 Other agricultural products	31.82	34.69	19.03	39.81
19-20 Processed food	62.44	46.54	37.40	42.75
21: Miscellaneous edible preparations	0.04	0.00	0.00	0.00
22: Beverages, spirits and vinegar	2.29	1.37	1.59	1.36
39: Plastics and articles thereof	1.26	0.75	0.36	0.44
40: Rubber and articles thereof	0.01	0.00	0.00	0.00
41 & 42 Leather goods	1.75	4.18	3.47	1.31
44: Wood and articles of wood; wood charcoal	0.00	0.03	0.00	0.00
46: Manufactures of straw, plaiting materials; basketware	0.37	0.53	0.68	0.19
53 & 56 Home textiles	0.30	0.54	0.54	0.46
60 -62 Knit wear	53.31	105.88	108.39	73.51
62, 63 & 65 Oven garment	34.10	53.54	61.22	45.66
69: Ceramic products	0.04	0.11	0.02	0.16
73: Articles of iron or steel	0.04	0.12	0.22	0.08
74: Copper and articles thereof	0.49	0.03	0.15	0.27
85: Electrical machinery and equipment and parts	21.39	20.19	30.75	22.86
87: Vehicles others than railway or tramway rolling-stock, and parts and accessories thereof	0.00	0.00	0.00	0.06
90: Optical, photographic, medical or surgical instruments	0.02	0.02	0.00	0.00
94: Furniture; bedding, mattresses, cushions	0.44	0.00	0.09	0.21
95: Toys, games and sports requisites; parts and accessories thereof	0.00	0.00	0.08	0.07
96: Miscellaneous manufactured articles	0.26	0.35	0.34	0.20

Data Source: EPB

Table 18 Export of Bangladesh to Oman by products during 2021-2024 (In lakh USD)

HS Code and product	2020-21	2021-22	2022-23	2023-24
Total	280.21	298.35	242.48	351.53
03: Fish and shell fish	1.11	1.67	1.81	0.32
04: Dairy produce; bird's eggs; natural honey	0.00	0.00	0.00	0.77
7 & 14 Vegetables	13.97	16.62	13.73	52.98
06 -18 Other agricultural products	65.31	55.45	51.67	84.23
19-21 Processed food	160.78	159.12	99.74	150.88
22: Beverages, spirits and vinegar	6.53	10.47	8.84	7.36

HS Code and product	2020-21	2021-22	2022-23	2023-24
24: Tobacco and manufactured tobacco substitutes	0.00	0.09	0.00	0.00
25, 29 & 32 Chemicals	0.33	0.65	0.76	0.16
30: Pharmaceutical products	5.57	7.11	4.40	1.63
39: Plastics and articles thereof	2.86	0.12	0.00	0.14
34: Soap, organic surface active agents, washing and lubricating prep.	0.00	0.00	0.00	0.15
39: Plastics and articles thereof	0.00	4.56	2.78	2.04
41 & 42 Leather goods	0.03	2.11	2.02	0.08
46: Manufactures of straw, plaiting materials and basketware	0.11	0.00	0.00	0.00
49: Printed books, newspapers, other products	0.40	0.51	0.10	0.00
52-59 Home textiles	0.28	0.58	1.82	2.05
60 & 61 Knit wear	3.30	4.80	3.17	5.32
62, 63 & 65 Oven garments	5.38	5.10	14.69	7.55
64: Footwear, gaiters; parts of such articles	0.00	0.89	0.50	0.43
70: Glass and glassware	0.00	0.00	0.00	0.00
76: Aluminum and articles thereof	0.00	0.00	0.24	0.07
82: Tools, implements, cutlery, spoons and forks	0.05	0.00	0.00	0.00
84: Nuclear reactors, boilers, machinery, appliances; parts	0.35	1.36	0.38	0.28
85: Electrical machinery and equipment and parts	13.74	26.78	35.04	34.11
96: Miscellaneous manufactured articles	0.11	0.18	0.61	0.24

Data Source: EPB

Table 19 Export of Bangladesh to Qatar by products during 2021-2024 (In lakh USD)

HS Code and product	2020-21	2021-22	2022-23	2023-24
Total	510.44	422.98	303.72	306.31
03: Fish and shell fish	21.40	23.08	6.73	4.99
04: Dairy produce; bird's eggs; natural honey;	0.00	0.05	0.02	0.11
06: Live trees and other plants, bulbs, roots, cut flowers	0.16	0.00	0.27	1.02
07 & 14 Vegetables	143.42	55.95	58.96	61.42
08 -17 Other Agricultural Products	60.55	51.93	36.99	57.42
19-21 Processed food	180.24	169.16	99.94	88.34
22: Beverages, spirits and vinegar	12.96	20.70	17.47	15.12
30: Pharmaceutical products	0.16	0.00	0.05	0.00
39: Plastics and articles thereof	0.00	0.00	0.61	0.16
40: Rubber and articles thereof	0.00	0.00	0.00	0.03
42: Articles of leather;	2.74	6.25	6.03	3.13
44: Wood and articles of wood; wood charcoal	0.17	0.20	0.00	0.04
46: Manufactures of straw, of esparto or of other plaiting materials; basketware	0.17	0.00	0.14	0.26

48: Paper or paperboard; articles of paper pulp, of paper or paperboard	13.38	21.39	12.78	4.80
49: Printed books, newspapers, pictures	0.14	0.07	0.10	0.10
52-59 Home textiles	2.57	4.15	6.67	18.74
60 & 61 Knit wear	26.47	36.12	18.79	22.02
62, 63 & 65 Oven garments	21.39	11.18	10.73	12.14
64: Footwear	1.20	1.72	4.63	0.69
68: Articles of stone, plaster,	8.14	5.11	4.12	3.43
69: Ceramic products	0.66	0.04	0.03	0.27
73: Articles of iron or steel	0.54	0.00	0.12	0.04
76: Aluminum and articles thereof	0.00	0.00	0.00	0.06
83: Miscellaneous articles of base metal	0.00	0.00	0.00	0.00
84: Nuclear reactors, boilers, machinery and appliances; parts	0.00	2.70	0.03	0.03
85: Electrical machinery and equipment	13.00	11.65	17.98	10.95
90: Optical, medical instruments, parts	0.00	0.06	0.00	0.01
94: Furniture; bedding, mattresses, cushions	0.00	0.06	0.00	0.01

Data Source: EPB

Table 20 Export of Bangladesh to Bahrain by products during 2021-2024 (In lakh USD)

HS Code (2 digit) and product	2020-21	2021-22	2022-23	2023-24
Total	70.12	71.47	60.19	66.80
03: Fish and shell fish	2.10	2.10	0.71	0.72
04: Dairy produce; natural honey etc.	0.33	0.01	0.10	0.03
07: Edible vegetables root and tubers	7.57	8.53	8.25	17.98
09: Coffee, tea, mate and spices	9.16	6.85	6.78	6.55
8-17 Other Agricultural Products	3.58	2.33	4.98	2.71
19-21 Processed food	38.84	27.14	23.31	17.45
39: Plastics and articles thereof	1.09	0.69	0.00	0.00
30: Pharmaceutical products	0.00	3.57	0.00	0.00
42: Articles of leather	0.91	2.50	3.51	2.21
22: Beverages, spirits and vinegar	0.00	0.00	0.59	0.35
44: Wood and articles of wood	0.05	0.59	0.41	0.45
49: Printed books, newspapers, pictures etc.	0.21	0.09	0.11	0.13
48: Paper or paperboard; articles of paper pulp	0.00	0.00	0.00	0.00
57-59 Home Textiles	0.00	0.00	0.00	0.00
60-61 Knit wear	1.75	5.29	5.33	5.64
62 & 63 Oven garments	1.99	3.80	1.53	1.92
64: Footwear	0.00	3.24	1.53	3.27
65: Headgear and parts thereof	0.00	0.00	0.00	0.06
73: Articles of iron or steel	0.01	0.00	0.02	0.00
84: Nuclear reactors, boilers, machinery and	0.02	0.00	0.00	1.02

HS Code (2 digit) and product	2020-21	2021-22	2022-23	2023-24
appliances thereof				
85: Electrical machinery and equipment and parts thereof	1.43	3.13	3.00	6.18

Data Source: EPB

3.5.4 Potential impact of tariffs on Bangladesh’s export to GCC countries

Tariffs play a crucial role in shaping bilateral trade dynamics. While historically used for protecting domestic industries and adjusting trade balances, understanding their potential impact is essential for informed policymaking. To estimate these impacts, the OEC Tariff Simulator—based on an extended gravity model developed by Jun et al. (2020)—was used. This model integrates:

- Bilateral trade flows,
- GDP and population,
- Cultural and geographical factors,
- Relatedness indices (spillover effects from similar products or neighbors),
- Sector-specific coefficients for enhanced precision.

Model validation reveals an explanatory power exceeding **83%**, significantly outperforming earlier models by incorporating a **Poisson Pseudo Likelihood Estimator**, custom sectoral coefficients, and robust cross-validation across datasets.

3.5.4.1 Simulation results

Simulations were conducted assuming a tariff increase of 5%, 10% and decrease in 5% over current levels and tariff decrease by 5% over current level, using 2026 as the projection year. The results are shown in Tables 21 to 25, with country-specific highlights below:

- **UAE:** A tariff increase from 5% to 10% led to **declines in trade volume** across the majority of product categories (Table 21).
- **KSA:** Starting from a 0% baseline, a 5% tariff caused **minor declines** in a limited number of products (Table 22).
- **Kuwait:** A 5% to 10% tariff increase resulted in **negative impacts on 22 major export products** (Table 23).
- **Qatar:** Even a 5% tariff (from a 0% base) led to **declines across all products** (Table 3.22).
- **Oman:** Increasing tariffs from 5% to 10% led to **uniform negative effects** on export volumes (Table 24).
- **Bahrain:** A 5% tariff (from 0% baseline) negatively impacted **12 out of the top 30 products** (Table 25).
- If tariffs were **reduced by 5 percentage points** in key GCC markets—namely the UAE, Kuwait, Qatar, and Oman(KSA and Bahrain have 0% tariff at present)—the simulation logic and the underlying gravity-model structure imply **symmetrical but not perfectly linear positive effects** on Bangladesh’s exports. Given the model’s incorporation of sectoral elasticities, relatedness effects, and market size, the expected outcomes can be analyzed as follows.
- For the **UAE**, where earlier simulations showed broad-based export declines when tariffs increased from 5% to 10%, a **5% tariff reduction (e.g., from 5% to 0%)** would likely result in a **significant rebound in trade volumes across most product**

categories. As the UAE functions as both a final consumption market and a regional re-export hub, lower tariffs would amplify not only direct demand but also re-export competitiveness. Products with established market presence—such as garments, leather goods, pharmaceuticals, and agro-processed items—would benefit disproportionately due to strong trade elasticities and existing supply-chain linkages.

- In **Kuwait**, where a tariff increase adversely affected a large number of Bangladesh’s major export products, a **5% tariff cut** would be expected to generate **notable export growth across a wide product base**, particularly for price-sensitive consumer goods. The model’s relatedness and sectoral coefficients suggest that once tariffs are reduced, spillover effects would strengthen Bangladesh’s competitiveness in closely related product groups, leading to a cumulative expansion effect rather than isolated gains. This would be especially relevant for apparel, food products, and light manufactured goods.
- For **Qatar**, where even a modest 5% tariff increase from a zero base led to export declines across all products, a **5% tariff reduction (effectively reinforcing a zero-tariff or preferential regime)** would likely produce **strong and broad-based export expansion**. Given Qatar’s high import dependence and limited domestic manufacturing base, lower tariffs would directly translate into higher import demand from Bangladesh, particularly in essential consumer goods, garments, and food items. The results suggest Qatar is among the most tariff-sensitive GCC markets for Bangladesh.
- In the case of Oman, where moving from 5% to 10% tariffs resulted in uniform negative effects, a 5% tariff reduction (from 5% to 0%) would likely reverse these losses and generate consistent export growth across all major product categories. While the absolute trade volumes may be smaller than those with the UAE, the elasticity-driven response implies that tariff reductions would have a clear and predictable positive impact, supporting market deepening and export diversification.
- Overall, the analysis indicates that a 5% tariff reduction across these GCC countries would lead to broad-based export gains for Bangladesh, with the strongest relative effects in Qatar and the UAE, followed by Kuwait and Oman. These results reinforce the policy case for pursuing FTA negotiations, tariff harmonization, or preferential market access arrangements with GCC members, as even modest tariff reductions can yield substantial trade expansion due to high price sensitivity and strong sectoral complementarities.

These findings reinforce the importance of maintaining low or zero-tariff regimes for sustaining and enhancing Bangladesh’s export competitiveness in the GCC region.

Table 21 Simulated results of the Impact of 5% increase of tariff on Bangladesh’s export to UAE

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade 2023(Mn USD)	Estimated Trade in 2026 with no tariff change(Mn USD)	Estimated Trade in 2026 Simulated Tariff(Mn USD)	Estimated Change(Mn USD)
Knit T-shirts	6109	5	10	120.45	85.28	84.18	-1.10
Non-Knit Men's Suits	6203	5	10	100.87	69.40	68.50	-0.90
Non-Knit Women's Suits	6204	5	10	62.23	51.81	51.15	-0.66
Knit Sweaters	6110	5	10	48.79	35.78	35.34	-0.44
Knit Women's Suits	6104	5	10	37.47	32.11	31.72	-0.39

HS4	HS4 ID	Current Tariff	Simulate d Tariff	Observed Trade 2023(Mn USD)	Estimated Trade in 2026 with no tariff change(Mn USD)	Estimated Trade in 2026 Simulated Tariff(Mn USD)	Estimated Change(Mn USD)
Non-Knit Men's Shirts	6205	5	10	42.51	29.90	29.53	-0.37
Knit Women's Undergarments	6108	5	10	41.45	23.05	22.78	-0.27
Knit Babies' Garments	6111	5	10	27.08	16.87	16.67	-0.20
Knit Men's Suits	6103	5	10	26.15	16.01	15.82	-0.19
Non-Knit Women's Shirts	6206	5	10	13.88	12.39	12.25	-0.14
Knit Men's Shirts	6105	5	10	14.99	10.68	10.55	-0.12
Knit Men's Undergarments	6107	5	10	26.83	10.66	10.54	-0.12
Other Women's Undergarments	6212	5	10	19.95	10.25	10.13	-0.12
Leather Footwear	6403	5	10	15.87	11.77	11.65	-0.12
Non-Knit Babies' Garments	6209	5	10	6.65	8.84	8.74	-0.10
Knit Women's Shirts	6106	5	10	2.68	7.60	7.52	-0.08
Spices	910	5	10	6.54	4.12	4.06	-0.05
Electric Batteries	8507	5	10	6.81	3.92	3.87	-0.05
Non-fillet Frozen Fish	303	5	10	1.19	2.80	2.77	-0.03
Flavored Water	2202	5	10	2.97	2.31	2.28	-0.03
Porcelain Tableware	6911	5	10	1.15	2.27	2.24	-0.03
Trunks and Cases	4202	5	10	10.95	2.16	2.14	-0.03
Baked Goods	1905	5	10	5.92	1.72	1.70	-0.02
Prepared Cereals	1904	5	10	2.70	1.46	1.45	-0.02
Textile Footwear	6404	5	10	4.31	1.69	1.67	-0.01
Plastic Housewares	3924	5	10	0.90	1.21	1.20	-0.01
Rubber Footwear	6402	5	10	1.95	1.33	1.32	-0.01
Leather Apparel	4203	5	10	0.17	1.14	1.12	-0.01
Other Processed Fruits and Nuts	2008	5	10	0.29	1.00	0.99	-0.01
Basketwork	4602	5	10	1.31	0.22	0.21	-0.01
Rapeseed Oil	1514	5	10	5.22	0.84	0.84	-0.01
Other Vegetables	709	0	5	6.37	4.74	4.73	-0.01
Jute Woven Fabric	5310	5	10	0.01	0.10	0.10	0.00
Jute and Other Textile Fibers	5303	5	10	0.03	0.10	0.10	0.00
Rice	1006	0	5	1.07	0.65	0.65	0.00
Pickled Foods	2001	5	10	0.52	0.18	0.18	0.00
Frozen Vegetables	710	5	10	0.11	0.15	0.14	0.00
Tea	902	0	5	1.24	1.07	1.07	0.00
Potatoes	701	0	5	0.87	0.68	0.68	0.00
Ceramic Tableware	6912	5	10	0.03	0.10	0.10	0.00

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade 2023(Mn USD)	Estimated Trade in 2026 with no tariff change(Mn USD)	Estimated Trade in 2026 Simulated Tariff(Mn USD)	Estimated Change(Mn USD)
Jute and Other Textile Fibers	5303	5	10	0.03	0.10	0.10	0.00
Non-fillet Fresh Fish	302	0	5	0.16	0.32	0.32	0.00
Crustaceans	306	0	5	0.25	3.78	3.78	0.00

Data Source: EPB

Table 22 Simulated results of the Impact of 5% increase of tariff on Bangladesh's export to KSA

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade 2023 MN USD	Estimated Trade 2026 with No tariff change MN USD	Estimated Trade 2026 with Simulated 5% Tariff in MN USD	Estimated Change in MN USD
Knit T-shirts	6109	0	5	77.02	71.70	71.73	0.02
Non-Knit Men's Suits	6203	0	5	51.69	14.91	14.91	0.00
Non-Knit Women's Suits	6204	0	5	39.09	48.99	49.00	0.01
Knit Sweaters	6110	0	5	28.98	17.05	17.06	0.00
Knit Men's Suits	6103	0	5	24.68	4.25	4.25	0.00
Knit Women's Suits	6104	0	5	21.34	19.80	19.81	0.01
Spices	910	0	5	17.54	7.86	7.85	-0.01
Other Vegetable Products	1404	0	5	14.53	2.14	2.14	0.00
Knit Women's Undergarments	6108	0	5	14.19	13.63	13.64	0.01
Non-Knit Men's Shirts	6205	0	5	12.92	9.36	9.36	0.00
Baked Goods	1905	0	5	10.53	9.64	9.64	-0.01
Other Knit Garments	6114	0	5	9.62	8.41	8.42	0.00
Knit Babies' Garments	6111	0	5	9.38	16.61	16.62	0.01
Knit Women's Shirts	6106	0	5	9.03	3.11	3.11	0.00
Non-Knit Women's Shirts	6206	0	5	7.66	6.26	6.26	0.00
Knit Men's Undergarments	6107	0	5	7.16	3.45	3.46	0.00
Other Women's Undergarments	6212	0	5	6.84	5.92	5.92	0.00
Prepared Cereals	1904	0	5	6.33	3.11	3.11	0.00
Jute Yarn	5307	0	5	5.68	6.81	6.82	0.01
Non-Knit Active Wear	6211	0	5	5.45	16.67	16.67	0.00
Rapeseed Oil	1514	0	5	5.43	1.61	1.61	0.00
Non-Knit Babies' Garments	6209	0	5	4.59	5.00	5.00	0.00
Knit Men's Shirts	6105	0	5	4.35	15.11	15.12	0.00
Rice	1006	0	5	4.07	2.81	2.81	0.00
Trunks and Cases	4202	0	5	3.76	0.89	0.89	0.00

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade 2023 MN USD	Estimated Trade 2026 with No tariff change MN USD	Estimated Trade 2026 with Simulated 5% Tariff in MN USD	Estimated Change in MN USD
Non-Knit Women's Undergarments	6208	0	5	3.67	3.66	3.66	0.00
Other Processed Fruits and Nuts	2008	0	5	3.49	2.62	2.62	0.00
Flavored Water	2202	0	5	3.10	2.18	2.18	0.00
Non-fillet Frozen Fish	303	0	5	3.05	6.80	6.80	0.00
Other Vegetables	709	0	5	3.02	5.05	5.04	-0.01
Other Sea Vessels	8906	0	5	3.00	0.00	0.00	0.00
Pasta	1902	0	5	2.45	0.64	0.64	0.00
Leather Footwear	6403	0	5	2.14	2.37	2.37	0.00
Non-Knit Men's Coats	6201	0	5	1.95	0.30	0.30	0.00
Pepper	904	0	5	1.92	1.17	1.17	0.00
Other Headwear	6506	0	5	1.74	0.00	0.00	0.00
Knit Women's Coats	6102	0	5	1.70	0.73	0.73	0.00
Electric Batteries	8507	0	5	1.61	0.20	0.20	0.00
Confectionery Sugar	1704	0	5	1.47	0.16	0.16	0.00
Other Pure Vegetable Oils	1515	0	5	1.17	0.19	0.19	0.00
Tropical Fruits	804	0	5	1.11	0.21	0.21	0.00
Mattresses	9404	0	5	0.99	1.93	1.93	0.00
Knitted Hats	6505	0	5	0.89	0.37	0.37	0.00
Pickled Foods	2001	0	5	0.86	0.46	0.46	0.00
Bananas	803	0	5	0.71	0.66	0.66	0.00
Other Fruits	810	0	5	0.63	0.57	0.57	0.00
Basketwork	4602	0	5	0.59	0.08	0.08	0.00
Citrus	805	0	5	0.57	0.39	0.39	0.00
Potatoes	701	0	5	0.54	0.60	0.60	0.00
Potato Flours	1105	0	5	0.51	0.03	0.03	0.00
Spice Seeds	909	0	5	0.38	0.24	0.24	0.00
Jams	2007	0	5	0.25	0.03	0.03	0.00
Raw Plastic Sheeting	3920	0	5	0.23	0.02	0.02	0.00
Jute and Other Textile Fibers	5303	0	5	0.22	0.33	0.33	0.00
Fruit Juice	2009	0	5	0.21	4.90	4.90	0.00
Frozen Vegetables	710	0	5	0.19	0.36	0.36	0.00

Data Source: EPB

Table 23 Simulated results of the Impact of 5% increase of tariff on Bangladesh's export to Kuwait

HS4	HS4 ID	Current Tariff (%)	Simulated Tariff (%)	Observed Trade 2023 (MN USD)	Estimated Trade 2026 No change (MN USD)	Estimated Trade 2026 with Simulated 5% increase of Tariff (MN USD)	Estimated Change
Knit T-shirts	6109	5	10	23.62	16.59	16.40	-0.19
Non-Knit Men's Suits	6203	5	10	11.62	10.88	10.76	-0.13
Knit Sweaters	6110	5	10	11.29	6.99	6.91	-0.08
Non-Knit Women's Suits	6204	5	10	6.94	6.40	6.33	-0.07
Knit Women's Suits	6104	5	10	7.03	5.66	5.60	-0.06
Knit Men's Suits	6103	5	10	6.48	3.69	3.65	-0.04
Knit Babies' Garments	6111	5	10	3.06	3.33	3.29	-0.03
Non-Knit Men's Shirts	6205	5	10	3.15	3.23	3.20	-0.03
Knit Women's Undergarments	6108	5	10	3.96	3.21	3.18	-0.03
Electric Batteries	8507	5	10	3.49	2.32	2.29	-0.03
Knit Men's Shirts	6105	5	10	3.05	2.32	2.30	-0.02
Other Women's Undergarments	6212	5	10	8.55	1.81	1.79	-0.02
Non-Knit Women's Shirts	6206	5	10	1.25	1.64	1.63	-0.02
House Linens	6302	5	10	0.92	1.55	1.53	-0.02
Non-Knit Babies' Garments	6209	5	10	0.91	1.33	1.32	-0.01
Knit Women's Shirts	6106	5	10	0.37	1.33	1.32	-0.01
Knit Men's Undergarments	6107	5	10	2.09	1.25	1.24	-0.01
Leather Footwear	6403	5	10	1.57	1.29	1.28	-0.01
Non-Knit Active Wear	6211	5	10	0.94	1.07	1.06	-0.01
Baked Goods	1905	5	10	0.44	0.63	0.62	-0.01
Other Vegetables	709	0	5	3.45	4.87	4.87	-0.01
Fruit Juice	2009	5	10	0.17	0.48	0.48	0.00
Combs	9615	5	10	0.99	0.24	0.23	0.00
Non-fillet Frozen Fish	303	5	10	0.16	0.48	0.47	0.00
Flavored Water	2202	5	10	0.07	0.43	0.42	0.00
Prepared Cereals	1904	5	10	0.26	0.42	0.42	0.00
Basketwork	4602	5	10	0.18	0.09	0.09	0.00
Textile Footwear	6404	5	10	1.17	0.47	0.47	0.00

HS4	HS4 ID	Current Tariff (%)	Simulated Tariff (%)	Observed Trade 2023 (MN USD)	Estimated Trade 2026 No change (MN USD)	Estimated Trade 2026 with Simulated 5% increase of Tariff (MN USD)	Estimated Change
Other Processed Fruits and Nuts	2008	5	10	0.26	0.32	0.32	0.00
Knitted Hats	6505	5	10	0.77	0.31	0.30	0.00
Rubber Footwear	6402	5	10	0.22	0.36	0.36	0.00
Other Processed Vegetables	2005	5	10	0.05	0.20	0.20	0.00
Pickled Foods	2001	5	10	0.03	0.12	0.12	0.00
Rapeseed Oil	1514	5	10	0.09	0.07	0.07	0.00
Frozen Vegetables	710	5	10	0.01	0.03	0.03	0.00
Fish Fillets	304	5	10	0.02	0.04	0.04	0.00
Melons	807	0	5	0.01	0.29	0.29	0.00
Cutlery Sets	8215	5	10	0.00	0.02	0.02	0.00
Metal Mountings	8302	5	10	0.00	0.02	0.02	0.00
Bananas	803	0	5	0.06	0.22	0.22	0.00
Tropical Fruits	804	0	5	0.89	0.23	0.23	0.00
Potatoes	701	0	5	0.09	0.17	0.17	0.00
Other Edible Preparations	2106	5	10	0.01	0.03	0.03	0.00
Jute Yarn	5307	5	10	0.04	0.03	0.03	0.00
Rice	1006	0	5	0.15	0.15	0.15	0.00
Tea	902	0	5	0.07	0.13	0.13	0.00
Packaged Medicaments	3004	0	5	0.01	0.09	0.09	0.00
Non-fillet Fresh Fish	302	0	5	4.09	3.05	3.05	0.00

Data Source: EPB

Table 24 Simulated results of the Impact of 5% increase of tariff on Bangladesh's export to Qatar

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade in 2023	Estimated Trade 2026 with No change of tariff	Estimated Trade 2026 with Simulated 5% increase of Tariff	Estimated Change in export with 5% increase of tariff	Estimated Change in export with 10% increase of tariff
Knit T-shirts	6109	0	5	14224903	8827394	8831041	3646650	-103049
Non-Knit Men's Suits	6203	0	5	10289875	7030904	7032849	1945446	-81822.5
Non-Knit Men's Coats	6201	0	5	6549121	1706309	1706863	554726	-17959.7
Other Women's Undergarments	6212	0	5	6028614	2046407	2047125	718124	-21766.9
Knit Sweaters	6110	0	5	3619078	3310081	3311222	1141999	-36424.2

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade in 2023	Estimated Trade 2026 with No change of tariff	Estimated Trade 2026 with Simulated 5% increase of Tariff	Estimated Change in export with 5% increase of tariff	Estimated Change in export with 10% increase of tariff
Non-Knit Women's Suits	6204	0	5	3522709	4146935	4148142	1207060	-46556.4
Non-Knit Men's Shirts	6205	0	5	2369998	2979011	2979985	974441	-32597.8
Knit Women's Suits	6104	0	5	2243916	3327204	3328373	1169112	-36604.6
Other Vegetables	709	0	5	2028158	1298248	1296643	-1605419	-15402.2
Knit Women's Undergarments	6108	0	5	1980883	1406380	1407081	700999	-14357.4
Knit Men's Suits	6103	0	5	1939169	1902854	1903525	671579	-20132.1
Knit Babies' Garments	6111	0	5	1632198	1695078	1695944	866108	-17521.7
Knit Socks and Hosiery	6115	0	5	1564630	614097	614388	290765	-5901.42
Knit Men's Shirts	6105	0	5	1245107	930683	931038	355165	-9319.54
Perfume Plants	1211	0	5	1145501	181145	180949	-196254	-1853.48
Fruit Juice	2009	0	5	1128018	1137989	1137293	-695646	-12684.8
Electric Batteries	8507	0	5	1111847	1675964	1674800	-1163796	-19306.6
Flavored Water	2202	0	5	1069583	1263932	1263173	-759404	-14175.2
Knit Men's Undergarments	6107	0	5	1029870	549713	549962	249540	-5247.49
Leather Footwear	6403	0	5	1024761	696738	698155	1416997	-5686.58
Other Knit Garments	6114	0	5	872384	459791	459939	147897	-4387.45
Non-Knit Women's Shirts	6206	0	5	790326	2117161	2117874	713145	-22603.1
Other Non-Knit Clothing Accessories	6217	0	5	756555	74498	74540	41285	-591.586
Baked Goods	1905	0	5	677201	994773	994251	-521518	-10902.2
Spices	910	0	5	675432	840485	839439	-1046142	-9703.62
Knitted Hats	6505	0	5	635006	321486	321322	-164370	-3246.12
Pearl Products	7116	0	5	623782	61495	61457	-38572	-551.425
Legumes	708	0	5	591264	192555	192339	-216048	-1986.43
Textile Footwear	6404	0	5	476753	275375	275989	613292	-2002.08
Non-Knit Babies' Garments	6209	0	5	476377	906408	906881	473402	-8932.35
Non-Knit Active Wear	6211	0	5	334217	839257	839563	305754	-8353.09
Other Processed Fruits and Nuts	2008	0	5	321612	484768	484472	-296035	-5092.25
Prepared Cereals	1904	0	5	309246	248764	248635	-128725	-2465.34
Rice	1006	0	5	302478	147934	147787	-147605	-1478.58
Tropical Fruits	804	0	5	285375	40981	40943	-38753	-367.883
Non-Knit Women's Undergarments	6208	0	5	278529	159932	160000	68337	-1382.2
Citrus	805	0	5	222685	41172	41137	-35010	-365.845
Rapeseed Oil	1514	0	5	214809	173552	173587	35271	-1549.1

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade in 2023	Estimated Trade 2026 with No change of tariff	Estimated Trade 2026 with Simulated 5% increase of Tariff	Estimated Change in export with 5% increase of tariff	Estimated Change in export with 10% increase of tariff
Leather Apparel	4203	0	5	181544	30159	30170	11406	-224.18
Rubber Footwear	6402	0	5	162773	239366	239770	403721	-1843.03
Other Cloth Articles	6307	0	5	151002	12164	12170	5705	-80.9921
House Linens	6302	0	5	95162	633286	633540	253640	-6146.2
Jute Yarn	5307	0	5	90718	39672	39720	47693	-270.697
Beauty Products	3304	0	5	83796	11112	11107	-5043	-83.3987
Pasta	1902	0	5	74886	121626	121571	-54365	-1131.36
Plastic Housewares	3924	0	5	70386	128731	128702	-28784	-1174.48
Mattresses	9404	0	5	61972	156472	156339	-133833	-3285.77
Pepper	904	0	5	55015	103215	103093	-121559	-1022.05
Basketwork	4602	0	5	42723	45708	45623	-85473	-1706.65
Potatoes	701	0	5	29548	236507	236198	-309533	-2520.14
Spice Seeds	909	0	5	18810	190030	189895	-135749	-1881.8

Data Source: EPB

Table 25 Simulated results of the Impact of 5% increase of tariff on Bangladesh's export to Oman

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade 2023	Estimated Trade 2026 with no tariff change	Estimated Trade 2026 with Simulated 10% Tariff increase	Estimated Change
Electric Batteries	8507	5	10	3144385	628603.4	622071.6	-6531.77
Baked Goods	1905	5	10	1172133	1125206	1113027	-12178.6
Non-Knit Men's Suits	6203	5	10	1022880	1630067	1613584	-16483.3
Other Vegetables	709	0	5	1002509	599468.5	598741.8	-726.713
Spices	910	5	10	878055	751738.9	743222.3	-8516.62
Other Edible Preparations	2106	5	10	839810	3072.037	3051.873	-20.1644
Prepared Cereals	1904	5	10	494754	301821.8	298842.1	-2979.68
Fruit Juice	2009	5	10	414692	989688.4	978989.4	-10699
Other Processed Fruits and Nuts	2008	38.92857	43.92857	412296	80043.25	52724.91	-27318.3
Flavored Water	2202	5	10	388138	1363591	1348540	-15051.1
Non-Knit Men's Shirts	6205	5	10	386242	464256.3	460010.2	-4246.06
Pasta	1902	5	10	371043	96515.91	95650.56	-865.347
Non-Knit Women's Suits	6204	5	10	341982	1111775	1100851	-10924.4
Cassava	714	5	10	251311	117.1419	116.5681	-0.57381
Rapeseed Oil	1514	5	10	246458	149632.2	148330.3	-1301.85

HS4	HS4 ID	Current Tariff	Simulate d Tariff	Observe d Trade 2023	Estimate d Trade 2026 with no tariff change	Estimate d Trade 2026 with Simulate d 10% Tariff increase	Estimate d Change
Other Fruits	810	0	5	208424	23943.36	23918.28	-25.0763
Confectionery Sugar	1704	14.5	19.5	186273	91786.36	85135.66	-6650.7
Perfume Plants	1211	5	10	183183	6051.477	6005.698	-45.7788
Knit T-shirts	6109	5	10	157485	1526411	1511269	-15141.5
Plastic Housewares	3924	5	10	155246	137189	135971	-1218.01
Packaged Medicaments	3004	0	5	139605	45.22984	45.32222	0.092383
Sowing Seeds	1209	0	5	137672	138755.4	138593.9	-161.451
Packing Bags	6305	5	10	134174	66351.22	65859.45	-491.766
Trunks and Cases	4202	5	10	129717	100605.5	99667.96	-937.564
Potatoes	701	0	5	111007	35491.4	35447.1	-44.2945
Brochures	4901	0	5	74788	109391	109173.8	-217.236
Non-Knit Men's Coats	6201	5	10	69943	37124.48	36854.94	-269.533
Other Knit Garments	6114	5	10	68858	213446.2	211605.3	-1840.87
Tropical Fruits	804	0	5	62213	3942.884	3939.451	-3.43259
Pickled Foods	2001	5	10	49930	51855.32	51407.57	-447.75
Non-Knit Women's Shirts	6206	5	10	49300	186781.2	185201	-1580.18
Jams	2007	5	10	46190	5241.749	5206.293	-35.4556
Processed Crustaceans	1605	5	10	44655	16.32739	16.28784	-0.03956
Vegetable Saps	1302	5	10	43776	23.68701	23.60489	-0.08212
Citrus	805	0	5	43129	34.05994	34.03873	-0.02121
Fuel Wood	4401	5	10	39441	1367.706	1335.16	-32.5455
Knitted Hats	6505	5	10	37823	214602.7	212563.4	-2039.24
Potato Flours	1105	5	10	32250	26.63148	26.55396	-0.07752
Spice Seeds	909	5	10	30994	22675.44	22489.28	-186.154
Jute Yarn	5307	5	10	29287	9829.119	9775.216	-53.9035
Non-Knit Active Wear	6211	5	10	28863	172272.7	170825.5	-1447.19
Knit Men's Suits	6103	5	10	26690	705181.9	698519.8	-6662.06
Hair Products	3305	5	10	21124	435.8977	433.813	-2.08475
Dried Legumes	713	5	10	18707	34138.45	33834.93	-303.519
Rubber Footwear	6402	5	10	17654	24170.35	24033.13	-137.218
Rice	1006	0	5	17272	154703.6	154548.9	-154.658
Knit Women's Undergarments	6108	5	10	15942	395374.7	391865	-3509.63
Vitamins	2936	0	5	13589	12.76389	12.76518	0.001287
Non-fillet Frozen Fish	303	5	10	13147	105986.8	105125.7	-861.041
Brooms	9603	5	10	12984	20037.55	19701.37	-336.186
Knit Men's Shirts	6105	5	10	11345	332773.8	329820	-2953.78
Footwear Parts	6406	5	10	9480	6.392444	6.391969	-0.00047
Pepper	904	5	10	7769	42723.89	42332.09	-391.796

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade 2023	Estimated Trade 2026 with no tariff change	Estimated Trade 2026 with Simulated 10% Tariff increase	Estimated Change
Leather Footwear	6403	5	10	7709	126046.5	125221.8	-824.763
Knit Babies' Garments	6111	5	10	7466	808155.8	800561.5	-7594.25
Silver Clad Metals	7107	5	10	7433	10.33867	10.31651	-0.02216
Aluminum Housewares	7615	5	10	7261	4443.736	4378.859	-64.8773
Knit Sweaters	6110	5	10	6840	650189.4	644091.6	-6097.79
Knit Women's Shirts	6106	5	10	5300	113226.6	112330.8	-895.838
Low-voltage Protection Equipment	8536	5	10	4588	219.4517	218.5271	-0.92463
Raw Sugar	1701	0	5	4536	13.28693	13.28802	0.00109
Textile Scraps	6310	5	10	4520	11297.58	11234.7	-62.878
Other Headwear	6506	5	10	4322	10408.9	10336.84	-72.0554
Knit Women's Suits	6104	5	10	4237	1373832	1360187	-13645.5
Handkerchiefs	6213	5	10	3836	366.3062	364.9518	-1.35447
Frozen Vegetables	710	5	10	2083	11858.57	11762.25	-96.3195

Data Source: EPB

Table 26 Simulated results of the Impact of 5% increase of tariff on Bangladesh's export to Bahrain

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade in 2023 (000 USD)	Estimated Trade 2026 with no change of tariff (000 USD)	Estimated Trade 2026 with simulated 5% increase of Tariff (000 USD)	Estimated Change USD	%
Knit T-shirts	6109	0	5	14224.90	8827.39	8831.04	3646.65	41.31
Non-Knit Men's Suits	6203	0	5	10289.88	7030.90	7032.85	1945.45	27.67
Non-Knit Men's Coats	6201	0	5	6549.12	1706.31	1706.86	554.73	32.51
Other Women's Undergarments	6212	0	5	6028.61	2046.41	2047.13	718.12	35.09
Knit Sweaters	6110	0	5	3619.08	3310.08	3311.22	1142.00	34.50
Non-Knit Women's Suits	6204	0	5	3522.71	4146.93	4148.14	1207.06	29.11
Non-Knit Men's Shirts	6205	0	5	2370.00	2979.01	2979.99	974.44	32.71
Knit Women's Suits	6104	0	5	2243.92	3327.20	3328.37	1169.11	35.14
Other Vegetables	709	0	5	2028.16	1298.25	1296.64	-1605.42	-123.66

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade in 2023 (000 USD)	Estimated Trade 2026 with no change of tariff (000 USD)	Estimated Trade 2026 with simulated 5% increase of Tariff (000 USD)	Estimated Change USD	%
Knit Women's Undergarments	6108	0	5	1980.88	1406.38	1407.08	701.00	49.84
Knit Men's Suits	6103	0	5	1939.17	1902.85	1903.53	671.58	35.29
Knit Babies' Garments	6111	0	5	1632.20	1695.08	1695.94	866.11	51.10
Knit Socks and Hosiery	6115	0	5	1564.63	614.10	614.39	290.76	47.35
Trunks and Cases	4202	0	5	1483.33	498.50	498.06	-437.46	-87.76
Knit Men's Shirts	6105	0	5	1245.11	930.68	931.04	355.16	38.16
Perfume Plants	1211	0	5	1145.50	181.15	180.95	-196.25	-108.34
Fruit Juice	2009	0	5	1128.02	1137.99	1137.29	-695.65	-61.13
Electric Batteries	8507	0	5	1111.85	1675.96	1674.80	-1163.80	-69.44
Flavored Water	2202	0	5	1069.58	1263.93	1263.17	-759.40	-60.08
Knit Men's Undergarments	6107	0	5	1029.87	549.71	549.96	249.54	45.39
Leather Footwear	6403	0	5	1024.76	696.74	698.16	1417.00	203.38
Other Knit Garments	6114	0	5	872.38	459.79	459.94	147.90	32.17
Non-Knit Women's Shirts	6206	0	5	790.33	2117.16	2117.87	713.14	33.68
Other Non-Knit Clothing Accessories	6217	0	5	756.56	74.50	74.54	41.29	55.42
Baked Goods	1905	0	5	677.20	994.77	994.25	-521.52	-52.43
Spices	910	0	5	675.43	840.48	839.44	-1046.14	-124.47
Tissue	4803	0	5	668.79	13.48	13.46	-26.69	-197.95
Knitted Hats	6505	0	5	635.01	321.49	321.32	-164.37	-51.13
Pearl Products	7116	0	5	623.78	61.50	61.46	-38.57	-62.72
Legumes	708	0	5	591.26	192.56	192.34	-216.05	-112.20
Textile Footwear	6404	0	5	476.75	275.38	275.99	613.29	222.71
Non-Knit Babies' Garments	6209	0	5	476.38	906.41	906.88	473.40	52.23
Building Stone	6802	0	5	378.18	543.87	543.16	-705.08	-129.64
Non-Knit Active Wear	6211	0	5	334.22	839.26	839.56	305.75	36.43
Other Processed Fruits and Nuts	2008	0	5	321.61	484.77	484.47	-296.03	-61.07
Prepared Cereals	1904	0	5	309.25	248.76	248.64	-128.73	-51.75
Rice	1006	0	5	302.48	147.93	147.79	-147.61	-99.78

HS4	HS4 ID	Current Tariff	Simulated Tariff	Observed Trade in 2023 (000 USD)	Estimated Trade 2026 with no change of tariff (000 USD)	Estimated Trade 2026 with simulated 5% increase of Tariff (000 USD)	Estimated Change USD	%
Tropical Fruits	804	0	5	285.38	40.98	40.94	-38.75	-94.56
Non-Knit Women's Undergarments	6208	0	5	278.53	159.93	160.00	68.34	42.73
Cassava	714	0	5	276.79	37.55	37.50	-49.71	-132.38
Citrus	805	0	5	222.69	41.17	41.14	-35.01	-85.03
Rapeseed Oil	1514	0	5	214.81	173.55	173.59	35.27	20.32
Leather Apparel	4203	0	5	181.54	30.16	30.17	11.41	37.82
Rubber Footwear	6402	0	5	162.77	239.37	239.77	403.72	168.66
Other Cloth Articles	6307	0	5	151.00	12.16	12.17	5.71	46.90
House Linens	6302	0	5	95.16	633.29	633.54	253.64	40.05
Jute Yarn	5307	0	5	90.72	39.67	39.72	47.69	120.22
Beauty Products	3304	0	5	83.80	11.11	11.11	-5.04	-45.38
Pasta	1902	0	5	74.89	121.63	121.57	-54.37	-44.70
Plastic Housewares	3924	0	5	70.39	128.73	128.70	-28.78	-22.36
Mattresses	9404	0	5	61.97	156.47	156.34	-133.83	-85.53
Pepper	904	0	5	55.02	103.21	103.09	-121.56	-117.77
Basketwork	4602	0	5	42.72	45.71	45.62	-85.47	-187.00
Malt Extract	1901	0	5	37.54	189.64	189.54	-107.40	-56.63
Potatoes	701	0	5	29.55	236.51	236.20	-309.53	-130.88
Frozen Vegetables	710	0	5	28.67	94.06	93.96	-102.75	-109.23
Other live plants	602	0	5	20.36	0.01	0.01	-0.01	-79.57
Spice Seeds	909	0	5	18.81	190.03	189.89	-135.75	-71.44

Source: EPB

3.5.5 Export projections to GCC countries based on ARIMA model

We have used NCSS version 12 software for estimation of ARIMA models and forecasts. The estimated coefficients of the ARIMA models of six GCC countries have been presented in Table 27. Most of the estimates were found to be significant as indicated by standard errors of the estimates, t-values and all the models was found to be adequate as judged by Portmanteau Test statistics.

Table 27 Parameter estimates of ARIMA model of exports of Bangladesh to six GCC countries

Country	Model	Parameter	Standard error	t-value	Portmanteau Test value	Portmanteau Test decision
UAE	ARIMA (2,0,1)	0.537**	0.220	2.43**	5.66	Adequate

Country	Model	Parameter	Standard error	t-value	Portmanteau Test value	Portmanteau Test decision
		-0.770**	0.248	3.10**		model
		0.867**	0.093	9.22**		
KSA	ARIMA (0,1,2)	0.170*	0.119	14.30**	13.75	Adequate model
		-0.753	0.107	-6.99**		
Kuwait	ARIMA (0,1,2)	1.80**	0.110	16.31**	12.81	Adequate model
		-0.848	0.107	-7.88**		
Qatar	ARIMA (0,1,2)	0.506**	0.186	2.72**	10.26	Adequate model
		-0.801	0.121	-6.59**		
Oman	ARIMA (1,1,2)	0.504	0.307	1.54	9.14	Adequate model
		0.067**	0.208	-3.21**		
		0.878**	0.184	4.77**		
Bahrain	ARIMA (1,1,2)	.0096	0.791	0.121	5.93	Adequate model
		0.357	0.738	0.497		
		0.356	0.372	0.338		

Source: Author's estimation from ARIMA model , Note: ** p < 0.01, * p < 0.05

We have validated forecast models by comparing our forecasts results with actual data of 2024 level and found that ARIMA models have very insignificant forecast errors.

Table 28 presents the forecasted potential exports from Bangladesh to the six GCC countries for 2030 and 2035. The projections indicate a consistent upward trend, aligning with anticipated consumption demand growth in the region.

- Total exports to GCC countries are projected to reach USD 3.8 billion in 2030, further rising to USD 4.3 billion by 2035.
- Country-specific potential export forecasts for 2030 and 2035 are as follows:

Country	2030 (USD Mn)	2035 (USD Mn)
UAE	2026.8	2559.8
KSA	1105.7	1285.6
Kuwait	121.2	139.3
Qatar	88.7	123.4
Oman	138.3	169.0
Bahrain	27.1	30.1

The data indicate positive growth trajectories for all six markets, underlining the importance of strategic engagement, tariff negotiations, and product diversification to sustain export momentum.

3.5.5.1 Welfare decomposition of projected potentials export

A quantitative method decomposition of Bangladesh's projected potential exports to GCC countries amounting USD 3.7 billion in 2030 and USD 4.3 billion in 2035 into GDP contribution and employment generation is included in Annex 1.

The contribution of projected potential exports in 2030 and 2035 is presented in Table 29. The highlights of key results:

- GCC-focused export expansion is a major engine for inclusive growth, generating over 2.5–3 million jobs, especially for RMG, agro-processing, and logistics sectors.
- GDP gains are significant, adding around 2.90 billion to national GDP by 2030 solely from GCC-driven trade and 3.01 billion by 2035.

- Non-RMG sectors (agro-food, halal, pharma, IT) gradually increase their share, contributing to export diversification and higher productivity.

3.6 Trend in labour market

Bangladesh ranks among the world's top manpower-exporting nations, with remittances from expatriate workers serving as a vital component of the country's economic development. Foreign employment not only alleviates unemployment but also enhances the quality and scope of technical training across sectors. These contributions significantly boost Bangladesh's economic growth, while also strengthening its foreign exchange reserves. (BER, 2024). There has been increasing trend in export of manpower from Bangladesh during 2014-15 to 2023-24 (Table 3.28). Table 3.28 and Figure 3.8 present an analysis of the annual number of Bangladeshi workers employed overseas and the associated amount of remittance inflows in USD. Besides, Table 30, 31 and Figure 15, present remittances as percent of GDP and export earnings.

Table 28 Projections of export potentials of Bangladesh to GCC countries in 2030 and 2035 (Based on estimates of ARIMA model)

Year	Export (in million USD)						
	UAE	KSA	Kuwait	Qatar	Oman	Bahrain	GCC
2030	2026.8	1105.7	121.2	88.7	138.3	27.1	3751.8
2035	2559.8	1285.6	139.3	123.4	169.0	30.1	4307.2

Source: Author's estimation from ARIMA models

Table 29 Contribution of projected potentials export to GDP and employment creation

Indicator	2030	2035
Export value (USD bn)	3.7	4.3
GDP contribution (USD bn)	2.90	3.43
Jobs created (million)	2.59	3.01

Table 30 Expatriate employees and remittance of Bangladesh during 2014-24

FY	No. of employees abroad (000)	Amount of remittance			
		Million USD	Change (%) over corresponding year (million USD)	Crore Taka	Change (%) over corresponding year (Crore Taka)
2014-15	453	15316.91	7.65	118982.70	7.60
2015-16	672	14931.15	-2.52	116855.70	-1.79
2016-17	893	12769.45	-14.48	101099.00	-13.48
2017-18	866	14981.69	17.32	123156.00	21.82
2018-19	659	16419.63	9.60	138006.60	12.06

FY	No. of employees abroad (000)	Amount of remittance			
		Million USD	Change (%) over corresponding year (million USD)	Crore Taka	Change (%) over corresponding year (Crore Taka)
2019-20	498	18205.01	10.87	154353.10	11.84
2020-21	271	24777.71	36.10	210130.60	36.14
2021-22	966	21031.68	-15.12	181580.50	-13.59
2022-23	1126	21610.73	2.75	215073.61	18.45
2023-24	1181	23912.20	10.65	266180.00	23.76

Source: Bureau of Manpower, Employment and Training, Bangladesh (BMET) and Bangladesh Bank.

Figure 15 Manpower export of Bangladesh and remittance inflow

Source: BMET, Bangladesh Bank.

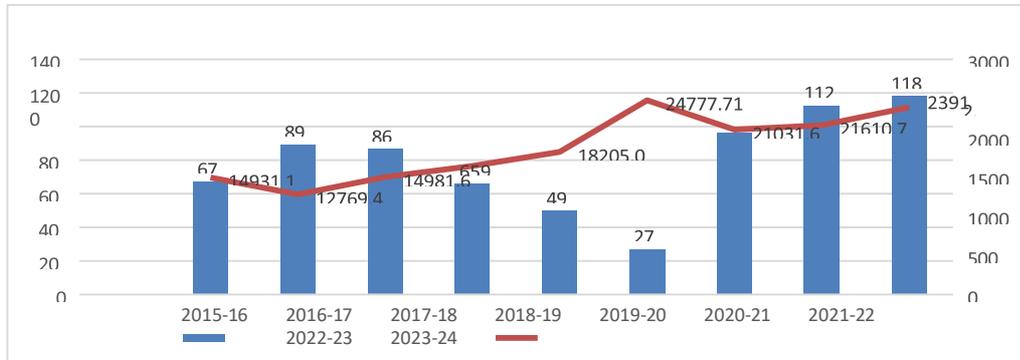
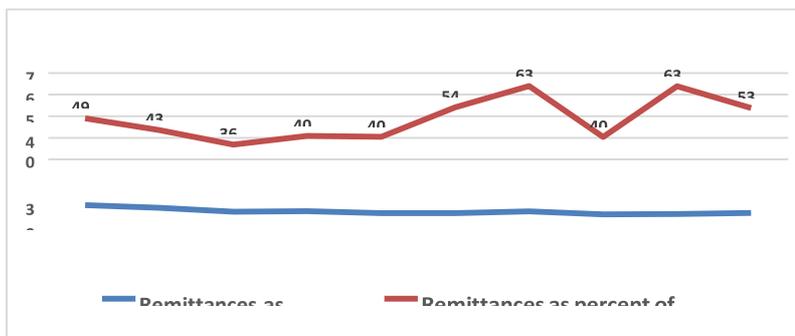


Table:31 Remittances as percent of GDP and Export Earnings

Remittance	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
As percent of GDP	8.86	7.65	5.77	6.00	5.11	5.18	5.95	4.56	4.76	5.21
As % of Export	49.08	43.59	36.85	40.86	40.51	54.06	63.93	40.38	63.85	53.77

Figure 16 Remittance as percent of GDP and export earning



3.6.1 Country-wise manpower export and remittances

Bangladeshi workers are working in Saudi Arabia, UAE, Kuwait, Oman, Malaysia, Singapore Bahrain, Qatar, Jordan, Lebanon, South Korea, Brunei, Mauritius, UK and Italy. Analyzing the data of overseas employment from 2014-15 to 2023-24, it is observed that more than 90 percent of total overseas employment is in the Middle East. Employment of Bangladeshi workers in different countries from FY 2014-15 to 2023-24 is presented in Table 32 and the Figures 17(a) and 17(b) present the year-on-year trends in Bangladeshi migration across key countries during the period from 2014-15 to 2023-24.

The overseas labour market of Bangladesh is continuously changing. During the current decade, a significant change is seen in the structure of the Bangladeshi workers in different countries. In FY 2014-15, about 3.0 percent workers were employed in Saudi Arabia which was increased to about 45.0 percent in FY 2023-24.

Table 32 Country wise overseas employment (in number)

Y	KSA	Kuwait	Qatar	UAE	Oman	Mauritius	Malaysia	Singapore	Other	Total
2014-15	15351	11114	104297	28606	106522	5747	6716	54972	100390	453398
2015-16	103572	19406	136758	13604	176139	5103	51035	58438	91937	672721
2016-17	390454	53630	104198	4371	136007	4430	29993	44629	114012	893736
2017-18	393372	42482	70453	3264	76877	6635	175475	40134	50649	866417
2018-19	301325	13271	72498	3373	72222	7232	84211	45186	54495	659044
2019-20	344226	8927	17616	2514	52933	5983	493	35901	27899	498983
2020-21	217104	7100	3024	4406	22939	28	18	12880	10893	271445
2021-22	653414	8085	18314	83656	119729	2400	102	44755	35618	966503
2022-23	453035	30076	28642	79048	172552	4401	228174	61334	66859	1126060
2023-24	526038	34365	81804	89469	51942	92	248714	53387	90451	1181123

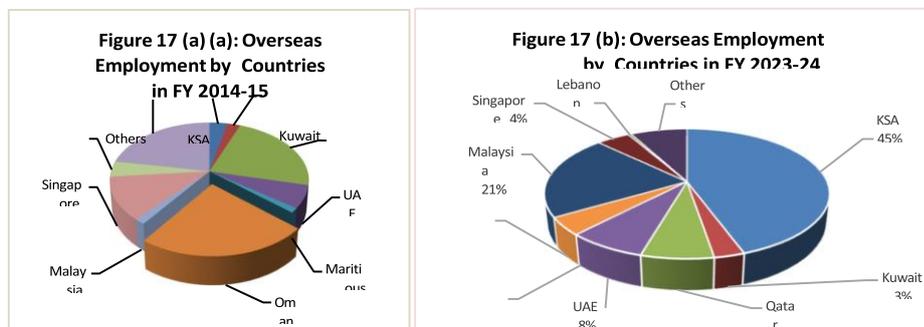
Source: Bureau of Manpower, Employment and Training (BMET).

The trend in labour export from Bangladesh to GCC countries have a good recovery and significant growth post-pandemic, with record numbers exceeding 1 million workers annually in 2023-2024, driven by demand in GCC countries. After initial pandemic slowdowns, labour migration surged, with Bangladesh surpassing 1 million workers abroad in FY2022 and setting records in FY2023 (13.05 lakh) and FY2024 (11.35 lakh), indicating strong demand. The GCC remains the primary destination, attracting over 65% of Bangladesh's migrant workers, with Saudi Arabia hosting the largest diaspora and the UAE opening up further. Countries like the UAE had massive jumps in Bangladeshi workers (e.g., 220% growth in early 2022), while Qatar also received substantial numbers. Remittances from these workers are a crucial source of foreign exchange and economic growth for Bangladesh.

It is observed that the lion's share of inward remittance to Bangladesh has been received from the Middle East countries. In FY 2023-24, the highest share of remittance came from the UAE which was 19.4 percent of total remittances. Country-wise data on remittance inflows in FY 2023-24 showed that USA is the second highest amount of remittance sender country which was 12.4 percent, followed by UK (11.7%), KSA (11.5%) and Malaysia (7.3%). The comparative statistics on country-wise share (percent) of inward remittances and country-wise

remittances sent by Bangladeshi expatriates from FY 2013-14 to FY 2023-24 are presented in Table 33 and Figure 18

The government has undertaken several measures to enhance labour market opportunities abroad, reduce migration costs, promote skilled workforce migration, and provide welfare services to expatriate workers. Key initiatives include:

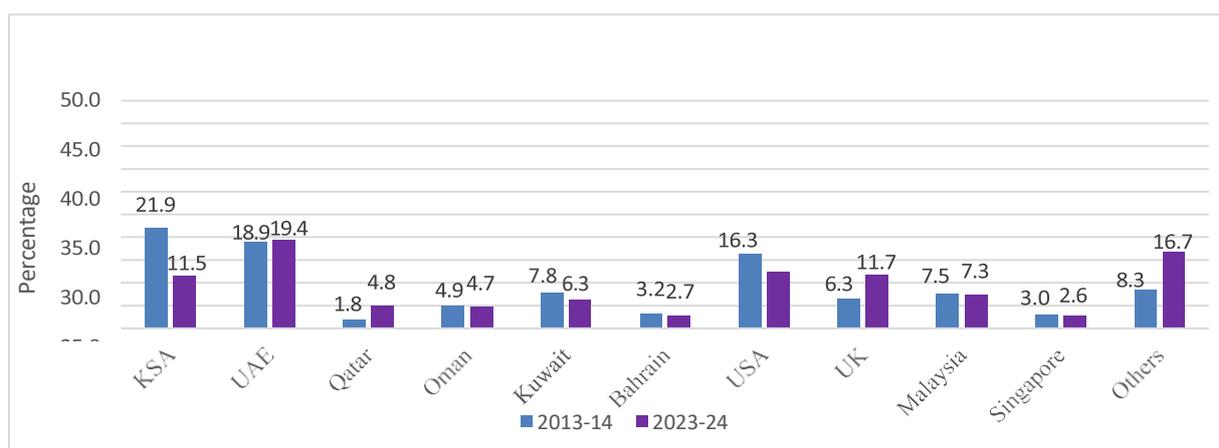


Source: Bureau of Manpower, Employment and Training (BMET)

Table 33 Country-wise remittances (In million USD)

FY	KSA	UAE	Qatar	Oman	Kuwait	Bahrain	USA	UK	Malaysia	Others	Total
2013-14	3119.6	2684.9	257.5	701.1	1106.9	459.4	2323.3	901.2	1064.7	1180.6	14228.3
2014-15	3345.2	2823.8	310.2	915.3	1077.8	554.3	2380.2	812.3	1381.5	1272.9	15316.9
2015-16	2955.6	2711.7	435.6	909.7	1040.0	490.0	2424.3	863.3	1337.1	1376.6	14931.1
2016-17	2267.2	2093.5	576.0	897.7	1033.3	437.1	1688.9	808.2	1103.6	1563.1	12769.5
2017-18	2591.6	2430.0	844.1	958.2	1199.7	541.6	1997.5	1106.0	1107.2	1875.6	14981.7
2018-19	3110.4	2540.4	1023.9	1066.1	1463.4	470.1	1842.9	1175.6	1197.6	2160.9	16419.6
2019-20	4015.2	2472.6	1019.6	1240.5	1372.2	437.2	2403.4	1364.9	1231.3	2190.7	18205
2020-21	5721.4	2440.0	1450.2	1535.6	1886.5	577.7	3461.7	2023.6	2002.4	3053.7	24777.7
2021-22	4542.0	2071.9	1346.5	897.4	1689.6	566.6	3438.4	2039.2	1021.9	3033.1	21031.7
2022-23	3765.3	3033.9	1452.7	790.7	1555.2	528.3	3522.0	2080.4	1125.9	3333.0	21610.7
2023-24	2741.5	4635.6	1150	1123.5	1496.7	639.2	2961.6	2793.2	1744.4	3994.2	23912.2

Source: Bangladesh Bank.



Source: Bangladesh Bank.

Figure 18. Comparison of percentage of country-wise remittances inflow in FY 2013-14 and FY 2023-24

3.6.2 Category-wise skilled and unskilled labour opportunities

Table 3.32 present breakdown of overseas employment by skill category. Data indicates a steady increase in the proportions of professional, skilled, and semi-skilled workers from FY 2014-15 to FY 2023-24. It revealed that overseas employment is predominantly driven by semi-skilled and less-skilled workers, who constituted 22.25 percent and 45.74 percent of expatriate workers, respectively, in FY 2023-24.

Table 34 Number of expatriates' classified by skill categories

FY	Professional		Skilled		Semi-skilled		Less skilled		Total
	Number	%	Number	%	Number	%	Number	%	
2014-15	1395	0.31	177292	39.10	91995	20.29	182716	40.30	453398
2015-16	3047	0.45	288030	42.82	85900	12.77	295744	43.96	672721
2016-17	5241	0.59	288387	32.36	192732	21.56	407376	45.58	893736
2017-18	3363	0.39	336870	38.88	129000	14.89	397184	45.84	866417
2018-19	2073	0.31	252862	38.37	27007	4.10	377102	57.22	659044
2019-20	1137	0.23	166280	33.32	25372	5.08	306194	61.36	498983
2020-21	239	0.09	61624	22.70	10054	3.70	199528	73.51	271445
2021-22	3082	0.32	197190	20.80	24343	2.52	741888	76.76	966503
2022-23	10339	0.92	284646	25.28	134006	11.90	697069	61.90	1126060
2023-24	71992	6.0	306094	25.96	262799	22.25	540238	45.74	1181123

Source: Bureau of Manpower, Employment and Training.

3.6.3 Projections of manpower export and remittance to GCC countries based on ARIMA model

We have used NCSS version 12 software for estimation of ARIMA models and forecasts. The estimated coefficients of the ARIMA models of GCC countries have been presented in Table 35 and Table 36. Most of the estimates were found to be significant as indicated by standard errors of the estimates, t-values and all the models was found to be adequate as judged by Portmanteau Test statistics.

Table 35 Parameter estimates of ARIMA model of exports of labour of Bangladesh to GCC

Country	Model	Parameter	Standard error	t-value	Portmanteau Test value	Portmanteau Test decision
UAE	ARIMA (1,0,0)	0.566**	0.259	2.19**	6.30	Adequate model
KSA	ARIMA (1,0,1)	0.250*	0.347	0.71	4.68	Adequate model
		0.958**	0.092	10.36**		
Kuwait	ARIMA (1,0,1)	1.067	0.257	-0.262	2.12	Adequate model
		-.0998**	0.304	-3.28**		
Qatar	ARIMA (1,0,1)	-0.154	0.345	-0.446	4.60	Adequate model
		-0.928**	0.116	-8.02**		
Oman	ARIMA (1,0,0)	-0.920**	0.103	-8.933**	7.66	Adequate model

Source: Author's estimation from ARIMA model , Note: ** p < 0.01, * p < 0.05

Table 37 presents the forecasted potential manpower exports from Bangladesh to the GCC countries for 2030 and 2035. The projections indicate a consistent upward trend, aligning with anticipated labour demand growth in the region. Total exports of labour to GCC countries is projected to reach 2.23 million number in 2030, further

would rise to 2.77 million number by 2035. Country-specific potential manpower export forecasts for 2030 and 2035 are as follows:

Country	2030 (Mn Number)	2035 (Mn number)
UAE	0.271	0.361
KSA	1.26	1.61
Kuwait	0.145	0.179
Qatar	0.238	0.251
Oman	0.317	0.369

The data indicate positive growth trajectories for all five markets, underlining the importance of strategic engagement, negotiations, and diversification of sectors to sustain manpower export momentum.

Table 36 Parameter estimates of ARIMA model of remittance of labour of Bangladesh from GCC countries

Country	Model	Parameter	Standard error	t-value	Portmanteau Test value	Portmanteau Test decision
UAE	ARIMA (2,0,0)	1.023**	0.166	6.17**	4.45	Adequate model
		-1.016**	0.210	-4.82**		
KSA	ARIMA (2,0,0)	0.760*	0.252	3.01**	5.39	Adequate model
		-0.710	0.245	-2.90**		
Kuwait	ARIMA (1,0,1)	1.067	0.257	-0.262	12.81	Adequate model
		-0.0998**	0.304	-3.28**		
Qatar	ARIMA (1,0,1)	-0.529	0.299	1.768*	5.83	Adequate model
		0.867	0.118	7.33**		
Oman	ARIMA (2,0,0)	-0.934**	0.219	4.25**	8.89	Adequate model
		-0.734**	0.207	-3.55**		
Bahrain	ARIMA (2,0,1)	-0.580**	0.157	-3.68**	14.04	Adequate model
		-0.452**	0.032	-13.98**		
		-1.403**	0.473	-2.96**		

Table 37 Projections of manpower export potentials of Bangladesh to GCC countries in 2030 and 2035 (Based on estimates of ARIMA model)

Year	Export of manpower (in million number)					
	UAE	KSA	Kuwait	Qatar	Oman	GCC
2030	0.271	1.26	0.145	0.238	0.317	2.23
2035	0.361	1.61	0.179	0.251	0.369	2.77

Source: Author's estimation from ARIMA models

Table 38 presents the forecasted potential remittance in flow of Bangladesh from the GCC countries for 2030 and 2035. The projections indicate a consistent upward trend, aligning with anticipated labour demand growth in the region.

- Total remittance of Bangladesh from GCC countries is projected to reach 33.3 billion USD in 2030, further would rise to 40.2 billion USD by 2035.
- Country-specific potential remittance forecasts for 2030 and 2035 are as follows:

Country	2030 (USD billion)	2035 (USD billion)
UAE	6.9	7.9
KSA	10.6	12.6
Kuwait	5.4	6.6
Qatar	4.7	6.1
Oman	4.7	5.6
Bahrain	1.0	1.4

The data indicate positive growth trajectories for all five markets, underlining the importance of strategic engagement, negotiations, and diversification of sectors to sustain manpower export momentum.

Table 38 Projections of potential remittance of Bangladesh from GCC countries in 2030 and 2035 (Based on estimates of ARIMA model)

Year	Remittance (in billion USD)					
	UAE	KSA	Kuwait	Qatar	Oman	GCC
2030	6.9	10.6	5.4	4.7	1.0	33.3
2035	7.9	12.6	6.6	5.6	1.4	40.2

Source: Author's estimation from ARIMA models

3.6.4 Expansion of Bangladeshi diaspora ethnic markets

Bangladeshi diaspora ethnic markets in the GCC tend to expand when the GCC labour market expands, because people don't just migrate with skills—they bring tastes, habits, and social networks. When more Bangladeshi workers arrive, demand rises for familiar goods and services (food, fashion, media, financial services), and entrepreneurs step in to serve them. When recruitment slows, these markets stall or consolidate rather than grow.

How GCC labour dynamics shape diaspora ethnic markets

- Population inflows drive demand: More Bangladeshi workers in Saudi Arabia, UAE, Qatar, Kuwait, Oman, and Bahrain means larger, denser customer bases for Bangladeshi groceries, eateries, remittance agents, mobile top-up, tailoring, barbers, and community services. Conversely, reduced recruitment or visa tightening dampens new ventures and store expansions.
- Income and contract stability affect spending: Higher wages, overtime availability, and multi-year contracts increase discretionary spending on ethnic goods and dining out. Short-term or unstable contracts push demand toward lower-priced staples and remittance-first budgeting.
- Segment mix changes with skill composition: Growth in skilled/semi-skilled migration raises demand for diverse services (banking, tech repairs, branded apparel, professional eateries), while predominantly low-wage inflows concentrate demand on affordable staples and community essentials.
- Policy and mobility constraints matter: Sponsorship rules, licensing requirements, and location zoning influence where ethnic markets cluster (e.g., worker housing districts) and how easily Bangladeshi entrepreneurs can formalize businesses.

What expands first: typical market layers

- Staple consumption:
 - Groceries: Rice varieties, lentils, spices, mustard oil, dried fish, snacks.
 - Prepared food: Biryani houses, “mess” kitchens, tea stalls, budget eateries near worker accommodations.
- Daily living services:
 - Remittance & fintech: Money transfer desks, digital wallet agents, savings clubs.
 - Telecom: SIMs, recharges, cheap smartphones, repair kiosks.
 - Personal services: Barbers, tailoring, cobblers, repair shops.
- Community and culture:
 - Media & events: Bangla TV packages, YouTube café corners, music nights, festival markets (Eid, Pohela Boishakh).
 - Religious & social support: Mosques near camps, charity kitchens, community notice boards.
- Upmarket niches (when skill levels and incomes rise):
 - Restaurants with regional menus, dessert shops, modern cafés targeting mixed South Asian customer bases.
 - Legal/accounting help, travel agencies, logistics brokers serving small business owners.

GCC country nuances that shape opportunities

- UAE (Dubai, Abu Dhabi): Easier retail licensing, multicultural footfall, strong logistics—ideal for branded ethnic FMCG and restaurants.
- Saudi Arabia (Riyadh, Jeddah, Dammam): Large worker base and rising consumer market; good for scaled groceries and affordable food chains, subject to local partnership and compliance.
- Qatar (Doha): Smaller but high-income; service quality matters—clean, reliable eateries and remittance services do well.
- Kuwait, Oman, Bahrain: Neighborhood-driven, with steady demand for budget staples; micro-entrepreneurship thrives in worker districts if permits allow.

4. Import of Bangladesh from GCC Countries

4.1 Overview of Bangladesh’s Import in 2023

Bangladesh’s top 10 import categories in 2023 reflect the country’s demand for energy, infrastructure development, and industrial inputs. The largest shares were held by machinery, petroleum, and chemicals, which together accounted for half of all imports (Table 39).

Table 39 Top 10 Import commodities of Bangladesh by value in 2023 (in Billion USD)

Rank	Category	Percentage	Value (USD Billion)
1	Machinery	20.0	8.00
2	Petroleum	18.0	7.20
3	Chemicals	12.0	4.80
4	Electrical Equipment	10.0	4.00
5	Iron and Steel	8.0	3.20
6	Foodstuffs	7.0	2.80
7	Textiles	7.0	2.80
8	Pharmaceuticals	6.0	2.40
9	Plastics	6.0	2.40

Rank	Category	Percentage	Value (USD Billion)
10	Vehicles	4.0	1.60

Data source: Bangladesh Bank

4.2 Import from Saudi Arabia (KSA)

Total Import Value: 1811.6 million USD in 2022-23 The product categories were fertilizers, petroleum products and miscellaneous (Table 40.)

Table 40 Key Imported Products from KSA

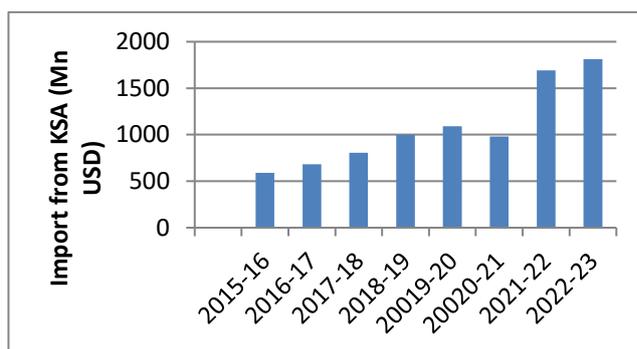
Product Category	Description
Fertilizers	Mixed mineral, nitrogenous, and diammonium phosphate (DAP)
Petroleum Products	Crude oil and refined petroleum
Miscellaneous Commodities	Other goods, including chemicals and industrial inputs

Data source: Bangladesh Bank

Notable Trade Dynamics:

- Long-standing economic and labor ties.
- Significant development aid via the Saudi Fund for Development (SFD).
- Strong remittance inflows from Bangladeshi workforce in KSA.

Trends in import: There had been increasing trend in import of Bangladesh from Saudi Arabia during 2015-23. The average rate of increase per annum was 18.3%. (Figure 19).



Data source: Bangladesh Bank

Figure 19 Import of Bangladesh from KSA

4.3 Import from United Arab Emirates (UAE)

The total Import Value in 2022-23 from UAE was USD 1703 mn. The top imported products from UAE in 2022-23 were Petroleum products (913.5 mn USD), followed by chemicals (256.2 million USD), and plastic & rubbers (142.6 million USD). The top 7 products imported from UAE is presented in Table 41.

Table 41 Top 7 import products from UAE

	Category	Key Products
1.	Petroleum Products	Crude oil, refined petroleum
2.	Chemicals	Organic and inorganic chemicals
3.	Plastics and Rubbers	Plastic resins, industrial rubbers
4.	Iron and Steel	Construction-grade metals
5.	Machinery & Electronics	Capital equipment, industrial electronics
6.	Gold (Re-exported)	Imported for re-export purposes
7.	Cement & Limestone	Key materials for construction

Data source: Bangladesh Bank

Trends in import:

- UAE is one of Bangladesh's key trading partners.
- There had been increasing trend in import of Bangladesh from United Arab Emirate during 2015-23. It increased from 583.8 mn in 2015-16 to 1703 mn USD in 2022-23. The average rate of increase per annum was 23.9% (Figure 4.3).

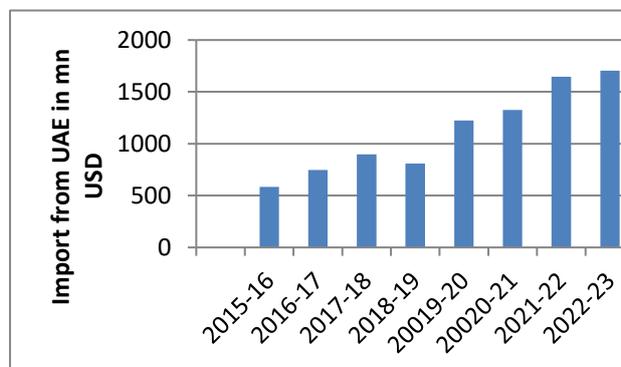


Figure 20 Import of Bangladesh from UAE
Source: Bangladesh Bank

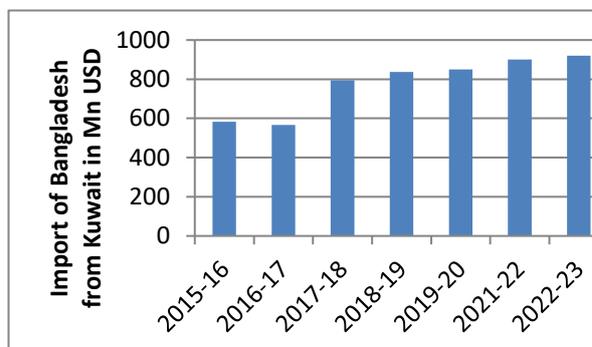


Figure 21 Import of Bangladesh from Kuwait
Source: Bangladesh Bank

6.4 Import from Kuwait

Total Import Value from Kuwait in 2022-23 was USD 920 million. **Key Imports:** The key imported product from Kuwait in 2022-23 are Petroleum products (913.5 mn USD), and chemicals (Table 42)

Table 42 Key import products from Kuwait

Product Category	Key Products
Energy Products	Mineral fuels and oils
Chemicals	Salt, sulfur, lime, etc.

Data source: Bangladesh Bank

Trends in import: There had been increasing trend in import of Bangladesh from Kuwait during 2015-2023. It increased from 582 MN USD in 2015-16 to 920 MN in 2022-23. The average rate of increase per annum was 10.5%. (Figure 21).

4.5 Import from Qatar

Total Import Value (2022-23): 2366.5 MN USD in 2022-23

Key Imported Products: The key imported products from Qatar are LNG gas, petroleum and fertilizers etc. (Table 43).

Table 43 Key import products from Qatar

Product Category	Description
Liquefied Natural Gas (LNG)	Supplied under long-term agreements
Petroleum	Major energy component
Fertilizers	Mainly nitrogenous
Ethylene Polymers	Used in packaging and industrial processes
Miscellaneous Goods	Textiles, industrial inputs

Data source: Bangladesh Bank

Trends in import:

- Strong energy trade relations.
- Recent expansions in LNG import agreements.
- Positive trade balance for Qatar.

There had been increasing trend in import of Bangladesh from Qatar during 2015-2023. It increased from 1050.9 mn in 2018-19 to 2366.5 mn USD in 2022-23. The average rate of increase per annum was 25.4% (Figure 4.5)

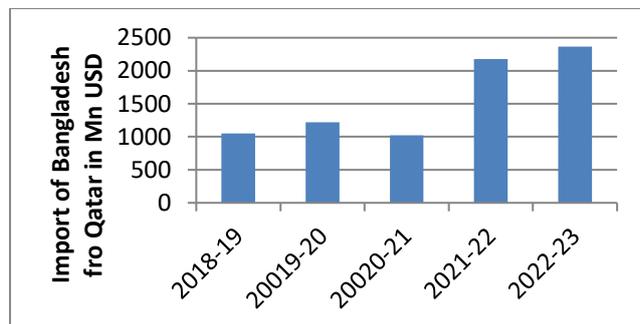


Figure 22 Import of Bangladesh from Qatar, Source: Bangladesh Bank

4.6 Import from Oman

Total Import Value (2022-23): USD 81.46 million

Key Imported Products: The key imported products from Oman are petroleum and, raw materials, raw materials of plastic & rubber, and metals etc. (Table 4.6).

Table 44 Key import products from Oman

Category	Key Products
Petroleum and	Refined petroleum products, crude oil, and other
Plastics and Plastic	Various plastic raw materials
Mineral Products	Gypsum, Salt, Sulphur, earth, stone, plaster, lime
Metals	Raw materials like iron and steel

Data source: Bangladesh Bank

Trend:

- The specific items imported to Bangladesh have varied over the years. In 2023, Oman exported \$82.2M to Bangladesh. The main products that Oman exported to Bangladesh were Propylene Polymers (\$24.1M), Gypsum (\$18.4M), and Ethylene Polymers (\$16.6M). Over the past 5 years, exports from Oman to Bangladesh have decreased at an annualized rate of 1.16%, decreasing from \$87.1M in 2018 to \$82.2M in 2023.
- Continued interest in energy and blue economy collaboration.

4.7 Import from Bahrain

Total Import Value (2023): USD 17.1 million

Key Import products: In 2023, the main products that Bahrain exported to Bangladesh were Stranded Aluminum Wire (\$7.35M), Other Edible Preparations (\$4.16M), and Animal Feed (\$1.18M) (Table 45)

Table 45 Key import products from Bahrain

Product Category	Description
Metals	Stranded aluminum wire
Food and Feed	Edible preparations, animal feed
Miscellaneous	Industrial goods, apparel inputs

Data source: Bangladesh Bank

Trend:

- Over the past 5 years, exports from Bahrain to Bangladesh have increased at an annualized rate of 6.19%, growing from \$12.7M in 2018 to \$17.1M in 2023.

Chapter 5: Investment of GCC Countries in Bangladesh, Potentials and Collaborations

5.1 Investment of United Arab Emirates (UAE)

The United Arab Emirates (UAE) stands as a key foreign investor in Bangladesh, with a net FDI stock of approximately US\$ 529.74 million as of September 2022, making it the fifth-largest foreign investor in the country. UAE investments span multiple sectors including textiles, banking, chemicals, pharmaceuticals, energy, and infrastructure, reflecting a diversified and growing economic partnership.

Key Sectors of UAE Investment:

- **Textiles and RMG:** The UAE has been investing in Bangladesh's robust textile and ready-made garment (RMG) sector, which also constitutes a significant portion of Bangladesh's exports to the UAE.
- **Banking and Financial Services:** Emirati investments in Bangladesh's banking sector have supported the expansion and modernization of the country's financial infrastructure.
- **Power and Energy:** UAE firms have shown strong interest in Bangladesh's power and energy sectors, particularly in LNG infrastructure and renewable energy projects.
- **Ports, Logistics, and Infrastructure:** Abu Dhabi Ports Group is investing in the development and management of Bangladeshi ports, including proposed partnerships with the Chittagong Port Authority to build Bay Terminals.
- **Renewable Energy:** Masdar, the UAE's clean energy company, has proposed a major solar power initiative, including a 250 MW project on reclaimed coastal land with a potential investment of \$500 million.
- **Real Estate and Urban Development:** UAE investors have contributed to the growth of Bangladesh's real estate sector, particularly in urban commercial and residential infrastructure.

Recent Investment Initiatives and MoUs: Several significant Memoranda of Understanding (MoUs) have been signed to foster deeper investment cooperation between the UAE and Bangladesh:

- **Dubai Government & PPP Authority:** MoU to establish a port, dry port, and industrial park under the Public-Private Partnership framework.
- **ENOC & Ministry of Power, Energy, and Mineral Resources:** Agreement for LNG supply and development of a land-based LNG terminal at Payra, including a request for 300 acres for terminal construction.
- **Sheikh Ahmed Dalmoock Al Maktoum & Power Development Board:** MoU to set up an 800–1000 MW LNG power plant and a 100 MW solar energy project.
- **Sheikh Ahmed Dalmoock Al Maktoum & BIDA:** MoU for developing a Special Economic Zone (SEZ) in Matarbari covering 300 acres.
- **Almaden Emirates Fortune Power & Intraco Solar Power (Bangladesh):** Preliminary agreement to develop solar plants with a \$5 billion investment backed by the Arab Investment Development Authority (AIDA). The initiative includes the deployment of 14 million solar panels to produce 5 GW of clean energy over a 6–8 year period.

Bilateral Trade Relations: In 2023, **bilateral trade surpassed US\$ 1.8 billion.**

- Bangladesh's key exports to the UAE include garments, textiles, and base metals.
- The UAE imports mineral products, chemicals, plastics, and electronic goods from Bangladesh.
- Both countries are actively exploring trade and investment partnerships in IT, agriculture, and Special Economic Zones.

Labor Mobility and Remittance Flows: Labor mobility forms a cornerstone of Bangladesh-UAE economic ties:

- Over 1 million Bangladeshi workers currently reside in the UAE, contributing significantly to the UAE economy across construction, domestic services, hospitality, and healthcare.
- In the first half of 2022 alone, nearly 58,000 Bangladeshi workers migrated to the UAE.
- These workers send home approximately US\$ 3 billion annually in remittances, a vital source of foreign exchange and livelihood for Bangladeshi households.
- More than 50,000 Bangladeshi expatriate-owned businesses operate in the UAE, collectively employing over 150,000 people.

Future Investment Opportunities: Bangladesh presents a wide array of lucrative opportunities for Emirati investors across multiple sectors:

- **Energy & Infrastructure:** LNG terminals, oil and gas pipelines, solar and wind energy projects.
- **Blue Economy:** Marine fisheries, aquaculture, and deep-sea port development.
- **Industrial Development:** Investment in SEZs, jute, leather, ceramics, and agro-processing.
- **ICT & Technology:** High-potential areas include fintech, data centers, and software development.
- **Tourism & Hospitality:** Coastal tourism, eco-tourism, and hotel chains.
- **Joint Ventures:** Emirati entities may explore partnerships with Bangladeshi entrepreneurs for large-scale industrial and infrastructure projects.

Box 1 Strategic Outlook of UAE's investments in Bangladesh

Strategic Outlook: The UAE's strategic investments in Bangladesh are not only strengthening bilateral economic relations but also contributing to Bangladesh's long-term development goals in energy security, industrialization, and export diversification. With stable policies, competitive labor costs, and growing demand, Bangladesh continues to emerge as a promising destination for GCC investments, particularly from the UAE.

5.2 Investment of Saudi Arabia in Bangladesh

Saudi Arabia has emerged as an increasingly important development partner for Bangladesh, with growing investments across key sectors such as energy, infrastructure, tourism, renewable energy, skilled labor, aerospace, and agri-based industries. This strategic partnership reflects Saudi Arabia's broader commitment to expanding its footprint in South Asia, driven by both public and private sector initiatives.

Key Investment Sectors:

Power Generation: *Saudi Arabia's flagship energy company, ACWA Power, has committed substantial investment to Bangladesh's energy sector:*

- In October 2019, ACWA Power signed an MoU with the Bangladesh Power Development Board (BPDB) to develop a 3,600 MW Natural Gas/R-LNG based combined cycle power plant.
- A 730 MW plant is also proposed in Chattogram, contributing to Bangladesh's national energy security and industrial growth.

Infrastructure and Port Development: *Red Sea Gateway Terminal (RSGT), a Saudi port operator, is managing the Patenga Bay Terminal in Chittagong.*

- In 2023, RSGT signed a 22-year concession agreement worth US\$170 million with the Chittagong Port Authority to operate a 500,000 TEU container terminal, equipped with advanced logistics technologies.
- RSGT is also in discussions to invest in the upcoming Matarbari Deep-Sea Port, aiming to enhance regional connectivity and trade capacity.
- Renewable Energy: Al-Fanar, a prominent Saudi company in the power sector, has proposed investment in a 100 MW Independent Power Producer (IPP) solar project, supporting Bangladesh's clean energy transition.

Tourism and Hospitality: The Al-Hokair Group, a Saudi conglomerate specializing in leisure and hospitality, has expressed interest in investing in Bangladesh's emerging tourism sector, including hotel chains and entertainment infrastructure.

Skilled Labor and Construction: Al Bawany, a Saudi construction firm, is investing in the employment and upskilling of Bangladeshi workers for construction and engineering projects, both locally and within the Kingdom.

Agri-based Industries: The Saudi-Bangladesh Industrial and Agricultural Investment Company Ltd. (SABINCO), a joint venture between the Saudi and Bangladeshi governments, is actively financing industrial and agro-based projects.

Notable SABINCO Initiatives: Approved a BDT 400 million loan to Fervent Multiboard Industries Ltd. in Jamalpur.

- Participated in a syndicated loan for **BSRM Group's wire factory** project (2019).
- Co-financed a loan for **Chandpur Power Generations Ltd.** (2022).

Investment Commitments and Recent Developments: In March 2024, Saudi Arabia announced a US\$1.2 billion investment package for Bangladesh, reinforcing bilateral ties and economic cooperation.

- According to Ambassador Essa Yousef Essa Al Duhailan, this investment highlights Saudi Arabia's confidence in Bangladesh's growth trajectory and market potential.
- RSGT's container terminal project in Chittagong is expected to significantly boost Bangladesh's export handling capacity, aligning with rising global demand for Bangladeshi goods.
- ACWA Power's proposed US\$2.5 billion investment in a gas-fired power plant underscores Saudi Arabia's long-term commitment to Bangladesh's energy infrastructure and Vision 2041 development goals.

SABINCO Investment Initiatives in Bangladesh

Overview

Saudi-Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) is a joint venture between the Governments of Saudi Arabia and Bangladesh. Established in 1984, SABINCO operates as a specialized non-banking financial institution focused on industrial and agro-based development.

Key Investment Instruments: (i) **Term Loans:** Long-term financing (5–10 years) for new projects and BMRE (Balancing, Modernization, Rehabilitation, and Expansion). (ii) **Syndication Loans:** Arranges and participates in syndicated financing for large-scale industrial ventures. (iii) **Private Equity Placement:** Facilitates equity investment for industrial entrepreneurs via local and foreign institutional investors. (iv) **Preferred Stock:** Offers dividend-based instruments with sponsor guarantees and put options. (v) **Fee-Based Services:** Provides advisory, consultancy, securitization, and syndication support.

Sectoral Focus: (i) *Industrial:* Cement, Pharmaceuticals, Engineering, Electronics, Chemicals, Steel, Ceramics, Textiles, (ii) *Agro-Based:* Poultry, Fish Hatchery, Feed Mills, Agro-processing, (iii) *Infrastructure & Utilities:* Power generation (IPP), Telecom, IT, (iv) *Others:* Furniture, Glass, Food Processing, Rice Mills

Impact Snapshot: (i) Over 154 industrial ventures financed, (ii) Investment commitment exceeding BDT 25,473 million, (iii) Strong emphasis on greenfield projects and sustainable industrial growth

Strategic Positioning: SABINCO leverages its bilateral ownership and sectoral expertise to mobilize both domestic and international capital, positioning itself as a catalyst for industrial transformation in Bangladesh.

Bilateral Relations and Strategic Outlook: Bangladesh appreciates Saudi Arabia's proactive diplomatic and economic engagement, especially in supporting regional peace and prosperity.

- Both countries are exploring new avenues for cooperation, including offshore banking, information technology, and specialized economic zones.
- The Saudi ambassador has emphasized the need for deepening trade and investment relations, calling Bangladesh a priority destination under the Kingdom's global investment strategy.

Future Opportunities for Saudi Investment: Given Bangladesh's rapid economic growth and investor-friendly policies, Saudi Arabia can further expand its footprint in the following areas:

- LNG infrastructure and renewable energy
- High-tech manufacturing, including aerospace and electronics
- Tourism development in coastal and heritage-rich regions
- Smart city development and real estate
- Agro-processing and food security cooperation
- Digital economy and IT parks

5.3 Investment of Kuwait in Bangladesh

Kuwait has maintained a steady, albeit modest, investment presence in Bangladesh, primarily through joint ventures, concessional loan programs, and emerging interest in the energy and renewable sectors. The bilateral relationship is characterized by historical solidarity, economic cooperation, and shared interest in deepening engagement in trade, investment, and human development.

Key Areas of Investment: Joint Ventures

One of the most notable Kuwaiti investments is the establishment of a lubricating oil blending plant under a joint venture:

K B Petrochemicals Limited, backed by Kuwaiti investment, is setting up a lubricating oil blending facility in the BEPZA Economic Zone, with a total investment of US\$10.39 million.

- This venture supports industrial diversification and aligns with Bangladesh's goal to attract high-value manufacturing in its export processing zones.

Concessional Financing – Kuwait Goodwill Fund

Kuwait extends financial support through the Kuwait Goodwill Fund (KGF):

- The KGF provides soft loans and microfinance support to promote entrepreneurship, SME development, and financial inclusion in rural and underprivileged communities across Bangladesh.
- The fund contributes to capacity building and helps generate employment by fostering local enterprises.

Energy and Oil Sector Cooperation: *Kuwait has expressed interest in expanding its role in Bangladesh's growing energy sector:*

- Discussions are ongoing for Kuwaiti investment in a crude oil refinery project, which would strengthen Bangladesh's downstream petroleum infrastructure.
- This collaboration would support energy security and reduce import dependency on refined petroleum products.

Renewable Energy and Sustainability: *Kuwait is exploring opportunities to invest in renewable energy, in line with Bangladesh's clean energy transition goals:*

- Areas of potential cooperation include solar power, waste-to-energy projects, and green hydrogen development.
- Kuwaiti entities have shown interest in participating in public-private partnerships (PPPs) for utility-scale clean energy infrastructure.

Recent Diplomatic Engagement and Investment Dialogue: During a high-level meeting between the newly appointed Ambassador of Kuwait to Bangladesh, Ali Tunyan Abdul Wahab Hamadah, and Chief Adviser Professor Muhammad Yunus on March 9, 2025 at Dhaka, both sides reaffirmed their intention to strengthen bilateral ties, particularly in the fields of:

- Trade and investment
- Energy and infrastructure
- Food security
- Welfare of migrant workers

The Chief Adviser welcomed the ambassador and reiterated Bangladesh's interest in deepening cooperation with Kuwait, especially in strategic sectors aligned with Vision 2041. The discussions reflected mutual appreciation for the historical friendship and commitment to expanding economic collaboration.

Labor Relations and Remittances: Kuwait is home to a significant number of Bangladeshi migrant workers, many of whom are employed in construction, domestic services, and healthcare. Their contributions are vital to Kuwait's economy, while the remittances they send back support Bangladesh's foreign exchange reserves and rural household income. Efforts to improve migrant welfare, skill certification, and bilateral labor agreements are part of the broader investment and development partnership.

Investment Outlook: Kuwait's investment footprint in Bangladesh, while relatively modest in size, holds strategic potential. With increasing focus on energy, industrial manufacturing, and sustainable development, Kuwait can be a valuable partner in:

- Oil and gas infrastructure development
- Solar and waste-to-energy power plants
- Export-oriented manufacturing ventures
- Financial inclusion through SME financing
- Food processing and cold chain logistics

5.4 Investment opportunities for Qatar in Bangladesh

Qatar has emerged as a significant strategic partner for Bangladesh, particularly in the energy sector, through long-term Liquefied Natural Gas (LNG) supply agreements and targeted investments in power generation. The bilateral relationship has steadily expanded beyond energy into defense, trade, port development, and labor cooperation, offering promising avenues for future investment and joint ventures.

LNG Supply Agreements: Cornerstone of Energy Cooperation: Bangladesh has signed two major long-term LNG supply agreements with Qatar's state-owned entities, underscoring the central role of energy in bilateral cooperation:

- **2017 Agreement with Qatar Energy LNG (formerly Qatargas):**
Under a 15-year contract, Qatar supplied 40 LNG cargoes annually, each with a capacity of 3.2 million MMBtu, priced at \$10.114 per MMBtu. This agreement, which recently expired, was pivotal in stabilizing Bangladesh's energy supply during a critical growth phase.
- **2023 Agreement with Qatar Energy Trading LLC:**
A new 15-year deal was signed in 2023, under which Bangladesh will receive 24 LNG cargoes annually starting from January 2026. The agreed price stands at \$10.07 per MMBtu, ensuring competitive energy procurement through a government-to-government (G2G) arrangement.

In addition, Qatar has expressed intent to renew the expired 2017 Memorandum of Understanding (MoU) and is currently engaged in technical discussions on developing a land-based LNG terminal in Bangladesh. This project, once realized, will significantly enhance Bangladesh's energy infrastructure and import capacity.

Key Areas of Joint Ventures and Strategic Partnerships:

Energy Sector: Qatar's investment footprint in Bangladesh's power sector is expanding, with notable ventures such as:

- **Nebras Power:**
A subsidiary of Qatar Electricity & Water Company (QEWCo), Nebras Power holds a 24% equity stake in the Unique Meghnaghat Power Plant, a major gas-based power project supplying electricity to the Bangladesh Power Development Board (BPDB). This collaboration highlights Qatar's commitment to long-term infrastructure and utility development in Bangladesh.

Defense Cooperation: Exploratory dialogues have taken place on enhancing defense collaboration, including:

- Joint production and technology transfer in armored vehicles, naval platforms, drones, and small arms.
- Potential for exports and co-development, supporting Bangladesh's defense modernization goals while opening new markets for Qatari defense industries.

Trade and Investment: The two countries have strengthened institutional ties to promote trade and economic cooperation:

- **MoUs and Bilateral Agreements** have been signed to facilitate investment in port development, logistics, higher education, and labor export.
- The establishment of a Joint Business Council between the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Qatar Chamber of Commerce and Industry (QCCI) aims to boost business-to-business engagement and expand bilateral trade volume.

Labor and Human Resource Development: Bangladesh serves as a key source of skilled and semi-skilled labor for Qatar, with cooperation continuing in labor mobility, training, and certification to meet Qatar's workforce needs across sectors like construction, healthcare, and services.

5.5 Investment Opportunities for Oman in Bangladesh

Bangladesh and Oman share a longstanding bilateral relationship that is gradually expanding beyond labor and trade into strategic investment cooperation. Oman has

expressed growing interest in investing in key sectors of the Bangladeshi economy, including Information and Communication Technology (ICT), hi-tech parks, shipbuilding, tourism, and the blue economy. While formalized investment figures remain limited, both governments have emphasized the importance of deepening economic ties and unlocking new areas of collaboration.

Growing Interest and Bilateral Engagement: Oman's Ministry of Foreign Affairs has conveyed a strong intent to explore investment opportunities in Bangladesh, particularly in emerging and infrastructure-driven sectors. According to *The Business Standard*, Omani officials have expressed interest in Bangladesh's evolving digital and industrial ecosystems. In response, Bangladesh has actively encouraged Omani investment, offering access to land in Exclusive Economic Zones (EEZs) and promoting its liberal investment climate, which includes fiscal incentives, tax holidays, repatriation facilities, and one-stop services through institutions like BIDA and BEZA.

Key Sectors of Potential Investment

ICT and Hi-Tech Parks: Bangladesh's growing digital economy and investments in hi-tech infrastructure—such as software parks and startup incubators—align well with Oman's interest in technological innovation and digital transformation.

- Omani investment in this sector could benefit from Bangladesh's young, tech-savvy workforce and government support for ICT exports.

Shipbuilding and the Blue Economy: Bangladesh's emerging shipbuilding industry offers cost-effective production capacity and growing global demand.

- Joint ventures or technology transfer initiatives could support Omani maritime development goals under its Vision 2040 while creating manufacturing and employment opportunities in Bangladesh.

Tourism and Hospitality: Bangladesh has offered Omani investors opportunities in developing eco-tourism resorts, heritage sites, and hospitality infrastructure.

- Oman's experience in sustainable tourism and coastal development could complement Bangladesh's ambitions in this underdeveloped sector.

Climate Change and Sustainability: Both countries have acknowledged the need to collaborate on climate-resilient investment, especially in energy, infrastructure, and sustainable agriculture.

- These align with Oman's Vision 2040 goals of environmental stewardship and sustainable growth.

Trade and Economic Relations: While concrete investment data remains limited, trade between the two countries continues to grow. According to OEC World:

- **Oman's exports to Bangladesh** primarily include:
 - Propylene polymers
 - Ethylene polymers
 - Gypsum
- **Bangladesh's exports to Oman** include:
 - Electric batteries
 - Baked goods
 - Non-knit men's suits

These trade flows indicate potential synergies in industrial manufacturing, materials, and consumer goods, which could be further strengthened through direct investment and joint ventures.

Box 3 *Strategic Alignment with Oman Vision 2040* for Investment in Bangladesh's key sectors

Strategic Alignment with Oman Vision 2040: Oman's Vision 2040 prioritizes economic diversification, sustainability, and global investment partnerships. Investment in Bangladesh's key sectors aligns with this vision, providing Oman with an opportunity to: (i) Tap into a fast-growing South Asian economy, (ii) Leverage Bangladesh's strategic location for regional trade, (iii) Secure long-term returns through diversified portfolios in emerging sectors.

While detailed investment volumes are yet to be disclosed, the foundations for a robust investment partnership between Oman and Bangladesh are steadily being laid. With mutual interest in ICT, shipbuilding, tourism, and sustainable development, Oman has an opportunity to play a strategic role in Bangladesh's growth journey. Continued diplomatic engagement, targeted promotion of opportunities, and structured investment facilitation will be key to transforming intent into impactful investment.

5.6 Investment opportunities for Bahrain in Bangladesh

Bangladesh and Bahrain enjoy a growing economic relationship, characterized by expanding bilateral trade and the potential for deeper investment collaboration. While direct Bahraini investment in Bangladesh remains limited and underreported, the positive trade dynamics and existing institutional frameworks create a strong foundation for future cooperation across key sectors.

Current Trade Dynamics: In 2023, total bilateral trade between the two countries stood at approximately \$50.1 million, with a trade surplus in favor of Bangladesh:

- Bahrain's exports to Bangladesh totaled \$17.1 million, consisting mainly of:
 - Stranded aluminum wire
 - Other edible preparations
 - Animal feed and related products
- Bangladesh's exports to Bahrain amounted to \$33 million, led by:
 - Knit T-shirts
 - Non-knit men's suits
 - Knit men's suits

These figures reflect Bangladesh's strength in RMGs and apparel exports and suggest complementary trade patterns that can be leveraged for broader investment initiatives.

Investment Landscape and Opportunities: While concrete data on Bahraini FDI (Foreign Direct Investment) in Bangladesh is limited, both countries have expressed interest in expanding economic cooperation. The presence of a Bilateral Investment Treaty (BIT) provides a formal framework for investment protection and promotion.

Bangladesh's investment climate:

- 100% foreign ownership is permitted in most sectors.
- Foreign investors enjoy repatriation of profits, tax holidays, and duty-free import of capital machinery.
- Investment facilitation is provided through agencies like BIDA and BEZA.
- Special incentives are available in EPZs and EZs.

5.7. Investment potential and collaboration between Bangladesh and GCC Countries

The evolving geopolitical and economic landscape in Asia and the Middle East has amplified the relevance of stronger investment ties between Bangladesh and the Gulf Cooperation

Council (GCC) countries. As Bangladesh progresses toward becoming a middle-income economy and the GCC nations accelerate diversification under their respective vision frameworks (e.g., Saudi Vision 2030, Qatar National Vision 2030, UAE Vision 2031), the foundation is ripe for deeper economic collaboration. Strategic partnerships, sovereign wealth fund participation, and sectoral investments can significantly benefit both parties.

5.7.1 Assessment of investment opportunities

Bangladesh offers a range of attractive opportunities for GCC investors, owing to:

- **Macroeconomic stability:** Bangladesh has maintained consistent GDP growth (above 6% over the past decade), stable inflation, and a growing middle class.
- **Young labor force:** With over 60% of its population under the age of 35, Bangladesh presents a large and cost-effective workforce.
- **Large consumer base:** A population exceeding 170 million with rising purchasing power attracts consumer-focused investments.
- **Strategic location:** As a gateway to South and Southeast Asia, Bangladesh offers access to markets in India, China, and ASEAN countries.
- **Policy incentives:** The government provides tax holidays, duty-free import of capital machinery, 100% foreign ownership in most sectors, and repatriation of profits.

GCC investors, particularly sovereign wealth funds and family-owned conglomerates, are increasingly seeking stable, long-term investment destinations for diversification, particularly in high-growth, low-cost markets like Bangladesh.

5.7.2 Potential Sectors for Collaboration

(1) Energy and Power

- GCC countries can invest in Bangladesh's energy infrastructure, including **renewable energy, LNG terminals, and oil storage facilities**.
- Qatar and UAE are already engaged in supplying LNG; co-investments in terminal construction, distribution, and energy trading platforms can be deepened.

(2) Infrastructure and Real Estate

- Investments in **special economic zones (SEZs), export processing zones (EPZs), ports, and industrial parks** remain high-potential areas.
- Urban development, smart city infrastructure, and affordable housing projects offer long-term ROI for GCC investors.

(3). Agriculture and Food Processing

- GCC countries aim to enhance **food security** through offshore farming and food supply chain investments. Bangladesh offers fertile land, favorable climate, and lower input costs.
- Joint ventures in **halal food processing, cold storage, and logistics** infrastructure can strengthen food security ties.

(4) Information and Communication Technology (ICT)

- Bangladesh's thriving IT sector, supported by the government's "Digital Bangladesh" agenda, is well-placed to benefit from partnerships in AI, fintech, and cloud services.
- GCC nations, keen to build digital economies, can outsource tech development or invest in local ICT start-ups and tech parks.

(5) Health and Pharmaceuticals

- Bangladesh's generic pharmaceutical industry can benefit from GCC investment for capacity expansion, R&D, and regulatory alignment to GCC drug registration protocols.
- Medical tourism, hospitals, and training centers are also emerging areas for health sector collaboration.

(6) Textiles and RMG Backward Linkages

- The ready-made garments sector is Bangladesh's top export sector. Investment in backward linkages such as fabric manufacturing and textile machinery, especially in SEZs, can reduce lead times and support GCC buyers seeking regional sourcing.

5.7.2.1 Case Studies of Successful Engagements

United Arab Emirates (UAE):

- The DP World-led terminal investment at Chattogram Port illustrates successful logistics collaboration.
- Al Ghurair Group and Lulu Group have explored sourcing Bangladeshi agro-products and investing in retail and warehousing.

Saudi Arabia:

- Saudi Arabia has committed to investing over \$1 billion in Bangladesh in sectors including energy, fertilizers, and hospitality through its Public Investment Fund (PIF).
- Discussions are ongoing for the establishment of a Saudi-Bangladesh Investment Company, to streamline future investment pipelines.

Qatar:

- Qatar is a strategic partner in LNG supply to Bangladesh and has signaled interest in investing in energy and ports infrastructure.
- Qatar Chamber of Commerce has highlighted agriculture and food as high-potential sectors for Bangladeshi-Qatari partnerships.

Oman and Bahrain:

- While investments remain modest, both countries have expressed interest in port logistics, joint fisheries ventures, and halal food processing units.
- Oman Trading International has supplied energy resources and may expand into joint investments in power and LPG infrastructure.

Kuwait:

- Kuwait has historically funded development projects in Bangladesh through the Kuwait Fund for Arab Economic Development (KFAED).
- Sectors of growing interest include transport, education, and renewable energy.

There is substantial untapped potential for investment and economic collaboration between Bangladesh and the GCC countries. Bangladesh's growing economy, favorable policy environment, and large market complement the GCC's investment appetite and strategic diversification goals. With structured dialogue, targeted promotion, and mutually beneficial investment mechanisms, the economic partnership can be elevated to a new level of strategic importance.

To sum up, the shifting global economic order and complementary development trajectories between Bangladesh and Gulf Cooperation Council (GCC) countries have opened significant avenues for bilateral investment and cooperation. As Bangladesh transitions towards becoming an upper middle-income economy and the GCC states pursue diversification agendas under national vision strategies (e.g., Saudi Vision 2030, Qatar National Vision 2030, UAE Vision 2031), both parties share aligned priorities in trade, energy security, food systems, connectivity, and labor mobility.

Bangladesh offers a robust investment landscape, characterized by sustained economic growth, a young and cost-competitive labor force, expanding infrastructure, and favorable regulatory frameworks. Strategic sectors such as power and energy (including LNG terminals and renewables), port and logistics development, special economic zones (SEZs), manufacturing (textiles, pharmaceuticals, agro-processing), and ICT services present lucrative opportunities for GCC investors.

On the other hand, the GCC's sovereign wealth funds, private sector enterprises, and state-owned entities are seeking new growth markets, food security partnerships, and logistics corridors—aligning well with Bangladesh's long-term development plans, such as Vision 2041 and the Delta Plan 2100. Notable progress includes UAE's growing footprint in ports and logistics, Saudi Arabia's proposed multibillion-dollar investments in energy and SEZs, and Kuwait and Qatar's interest in renewable energy and food processing ventures.

To unlock the full potential of this partnership, both regions should enhance investment facilitation mechanisms, improve bilateral trade and tax frameworks, and operationalize recently signed MoUs in sectors like energy, transport, and digital economy.

6. Policy & Regulatory Frameworks and Challenges in Trade Between Bangladesh and GCC Countries

6.1 Comparison of trade policies of Bangladesh and GCC countries

Bangladesh and GCC countries have distinct trade policies shaped by their economic structures, trade priorities, and regulatory frameworks. Here's a comparison:

(1) Trade Liberalization & Tariffs

- Bangladesh: Implements export-led growth policies, with high tariffs on imports to protect domestic industries. However, it offers duty-free access to certain sectors like ready-made garments (RMG).
- GCC Countries: Follow a low-tariff trade model, with free trade zones and preferential trade agreements (PTAs) among member states. GCC nations impose import duties on non-GCC countries but maintain liberal trade policies for strategic imports.

(2) Export Diversification

- Bangladesh: Relies heavily on RMG exports, with efforts to expand into pharmaceuticals, leather, and agricultural products.
- GCC Countries: Focus on oil and gas exports, but are diversifying into manufacturing, technology, and food security investments.

(3) Trade Agreements & Regional Integration

- Bangladesh: Engages in bilateral trade agreements but lacks free trade agreements (FTAs) with GCC nations.
- GCC Countries: Operate under a unified trade policy, allowing free movement of goods within member states and preferential trade agreements with global partners.

(4) Investment & Foreign Direct Investment (FDI) Policies

- Bangladesh: Encourages FDI in infrastructure, energy, and manufacturing, but has regulatory hurdles that slow foreign investments.
- GCC Countries: Offer investment-friendly policies, including tax exemptions, free zones, and simplified regulations to attract global investors.

(5) Trade Facilitation & Logistics

- Bangladesh: Faces logistical challenges, including port inefficiencies and customs delays. GCC Countries: Have advanced trade infrastructure, including modern ports, efficient customs clearance, and digital trade platforms.

Key Takeaways

- Bangladesh's trade policy is protectionist, focusing on export-led growth.
- GCC countries have liberal trade policies, emphasizing regional integration and investment-friendly regulations.
- Strengthening bilateral trade agreements and improving logistics can enhance Bangladesh-GCC trade relations.

6.2 Insights on relevant policies

6.2.1 Trade policy: Bangladesh's Export Policy 2024-2027

The new export policy is supportive and aligned with the Bangladesh's goal of expanding trade and diversification of products with GCC countries. Bangladesh's Export Policy 2024–2027 sets a goal of raising annual export earnings to \$110 billion by FY2026–27, positioning the country for a smooth transition from LDC status and the associated loss of preferential

trade benefits. The policy acts as a strategic roadmap to strengthen global competitiveness, diversify exports, and build a more resilient economy.

The Core objectives of the policy include: (1) Accelerate economic growth and employment by expanding export-oriented production and reducing poverty. (2) Improve the balance of trade through stronger export performance relative to imports. (3) Enhance global competitiveness by creating a dynamic, export-friendly environment. (4) Align with long-term targets, including achieving.

Key Features and Strategic Priorities are: (1) Export Diversification: Reduce reliance on RMG by promoting new “thrust products” such as vegetables and handicrafts. (2) Priority Sectors: (i) *Special Development Sectors*: Dyeing, printing, finishing, spinning, and fabric manufacturing. (ii) *Thrust Areas*: Services, pharmaceuticals, and medical equipment, supported through targeted government assistance. (3) WTO Compliance: Shift from cash subsidies to non-cash incentives, including: (i) 5–10% rebates on utility bills for major exporters (ii) Duty exemptions on capital machinery and spare parts, (iii) Licensing fee waivers (3) Inclusive Growth: Encourage participation of women and small entrepreneurs in export activities. (4) Technological Upgrading: Promote digitalization, e-commerce, green technologies, and environmental compliance (e.g., effluent treatment plants). (5) Financial and Technical Support: (i) Establish an Export Development Fund offering low-interest venture capital, (ii) Provide 2–2.5% incentives for service exports, (iii) Offer a 2% cash incentive for local shipping companies transporting export goods. (6) Governance and Oversight: Create dedicated bodies—the National Committee on Exports, Monitoring and Evaluation Committee, and Technical Committee on Exports—to ensure effective implementation.

Addressing implementation challenges

- **Strengthening Institutional Capacity:** Build the capacity of key government institutions like the Export Promotion Bureau (EPB), Ministry of Commerce, and customs authorities to improve coordination, monitoring, and enforcement of export policies.
- **Enhancing Infrastructure:** Enhanced infrastructure will reduce lead times, improve export competitiveness, and facilitate smoother trade processes.
- **Improving Policy Coordination and Alignment:** Establish a high-level inter-ministerial coordination body to ensure that various policies work synergistically towards common export objectives as clear policy alignment can reduce contradictions and create a more favorable business environment.
- **Encouraging Export Diversification:** Promote the diversification of export products by providing incentives for non-traditional export sectors such as pharmaceuticals, agro-processed goods, and IT services. Support these sectors with targeted financial assistance, capacity building, and market access initiatives to reduce dependence on RMG and broaden the export base.
- **Ensuring Access to Finance:** Improve access to finance for exporters by encouraging the development of export credit facilities and insurance schemes. Provide special financial packages for SMEs and startups, allowing them to engage in international trade more effectively.
- **Adopting Technological Advancements:** Embrace digital technologies such as e-governance, automation in customs clearance, and electronic document submission to streamline the export process. The use of digital platforms can also improve transparency and reduce bureaucratic red tape, making export processes faster and more accessible.

6.2.2 Import policy

The Import Policy Order 2021–2024 outlines the regulations and guidelines for the importation of goods in Bangladesh, designed to facilitate trade while ensuring compliance with international standards.

Bangladesh's latest import policy is dynamic, focusing on facilitating exports via easier raw material imports (like removing quotas for export factories) and supporting local industries through controlled imports, with recent changes allowing direct import of capital goods without prior BIDA approval, while the core framework is under the Import Policy Order (IPO) 2021-2024, regularly amended for economic stability, especially managing forex, inflation, and LDC graduation needs, using tools like HS codes and digital platforms for transparency. Key Recent Policy Shifts (Late 2025): (i) Capital Goods Import: Bangladesh Bank now allows importing capital goods without prior approval from the Bangladesh Investment Development Authority (BIDA) to boost investment.

- Export-Oriented Units: Amendments are planned to remove quotas for duty-free raw material imports for export-oriented firms, easing procedural hurdles.

Ongoing Policy Framework (IPO 2021-2024):

- Regulated Imports: The core policy manages imports through banned/restricted lists (Annex-1), with items often importable conditionally (e.g., for local industry protection).
- Finance: Imports primarily use cash foreign exchange, with rules for financing sources.
- Digitalization: Efforts are ongoing to modernize customs and trade, using digital infrastructure for faster clearance and information.

Key Goals: (1) Support Local Industry: Protect nascent industries by controlling imports but pushing them towards progressive manufacturing, (2) Boost Exports: Streamline processes for export-oriented manufacturers. (3) Economic Stability: Address foreign exchange pressures and manage inflation.

The import policy of Bangladesh is aligned with goal of enhancing trade with the GCC countries. This policy enabled Bangladesh to:

- Strengthen its trade relationships globally, particularly through regional FTAs.
- Enhance sustainable development by promoting the import of renewable energy technologies and reducing the carbon footprint of imported goods.
- Adapt to evolving global economic dynamics through provisions for updates and amendments to remain competitive in global trade.

The "Import Policy Order 2021-24" of Bangladesh plays a critical role in shaping the country's trade landscape by defining the framework for imports, promoting industrial growth, and ensuring trade compliance with international standards. It establishes a structured and transparent set of guidelines for importing goods, with specific provisions addressing areas like restricted and prohibited items, quality control, tariffs and duties, free trade agreements (FTAs), and special provisions for certain sectors.

6.2.3 Industrial policy 2022

Bangladesh's industrial policy, driven by National Industrial Policies (NIP 2016, NIP 2022), focuses on inclusive & sustainable growth, diversification, employment (especially women & youth), and leveraging 4IR technologies for mid-income country transition,

emphasizing SME development, infrastructure (SEZs), green industry, quality standards (BSTI), & attracting FDI through supportive zones and incentives for competitiveness.

Key features of the Policy include: (1) Inclusive & Sustainable Growth: Moving towards a middle-income country by fostering eco-friendly, productive industries.(2) Diversification: Expanding beyond traditional sectors (like RMG) into high-value, ICT-based, and labor-intensive sectors using domestic resources.(3) SME Development: Providing strategic support, guidance, and financial incentives for Micro, Small, & Medium Enterprises (MSMEs), (4) 4IR Adoption: Integrating AI, IoT, Big Data, etc., to boost productivity and skill development, while addressing job displacement, (5) Infrastructure & Zones: Developing Industrial Parks, Special Economic Zones (SEZs), & improving port logistics (Chittagong, Mongla, Payra).(6) Women Empowerment: Promoting female entrepreneurship with simplified rules and financial benefits.(7) Quality & Standards: Strengthening bodies like BSTI to ensure ISO certification and global market compliance. (8)Investment Promotion: Attracting FDI with streamlined processes and incentives for both domestic & foreign investors.

Recent Focus & Challenges include (i) LDC Graduation: Preparing for reduced trade preferences post-LDC status.(ii) Green Industry: Promoting ETPs, green energy, and managing environmental impacts.(iii) Skilled Manpower: Investing in IT/ITeS training to compete in a tech-driven world. (iv) Interoperability: Developing frameworks for digital payments and financial tech. In essence, Bangladesh's industrial policy aims to transform its industrial base through technology, sustainability, and strategic support.

6.2.4 National Tariff Policy 2023

Features include (i) Protective & Revenue-Generating: Tariffs serve to shield domestic industries (like garments, pharmaceuticals) and are a significant source of government revenue.(ii) Complex Structure: The tariff system has anomalies and is often overly reliant on indirect taxes, making it complex and less predictable.(iii) Anti-Export Bias: High import duties, especially on raw materials, increase costs for exporters, making them less competitive globally. (iv) Tariff Rationalization Focus: The policy aims to scale back protective tariffs to benefit consumers and improve competitiveness.

Weaknesses include: (i) High & Distorting Rates: Bangladesh's average nominal tariffs are higher than many competitors, impacting industrial costs and export diversification. (ii) Revenue Dependence: Heavy reliance on import taxes creates challenges for revenue mobilization without distorting incentives, notes a piece in Policy Insights. (iii) Lack of Transparency & Simplicity: The system sacrifices simplicity for revenue/protection, creating administrative hurdles and distorting business. (iv) Implementation Gaps: Policies, including tariff guidelines, often lack legal binding, leading to inconsistent application and accountability issues, says a Financial Express article. (vi) Slow Response to Global Shifts: A delayed and disjointed reaction to external pressures (like US tariff threats) has put key industries at risk. (vii) Sidelining Private Sector: Insufficient consultation with exporters during trade talks leaves businesses unprepared for market changes.

Way Forward include: (i) Tariff Rationalization: Simplify and lower tariffs, especially on inputs, to reduce costs for the RMG sector and boost diversification. (ii)Enhance Competitiveness: Focus on logistics, ease of doing business, and skills development.

Case Study: Bangladesh-UAE Garment Trade Expansion

The Bangladesh-UAE trade partnership has seen remarkable growth, especially in ready-made garments (RMG). Key developments include:

- **Steady Export Growth:** Since 2018, Bangladesh's garment exports to UAE have increased significantly.

- **Trade Agreements:** UAE has streamlined import regulations, making it easier for Bangladeshi exporters.
- **Investment in Apparel Sector:** UAE-based companies have invested in Bangladesh's textile industry, strengthening production capacity.

This case highlights how strategic trade agreements can enhance export growth and investment opportunities.

6.3 Future trade prospects and policy recommendations for Bangladesh's trade relations with GCC countries.

Future Trade Prospects

- 1) **Expansion of Free Trade Agreements (FTAs)**
 - Bangladesh is exploring bilateral FTAs with GCC nations to reduce tariffs and improve market access.
 - Strengthening trade agreements can enhance export diversification beyond garments.
- 2) **Investment in Infrastructure & Energy**
 - GCC countries, particularly Saudi Arabia and UAE, are investing in Bangladesh's seaports, energy projects, and logistics.
 - Future collaborations may include renewable energy projects and smart infrastructure development.
- 3) **Growth in Non-Garment Exports**
 - Bangladesh is expanding exports in pharmaceuticals, leather, seafood, and electronics.
 - GCC nations are interested in food security partnerships, boosting agricultural exports.
- 4) **Digital Trade & E-Commerce Expansion**
 - Bangladesh is focusing on digital trade platforms to enhance cross-border e-commerce.
 - GCC nations are investing in technology-driven trade solutions.

Policy Recommendations

- 1) **Negotiating Preferential Trade Agreements (PTAs)**
 - Bangladesh should pursue PTAs with GCC nations to reduce tariff barriers and improve trade flow.
- 2) **Strengthening Quality Standards & Certification**
 - Enhancing product quality control and certification processes will help meet GCC regulations.
- 3) **Improving Logistics & Trade Facilitation**
 - Investing in efficient shipping routes, customs clearance, and digital trade infrastructure can reduce delays.
- 4) **Expanding Economic Diplomacy**
 - Strengthening bilateral trade dialogues and business councils can improve trade relations.

These strategies can boost Bangladesh's trade competitiveness and strengthen economic ties with GCC nations.

6.4 Analysis of regulatory environments

As Bangladesh and the Gulf Cooperation Council (GCC) countries aim to deepen economic integration through enhanced trade and investment flows, a critical factor influencing the pace and success of these efforts lies in their regulatory environments. Trade and investment are governed by a complex framework of laws, standards, customs procedures, and compliance mechanisms, which must be navigated effectively to realize the full potential of bilateral economic cooperation.

6.4.1 Regulatory environment of Bangladesh:

Bangladesh has made progress in streamlining its trade and investment regulations through reforms under the *Bangladesh Investment Development Authority (BIDA)*, National Single

Window initiatives, and the WTO Trade Facilitation Agreement. Key features of the regulatory environment include:

- Tariff rationalization and duty drawback systems to support exporters;
- Establishment of Special Economic Zones (SEZs) and Export Processing Zones (EPZs) with distinct regulatory advantages;
- Ongoing digitization of customs procedures (ASYCUDA World);
- Sector-specific licensing requirements, especially in food, pharmaceuticals, and textiles;
- Foreign ownership is allowed in most sectors, though some restrictions remain in areas like defense, media, and certain types of land acquisition.

6.4.2 Regulatory environment of GCC Countries:

Each GCC country operates its own regulatory system, but regional harmonization efforts exist under the GCC Common Market. Key elements include:

- **Unified customs law** among member states with a shared external tariff;
- **Free zones** and **industrial parks** offering favorable conditions for foreign investors;
- **Product conformity and standards regulations**, typically based on **GCC Standardization Organization (GSO)** guidelines;
- **Visa and labor market controls**, which can vary widely among countries;
- **Shariah-compliant financial and contractual regulations**, particularly relevant in sectors like finance and agribusiness.

While the GCC is broadly open to imports, non-tariff barriers, complex conformity assessments, and mandatory certifications can pose obstacles for Bangladeshi exporters unfamiliar with regional protocols.

6.5 Identified challenges in trade regulations

Several regulatory and procedural bottlenecks impede smoother trade and investment between Bangladesh and GCC states:

(1) Standards and compliance gaps

- Lack of mutual recognition of standards and testing between Bangladesh and GCC countries leads to delays in product registration and market entry, especially in sectors like food, pharmaceuticals, and electronics.
- Halal certification processes vary across GCC countries, creating confusion and added costs for Bangladeshi exporters.

(2) Customs and documentation

- Exporters from Bangladesh often face **redundant documentation requirements** and **manual clearance procedures** in some GCC ports, leading to inefficiencies.
- The **absence of integrated digital customs connectivity** between Bangladesh and GCC economies hinders seamless trade flows.

(3) Market Access and Quotas

- **GCC import licensing requirements** and sectoral restrictions on certain goods (e.g., live animals, perishable items, textiles) often change with limited notice.
- **Quota limits** and **protectionist measures** in sensitive sectors (e.g., petrochemicals, steel, strategic food items) limit entry opportunities.

(4) Investment Regulatory Complexity

- Bangladesh's **land acquisition processes** and **bureaucratic approval chains** remain a deterrent for long-term GCC investors.
- GCC countries' **foreign ownership caps** in certain sectors (such as retail, telecom, and energy) can limit Bangladeshi investment interest or joint ventures.

(5) Labor and Mobility Restrictions

- Regulatory restrictions related to work visas, labor laws, and business travel in GCC countries often inhibit mobility of technical teams and entrepreneurs from Bangladesh.

6.6 Recommendations for Regulatory Alignment

To foster deeper trade and investment ties, the following regulatory reforms and harmonization initiatives are recommended:

(1) **Establish Mutual Recognition Agreements (MRAs)**

- Bangladesh and GCC countries should pursue bilateral MRAs in key export sectors (e.g., food safety, pharmaceuticals, textiles) to facilitate cross-border recognition of standards, testing, and certification.

(2) **Simplify and Digitize Customs Procedures**

- Accelerate implementation of electronic data interchange (EDI) and single-window customs clearance systems between Bangladesh and GCC member states.
- Promote harmonization of customs documentation and shared risk management protocols.

(3) **Halal and Food Safety Protocol Alignment**

- Facilitate standardized Halal certification frameworks and align with the GCC Food Safety Framework to reduce regulatory friction for agro-food and meat exports from Bangladesh.

(4) **Facilitate Investment Entry and Dispute Resolution**

- Bangladesh should further simplify procedures for land leasing, project approvals, and investment licensing under BIDA and BEZA.
- Develop bilateral investment protection treaties (BITs) and explore the creation of special investment facilitation cells for GCC investors.

(5) **Establish Joint Regulatory Task Forces**

- Form Bangladesh-GCC regulatory dialogue platforms to resolve trade disputes, update on regulatory changes, and develop sector-specific compliance roadmaps.

(6) **Promote Public-Private Dialogue on Trade Rules**

- Regular stakeholder consultations between Bangladeshi exporters and GCC import regulators can improve preparedness, reduce compliance costs, and identify bottlenecks in real time.

Regulatory alignment is a critical enabler of sustainable trade and investment growth between Bangladesh and the GCC countries. While progress has been made, addressing non-tariff barriers, modernizing customs operations, and building mutual trust in standards and procedures are essential next steps. Through proactive policy dialogue, institutional cooperation, and targeted reforms, both regions can unlock the full economic potential of their partnership.

6.7 Bilateral agreement between Bangladesh and GCC countries

6.7.1 Overview of Bangladesh's trade agreements

Bangladesh has actively pursued various trade agreements to bolster its economic relation and enhance trade opportunities. The country has successfully concluded one bilateral Preferential Trade Agreement (PTA), two Regional Free Trade Agreements (FTAs), and five regional PTAs. These agreements are as follows:

- **Bilateral PTA:** Bangladesh-Bhutan Preferential Trade Agreement (BB-PTA), which was signed on December 6, 2020, and implemented from July 1, 2022. [2]
- **Regional FTAs:** South Asian Free Trade Area (SAFTA), an agreement that succeeded the 1993 SAARC Preferential Trading Arrangement and came into force in 2006 [3] and Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) which aims to promote free trade in the region.
- **Regional PTAs:** Asia-Pacific Trade Agreement (APTA), Trade Preferential System among OIC Countries (TPS-OIC), Preferential Trade Agreement among Developing Countries (D-8 PTA), South Asian Preferential Trade Agreement (SAPTA), Global System of Trade Preferences among Developing Countries (GSTP).

To further strengthen its trade ties, Bangladesh has developed a Regional Trade Agreement (RTA) Policy in 2022. Following this policy, Bangladesh has initiated negotiations for two major agreements: An Economic Partnership Agreement (EPA) with Japan and a

Comprehensive Economic Partnership Agreement (CEPA) with India. Moreover, Bangladesh has conducted twenty-six (26) feasibility studies to initiate PTA/FTA/CEPA/EPA with the major trading partners.

Trade agreements may offer a viable solution for Bangladesh to counteract the adverse effects of LDC graduation. These agreements may help the country secure favorable trade terms, enhance market access and attract investment. Here are several ways trade agreements can benefit Bangladesh:

- **Securing market access:** Trade agreements may help Bangladesh maintain access to critical markets by negotiating terms that ensure reduced tariffs and continued preferential treatment. For instance, Bangladesh may pursue agreements with major trading partners like United States of America (USA), European Union (EU), India, Canada, Japan, China, Australia among others to retain favorable market conditions for its exports considering the factors like scope & coverage, barriers to trade, etc.
- **Trade diversification:** By entering into trade agreements with feasible countries, Bangladesh can diversify its trade portfolio, reducing dependence on a limited number of markets. This diversification can spread economic risks and open up new avenues for trade and investment.[4]
- **Attracting foreign direct investment (FDI):** Trade agreements often include provisions that create a more stable and predictable investment climate. By guaranteeing certain standards and protections for investors, these agreements can make Bangladesh an attractive destination for FDI, which is crucial for economic development and job creation.
- **Enhancing competitiveness:** Modern trade agreements typically incorporate measures to improve trade facilitation such as streamlining customs procedures, reducing non-tariff barriers and fostering cooperation on standards and regulations. These enhancements can reduce the cost and complexity of trade, boosting the competitiveness of Bangladeshi businesses on the global stage. [5]

6.7.2 Strategic considerations for effective trade agreements

In order to maximize the benefits of trade agreements, Bangladesh needs to adopt a strategic approach in its negotiation and implementation:

- **Identify key partners:** Prioritize negotiations with countries that represent significant markets for Bangladeshi exports. This includes not only developed economies but also emerging markets with high growth potential. Moreover, participation in regional trade agreements can provide access to larger markets and enhance bargaining power in global trade negotiations.
- **Prioritize comprehensive trade agreements:** Bangladesh should focus on negotiating trade agreements that go beyond tariff reductions to include provisions on services, investments, labor, and environmental standards. This approach will help diversify their economic base and enhance resilience. In this endeavor, upholding high standards in labor, environmental protection, and quality can ensure long-term trade sustainability and compliance with global norms, which is increasingly important in modern trade agreements.
- **Strengthen trade infrastructure:** Developing robust trade infrastructure including efficient customs procedures and logistics, can significantly improve trade performance and reduce costs.
- **Enhance trade facilitation measures:** Simplifying trade procedures and reducing non-tariff barriers can make exports more competitive. Emphasizing digital trade facilitation can also streamline processes and reduce delays.
- **Comprehensive stakeholder engagement:** Ensure that the negotiation process involves a wide range of stakeholders including government agencies, private sector representatives, trade unions and civil society. This inclusive approach can help address diverse interests and anticipate potential challenges.

- **Build institutional capacity:** Strengthen the institutions responsible for trade policy and negotiations. This involves training negotiators, improving regulatory frameworks and ensuring effective enforcement of trade agreements.
- **Monitor and evaluate the impact of trade agreement:** Establish mechanisms to regularly monitor and evaluate the impact of trade agreements. This will enable Bangladesh to make necessary adjustments and ensure that the agreements deliver the intended benefits.

6.7.3 Learning from other countries

Vietnam and Cambodia are two major competitive countries considering export baskets, target markets, geographical and socio-economic conditions for Bangladesh. Bangladesh can draw valuable lessons from other countries that have successfully leveraged trade agreements:

Vietnam: Vietnam's experience in negotiating and implementing trade agreements provides a useful model. The country has successfully concluded several high-profile agreements such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam Free Trade Agreement (EVFTA). These agreements have helped Vietnam integrate into global supply chains and attract significant foreign investment. For instance, Vietnam's exports to the EU accounted for almost two-thirds of the total export figure to the EU (€34.4 billion). This suggests a substantial portion of trade is facilitated through FTAs.

Cambodia: Although still an LDC, Cambodia is actively pursuing trade agreements to prepare for its eventual graduation. By focusing on regional agreements and partnerships, Cambodia aims to mitigate the impact of losing LDC benefits and sustain its economic growth trajectory

6.8 Bilateral Agreement between Bangladesh and GCC Countries

The trade agreements aim to reduce tariffs, improve market access, and encourage investment.

Key Trade Agreements: Bangladesh has signed **bilateral trade agreements** with several GCC nations, including:

- **United Arab Emirates (UAE):** Trade agreement signed in 1984.
- **Kuwait:** Economic and trade agreements signed in 1979 and 2011.
- **Saudi Arabia:** Various agreements focusing on labor exports and trade facilitation.
- **Qatar, Oman, and Bahrain:** Trade relations exist, but formal agreements are limited.

6.8.1 Some successful trade agreements between Bangladesh and GCC countries

- 1) **Bangladesh-GCC Memorandum of Understanding (MoU):** Signed in November 2022, this agreement established a framework for cooperation in trade, investment, food security, and climate change.
- 2) **Bangladesh-Saudi Arabia Investment Agreements:** In March 2023, Saudi Arabia signed multiple investment deals with Bangladesh, focusing on energy, seaports, and agriculture.
- 3) **Bangladesh-UAE Trade Expansion:** The UAE has been a key partner in Bangladesh's export growth, particularly in RMG and pharmaceuticals.

These agreements have strengthened economic ties and opened new opportunities for trade and investment.

The Bangladesh-GCC Memorandum of Understanding (MoU) was signed on November 18, 2022, in Manama, Bahrain, during the Manama Dialogue. This agreement serves as a legal framework for cooperation between Bangladesh and the Gulf Cooperation Council (GCC), which includes Saudi Arabia, UAE, Qatar, Kuwait, Oman, and Bahrain.

6.8.2 Key areas of cooperation under the MOU

Under this MoU, both sides agreed to regular consultations on:

- Political and economic collaboration
- Trade and investment facilitation
- Food security and agriculture
- Climate change and environmental protection
- Energy security and crisis management
- Skill development and labor market access

6.8.3 Significance of the agreement

- The MoU aims to strengthen Bangladesh's trade and diplomatic ties with GCC nations.
- It provides a structured mechanism for joint action plans, working groups, and business councils.
- Bangladesh emphasized the importance of energy security, especially amid global fuel price fluctuations.
- The agreement also opens doors for PTA and free trade agreements (FTA).

Some specific projects that are planned under this MoU:

The Bangladesh-GCC MoU outlines several priority projects for strengthening trade and cooperation:

- **Energy Security Collaboration:** Bangladesh is working with GCC nations to secure long-term oil and gas supply agreements, ensuring stable energy imports.
- **Food Security Initiatives:** GCC countries are exploring agricultural investments in Bangladesh, particularly in seafood and vegetable exports.
- **Infrastructure Development:** Saudi Arabia has signed investment agreements for seaport expansion and energy projects in Bangladesh.
- **Labor Market Expansion:** The MoU includes provisions for skill development programs to enhance Bangladeshi workers' opportunities in GCC nations.
- **Climate and Environmental Cooperation:** Joint efforts are planned for afforestation, crisis management, and climate resilience projects.

6.8.4 Challenges and Opportunities of bilateral agreements

Challenges:

- **Tariff barriers:** Some GCC nations impose tariffs on Bangladeshi goods.
- **Regulatory hurdles:** Compliance with GCC standards can be complex.
- **Limited diversification:** Bangladesh's exports are heavily reliant on garments.

Opportunities:

- **Expanding trade agreements:** Strengthening ties with GCC nations can boost exports.
- **Investment prospects:** GCC countries are interested in Bangladesh's infrastructure and energy sectors.
- **Labor market access:** Bangladesh's workforce is a key contributor to GCC economies.

Bangladesh's trade agreements with GCC countries play a vital role in economic growth. Strengthening these agreements, diversifying exports, and addressing trade barriers can enhance bilateral trade relations.

6.8.5 Impact of successful trade agreements between Bangladesh and GCC countries

Successful trade agreements between Bangladesh and GCC countries have had a significant impact on economic growth, trade expansion, and diplomatic relations. Here are some key effects:

(1) Increased Trade Volume

- Bilateral agreements have boosted exports of ready-made garments (RMG), pharmaceuticals, and agricultural products from Bangladesh.
- Imports of petroleum, machinery, and chemicals from GCC nations have become more streamlined, reducing costs.

(2) Economic Growth & Investment

- GCC countries have invested in Bangladesh's infrastructure, including seaports, energy projects, and real estate.
- Saudi Arabia and UAE have signed major investment deals, strengthening Bangladesh's economy.

(3). Labor Market Expansion

- Bangladesh supplies a large workforce to GCC nations, contributing to remittance inflows.
- Agreements have improved worker rights and employment opportunities for Bangladeshi expatriates.

(4). Energy Security

- Bangladesh has secured long-term oil and gas supply agreements, ensuring stable energy imports.
- GCC nations have explored renewable energy collaborations with Bangladesh.

(5). Trade Diversification

- Bangladesh is expanding exports beyond garments, including leather goods, seafood, and electronics.
- GCC nations are investing in agriculture and food security projects in Bangladesh.

The long-term impacts of these agreements:

The long-term impacts of trade agreements between Bangladesh and GCC countries are shaping economic growth, trade stability, and diplomatic relations. Here are some key effects:

(1) Strengthened Economic Growth

- Trade agreements have boosted Bangladesh's GDP by expanding exports and attracting foreign direct investment (FDI).
- GCC nations have invested in Bangladesh's infrastructure, including ports, energy, and real estate.

(2) Sustainable Trade Expansion

- Bangladesh has diversified exports beyond ready-made garments (RMG) to include pharmaceuticals, seafood, and leather goods.
- GCC countries have streamlined import regulations, making trade more efficient.

(3) Labor Market Stability

- Agreements have secured employment opportunities for Bangladeshi workers in GCC nations.
- Skill development programs have improved workforce quality, increasing remittance inflows.

(4). Energy Security & Resource Management

- Bangladesh has secured long-term oil and gas supply agreements, ensuring stable energy imports.
- GCC nations are exploring renewable energy collaborations with Bangladesh.

(5) Diplomatic & Strategic Alliances

- Trade agreements have strengthened diplomatic ties, leading to joint ventures and strategic partnerships.
- Bangladesh has gained greater influence in regional economic forums.

6.9 Tariff and non-tariff barriers for Bangladesh to export to GCC countries

Bangladesh faces several tariff and non-tariff barriers when exporting to GCC countries.

6.9.1 Tariff barriers

- **High import duties:** Some GCC nations impose **customs duties** on Bangladeshi goods, increasing costs.
- **Preferential trade agreements (PTAs):** Bangladesh lacks **PTAs or FTAs** with GCC nations, limiting tariff reductions.
- **Value-added tax (VAT):** Some GCC countries apply **VAT on imports**, making Bangladeshi products less competitive.

6.9.2 Non-tariff barriers

Non-tariff measures in GCC countries and implications for Bangladeshi exports Non-tariff measures (NTMs) in GCC countries—Saudi Arabia, United Arab Emirates (UAE), Qatar, Kuwait, Oman and Bahrain—are dominated by technical barriers to trade (TBT), sanitary and phytosanitary (SPS) measures, conformity assessment, labelling, and a range of procedural/administrative requirements linked to customs, licensing and documentation (UNCTAD, 2013; Bacchetta & Beverelli, 2012; Moïse & Le Bris, 2013, Rahman et al., 2018; Kee et al., 2009). The Bangladeshi exporters face a number of challenges for exporting their products in the GCC countries due to these NRM measures. Commodity wise NTM practices in the GCC countries are discussed below:

(1) Ready-made garments (RMG)

GCC import regimes for textiles and clothing typically apply:

- Technical regulations and conformity assessments (e.g., Saudi Standards, Metrology and Quality Organization – SASO; Emirates Authority for Standardization and Metrology – ESMA), including mandatory certification and testing for safety, flammability and certain chemical substances (SASO, 2018; ESMA, 2017).
- Labelling requirements, notably mandatory Arabic labelling, fibre composition, size and care instructions, often to be affixed before entry (Khondker & Rahman, 2015).
- Restrictions on hazardous substances such as certain azo dyes, formaldehyde and heavy metals, aligned increasingly with international norms (WTO, 2022; OECD, 2017).

For Bangladeshi RMG exporters, these NTMs raise compliance and transaction costs (testing, certification, re-labelling) and create risks of border delays and shipment rejections where documentation is incomplete or standards are not fully understood (Rahman et al., 2018; Uddin & Bhattacharya, 2016).

(2) Leather and leather goods

Leather and leather products face:

- Environmental and chemical standards related to residual chromium VI, heavy metals, and restricted substances in tanning and finishing (UNIDO, 2010; WTO, 2022).
- Product quality and safety certification for footwear and leather goods, including performance and durability testing.
- SPS-type controls for raw and semi-processed hides and skins, where applicable (FAO, 2011).

Bangladesh's leather sector struggles with waste management and chemical compliance, even after relocation of tanneries to dedicated industrial zones (Ahmed & Bakht, 2018). Weak domestic environmental monitoring and accredited laboratory capacity heightens the cost and uncertainty of meeting GCC requirements, limiting the country's ability to position leather and leather goods as a strong diversification pillar to the Gulf market (Rahman & Ahamed, 2014).

(3) Agro-food products (fish, horticulture, processed foods)

Agro-food exports (fish and fishery products, vegetables, fruits, spices and some processed foods) are particularly sensitive to GCC SPS measures:

- Food safety and SPS controls relating to microbiological contamination, pesticide residues, veterinary drug residues, heavy metals and mycotoxins, often based on Codex or EU benchmarks (Codex Alimentarius Commission, 2015).
- Halal certification requirements, sometimes linked to specific recognized halal authorities and traceability provisions (Farouk, 2013).
- Health and veterinary certificates, pre-shipment inspections, and port-of-entry testing, with high sensitivity around fish and meat products (Rahman et al., 2018).
- Difficulty for small and medium exporters to meet documentation and traceability requirements, limiting their effective access to GCC supermarket and institutional buyers (Jaffee & Henson, 2005).

(4) Plastics, light engineering and electrical/electronic products

GCC markets increasingly impose TBT-type NTMs on manufactured products, including:

- Product safety and performance standards (e.g., for plastic household items, packaging materials and simple engineering goods).
- Electrical safety and energy efficiency requirements for electrical and electronic equipment, often tied to specific Gulf standardization frameworks (GSO, 2018).
- Conformity assessment and certification, sometimes with mandatory registration of products and suppliers before market entry.

Bangladeshi producers in plastics and light engineering often operate with thin margins and limited regulatory expertise, so the need to undergo multiple, country-specific testing and certification procedures across the GCC raises fixed compliance costs and creates market access hurdles relative to competitors from China, India or Turkey with larger scale and more established compliance infrastructures (Rahman et al., 2018; ITC, 2015).

(5) Pharmaceuticals

GCC pharmaceutical regulations require:

- Stringent product registration, including detailed dossiers, stability studies and bioequivalence evidence for generics (Al-Rukban et al., 2014).
- Demonstration of Good Manufacturing Practice (GMP) compliance, often through on-site inspections or recognition of certifications aligned with WHO, US FDA or EMA standards (WHO, 2014).
- Long and sometimes uncertain approval timelines, with preferences among some regulators and purchasers for originator or products from well-established regulatory jurisdictions.

Bangladesh's generic pharmaceutical industry is technologically capable but still faces regulatory credibility gaps in many high-income and emerging markets (Islam & Faruk, 2016). GCC NTMs in this sector therefore manifest as:

- Delayed market entry and high upfront regulatory costs for registration, discouraging smaller Bangladeshi firms from targeting these markets.

(6) Construction materials (cement, ceramics and related products)

Construction materials face:

- Technical standards relating to compressive strength, durability, safety and environmental attributes (dust, emissions, etc.) (GSO, 2016).
- Quality certification and factory inspection, including conformity with GCC Standardization Organization specifications.
- In some cases, additional testing on arrival, especially when products are perceived as low-cost imports with possible quality risks.

For Bangladesh, the main issues are:

- The cost of repeated testing and certification for different GCC countries.
- Sensitivity to transport-related damage (e.g., chipping and breakage of ceramics), which can trigger additional inspections and disputes over quality, contributing to commercial risk and discouraging aggressive export strategies in these products (ITC, 2015).

(7) Cross-cutting NTMs affecting multiple sectors

A range of horizontal NTMs cut across sectors and shape Bangladesh–GCC trade:

- Technical barriers to trade (TBT): extensive use of product standards, certification and conformity assessment, particularly for industrial and consumer products (WTO, 2022).
- SPS measures: comprehensive food safety regimes for fisheries, meat, horticulture and processed foods (Henson & Jaffee, 2006; Rahman et al., 2018).
- Pre-shipment inspection and verification of conformity, sometimes outsourced to designated international firms, adding an additional layer of cost and documentation (UNCTAD, 2013).
- Import licensing and registration, especially in Saudi Arabia and the UAE for selected sensitive goods and controlled items (Bacchetta & Beverelli, 2012).

- Labelling and language requirements, most notably Arabic labelling, which implies repackaging or special label runs for GCC markets (Khondker & Rahman, 2015).
- Customs procedures and documentary requirements, where larger, experienced exporters can navigate systems more effectively than SMEs.

For Bangladeshi exporters, these NTMs are often experienced as procedural and informational barriers as much as substantive ones. Enterprise-level surveys consistently reveal that lack of information, technical capabilities and access to accredited testing/certification services in Bangladesh significantly increases the trade-restricting effect of NTMs (ITC, 2015; Rahman et al., 2018).

6.9.2.1 Regulatory harmonization challenges relating to NTM

Bangladesh's difficulties with GCC standards are less about tariff policy and more about regulatory "fit": how its laws, institutions, and technical systems line up with Gulf requirements on TBT, SPS, and halal. Below is a focused breakdown of the main harmonization challenges and very concrete ways Bangladesh can align. The key challenges are discussed below:

1) Fragmented SPS and TBT governance

Responsibilities for SPS and TBT are spread across multiple ministries and agencies (Commerce, Agriculture, Fisheries, Health, BSTI, DoF, etc.), with weak coordination and unclear notification and enquiry-point functions. This leads to slow, inconsistent responses to trading partners' regulatory changes and poor guidance to exporters.

- GCC standards change quickly (e.g., residue limits, product standards, halal assurance systems).
- Bangladesh is slow to adopt, notify, or interpret these changes, so exporters discover them at the border.

2) Standards not fully aligned with GCC / Codex / OIE / ISO

Many Bangladeshi product and process standards for food safety, animal health, plant health, and industrial products still diverge from international norms (Codex, OIE, IPPC, ISO). A 2023 BFTI study notes gaps in alignment and systematic updating of SPS/TBT regulations with trading partner requirements.

- GCC countries often reference Codex, OIE, and GSO standards.
- When Bangladeshi norms differ (e.g., allowable residue limits, hygiene codes, testing protocols), GCC regulators treat Bangladeshi certificates as less credible, triggering extra checks, re-testing, or outright rejection.

3) Testing and certification not recognized

Bangladesh has limited numbers of internationally accredited labs, and its conformity-assessment bodies are not widely recognized by GCC regulators. The BFTI study highlights gaps in accreditation, scope of tests, and certification infrastructure for trade facilitation.

- GCC importers/authorities often demand re-testing in GCC-approved labs, even when tests were done in Bangladesh.
- Certificates of analysis, SPS certificates, and quality marks from Bangladesh can be treated as "non-equivalent," increasing cost and time for exporters.

4) Halal governance not matched to GCC expectations

Halal certification in Bangladesh is still evolving: multiple certifiers, varying procedures, and limited formal mutual recognition with GCC halal authorities.

- GCC buyers often insist on halal certificates from specific recognized bodies in sending countries.
- Lack of structured alignment with Gulf halal standards and accreditation systems undermines trust in Bangladeshi halal claims, particularly for meat, poultry, fish processing, gelatin, and processed foods.

5) Data and documentation inconsistencies

Broader weaknesses in data transparency, harmonization, and digital documentation systems have been highlighted in the context of export statistics and trade operations. These issues spill over into regulatory documentation and traceability.

- Inconsistent documentation, certificates, and traceability records trigger red flags in risk-based GCC customs systems.
- This increases rates of physical inspection, testing, and delays.

6.10 Regulatory compliance between Bangladesh and GCC countries

Regulatory compliance between Bangladesh and GCC countries involves adherence to trade laws, import-export regulations, and industry-specific standards. Here's an overview:

(1) Trade Regulations & Licensing

- Bangladesh: Requires Export Registration Certificate (ERC) and Import Registration Certificate (IRC) for international trade.
- GCC Countries: Follow Unified Customs Regulations, requiring import permits, VAT compliance, and quality certifications.

(2) Quality & Certification Standards

- Bangladesh: Products must meet Bangladesh Standards and Testing Institution (BSTI) regulations.
- GCC Countries: Require ISO certifications, Halal compliance, and GCC-specific approvals for imports.

(3) Taxation & Tariff Compliance

- Bangladesh: Imposes customs duties on imports and offers export incentives.
- GCC Countries: Apply VAT on imports, with preferential trade agreements reducing tariffs.

(4) Labor & Business Regulations

- Bangladesh: Requires trade licenses, VAT registration, and environmental clearance.
- GCC Countries: Enforce strict labor laws, requiring work permits and residency compliance.

The solutions to overcome compliance challenges has been discussed in the subsequent chapter 11

7. Identifying Key Areas of Cooperation between Bangladesh and GCC Countries

As global economic priorities evolve, Bangladesh and the Gulf Cooperation Council (GCC) countries—United Arab Emirates, Saudi Arabia, Qatar, Kuwait, Oman, and Bahrain—are increasingly recognizing the strategic importance of deepening bilateral and multilateral cooperation. These relations, traditionally rooted in labor migration and remittance flows, are now expanding into diversified areas including trade, investment, technology, and infrastructure development. The complementary nature of economic strengths presents a compelling case for broader sectoral collaboration, knowledge exchange, and joint ventures.

7.1 Sector-specific opportunities

Several high-potential sectors present strong opportunities for bilateral cooperation:

a. Agro-Food and Halal Industry

Bangladesh, with its vast agricultural base, has the capacity to become a key food supplier to GCC markets. There is increasing demand in the GCC for **halal-certified processed food, seafood, meat, and dairy**, which Bangladesh can meet through compliance with GCC food safety and quality standards.

b. Textiles and Ready-Made Garments (RMG)

Bangladesh is the second-largest exporter of RMG globally. GCC countries, particularly Saudi Arabia and the UAE, are emerging as attractive markets for modest fashion, uniforms, and affordable quality apparel, and as potential partners in textile and apparel joint manufacturing ventures.

c. Pharmaceuticals

Bangladeshi pharmaceutical companies have successfully penetrated over 150 markets worldwide. With rising demand for affordable generic medicines and health supplements, GCC countries offer an attractive market, provided regulatory alignments and GMP compliance are ensured.

d. Construction and Real Estate Services

With extensive experience in low-cost housing, engineering, and infrastructure services, Bangladesh can contribute technical manpower and SMEs to support **GCC construction booms**, particularly under mega projects such as Saudi Arabia's *Vision 2030* and UAE's smart city initiatives.

e. Fisheries and Agri-Processing

Bangladesh's fisheries sector, particularly value-added shrimp and freshwater fish products, has untapped export potential to meet GCC's growing food security needs.

7.2 Technology transfer and Innovation

Technology cooperation can play a transformative role in strengthening economic ties between Bangladesh and the GCC:

a. ICT and Digital Services

Bangladesh's thriving ICT sector and fast-growing pool of software engineers and freelancers can complement the GCC's digital transformation goals. Opportunities exist in outsourcing, software development, fintech solutions, and cybersecurity services, especially in the UAE, Qatar, and Bahrain.

b. Renewable Energy Technologies

GCC countries are investing heavily in solar, hydrogen, and wind energy, and Bangladesh can benefit through technology transfer, joint R&D, and training programs aimed at boosting its renewable energy capabilities.

c. Smart Agriculture

With limited arable land, GCC countries are promoting precision agriculture, hydroponics, and agri-tech solutions. This opens opportunities for joint ventures **or** pilot technology demonstrations in Bangladesh to boost productivity and adapt climate-smart agricultural practices.

d. Technical and Vocational Training

GCC labor markets require semi-skilled and skilled labor in automation, healthcare, HVAC, robotics, and electrical trades. Collaborative TVET institutions, co-funded by GCC investors, can elevate the skill profile of Bangladeshi workers and meet GCC demands.

7.3 Energy, infrastructure, and healthcare collaboration

Strategic investments and shared development interests position energy, infrastructure, and healthcare as critical pillars of cooperation.

a. Energy sector

- GCC countries, rich in fossil fuels, can support energy security in Bangladesh through long-term supply contracts for LNG, petroleum products, and liquefied petroleum gas (LPG).
- Bangladesh can attract FDI in power infrastructure, LNG terminals, oil storage facilities, and solar farms, especially from companies in the UAE, Saudi Arabia, and Qatar.

- Joint exploration and downstream investments can also be pursued via public-private partnerships.

b. Infrastructure and smart cities

GCC sovereign wealth funds and construction conglomerates are increasingly seeking infrastructure investment opportunities in South Asia. Bangladesh’s growing need for roads, ports, energy grids, and urban transport makes it a promising destination.

- Collaboration in urban planning, SEZ development, logistics hubs, and industrial parks is of high relevance.
- The Dhaka Elevated Expressway and Karnaphuli Tunnel serve as models for such future engagements.

c. Healthcare and Medical Services

With growing populations and rising lifestyle-related diseases, both Bangladesh and GCC countries face healthcare system challenges. Key cooperation opportunities include:

- Joint ventures in hospital chains, diagnostic labs, and telemedicine platforms;
- Pharmaceutical collaboration for local manufacturing in GCC with Bangladeshi firms;
- Medical tourism, where Bangladesh could attract patients from GCC seeking affordable, quality care in cardiology, orthopedics, and general surgery.

8. Policy Recommendations for Improving Trade between Bangladesh and GCC Countries

The deepening trade and investment relations between Bangladesh and the GCC countries present a critical opportunity for mutually beneficial economic cooperation. However, unlocking the full potential of these relationships requires a coherent and targeted policy framework.

8.1 Gap Analysis Matrix: Harmonization of Bangladesh’s policies with GCC standards

A gap analysis matrix has been prepared (Table 46): The Summary of Key recommendations made in the matrix include:

- **Mutual Recognition Agreements (MRAs):** Prioritize signing MRAs in technical standards, halal certification, SPS measures, and professional qualifications.
- **Legal Reforms:** Update investment, trade, and dispute resolution laws to align with GCC investor expectations.
- **Infrastructure and Digital Integration:** Invest in traceability, digital customs, and testing labs to reduce friction in trade.
- **Institutional Dialogue:** Establish permanent Bangladesh-GCC Regulatory Cooperation Mechanism to monitor and align regulatory policies.

Table 46 Gap analysis matrix of policy and regulatory area

Policy/Regulatory Area	Current Status in Bangladesh	GCC Standards/Practices	Identified Gaps	Recommendations for Harmonization
1. Technical Standards and Product Certification	BSTI sets national standards, but limited mutual recognition with GCC countries	GCC countries apply GSO (Gulf Standards Organization) standards and often require conformity to international benchmarks (ISO,	Lack of mutual recognition agreements (MRAs); limited accredited labs for GCC-required	- Establish MRAs with GSO and national bodies like SASO (KSA), ESMA (UAE) - Upgrade BSTI and private labs to

Policy/Regulatory Area	Current Status in Bangladesh	GCC Standards/Practices	Identified Gaps	Recommendations for Harmonization
		SASO, ESMA)	certifications (e.g., halal, quality assurance)	international accreditation levels (ISO/IEC 17025) - Facilitate joint standardization committees
2. Halal Certification	Halal certification is managed by multiple institutions; inconsistent recognition in GCC	GCC requires halal certification from recognized bodies and often mandates Sharia board approval	Limited international recognition of Bangladesh halal bodies; no uniform national authority	- Establish a centralized, internationally recognized halal certification authority - Seek recognition from GCC accreditation agencies (e.g., EIAC, SASO Halal Center)
3. Sanitary and Phytosanitary (SPS) Measures	SPS laws exist but implementation and traceability systems are weak	GCC countries strictly enforce SPS regulations, especially for food, meat, fish, and agriculture products	Inadequate traceability, certification, and testing facilities for exports Inconsistent inspection documentation	- Modernize SPS compliance through digital traceability systems - Invest in food safety and veterinary inspection facilities - Partner with GCC food safety agencies for capacity building
4. Customs and Trade Facilitation	Single window under development; customs procedures often manual and bureaucratic	GCC countries utilize digitalized and time-efficient customs clearance systems	Manual processes delay clearance; lack of interoperability with GCC systems	- Fully implement National Single Window - Digitize customs documentation and create API linkages with GCC customs systems (e.g., Dubai Customs, Saudi ZATCA)
5. Investment Protection and Dispute Resolution	BITs signed with some GCC countries, but no updated investment law or comprehensive	GCC countries require legal certainty, protection of investment rights, and transparent dispute resolution mechanisms	Outdated legal frameworks, no comprehensive Investment Act; lengthy dispute processes	- Enact an updated Investment Act aligned with international norms - Expand BITs with all GCC countries

Policy/Regulatory Area	Current Status in Bangladesh	GCC Standards/Practices	Identified Gaps	Recommendations for Harmonization
	investor protection framework			- Establish commercial courts/arbitration systems acceptable to GCC investors
6. Labor and Skills Recognition	Large labor force but limited mutual recognition of professional and vocational qualifications	GCC countries increasingly require recognized certification for professionals and skilled workers	Skills mismatch; lack of standardization in vocational training	- Develop GCC-compliant skills certification and recognition systems (TVET reform) - Sign MOUs for mutual recognition of professional qualifications
7. E-Commerce and Digital Trade	Bangladesh's e-commerce policy is in early stages; limited cross-border facilitation	GCC countries are rapidly advancing in digital trade and logistics integration	Regulatory framework does not support seamless digital transactions with GCC	- Create a national e-commerce trade framework aligned with GCC data and digital policies - Engage in GCC digital economy initiatives
8. Banking and Financial Services	Regulatory restrictions on cross-border Islamic banking, digital payments limited	GCC has advanced Islamic banking frameworks and fintech infrastructure	Limited banking integration; restrictions on fintech cross-border flows	- Enable cross-border Islamic banking and fintech collaboration - Build regulatory frameworks to support cross-border digital payments

Source: Author's estimation

8.2 Matrix of constraints, challenges, policy gaps, suggested actions, and relevant organizations

Summary of priority areas for actions in the matrix of Table 47:

- **Policy Alignment:** Sign MRAs, update trade, SPS, investment laws.
- **Institutional Strengthening:** Equip BSTI, BFSA, BIDA, and customs with tools and capacity.
- **Digital Transformation:** Modernize customs, logistics, and payment systems.
- **Bilateral Engagement:** Establish trade and investment cooperation platforms with GCC.

Table 47 Trade issues, harmonization challenges, policy gaps and suggested actions for government organizations

Trade issues	harmonization Challenges	Policy Gaps	Suggested Actions for government organizations	Concerned Organizations
1. Standards and Certification	Non-recognition of Bangladesh certifications (e.g., Halal, BSTI) in GCC	Lack of mutual recognition agreements (MRAs) with GCC standard bodies	<ul style="list-style-type: none"> - Sign MRAs with GCC accreditation bodies (SASO, GSO, ESMA) - Upgrade BSTI and Halal Certification Authority to meet international benchmarks 	Ministry of Commerce BSTI Halal Certification Authority Foreign Ministry Export Promotion Bureau
2. Sanitary and Phytosanitary (SPS) Compliance	Weak enforcement and infrastructure for food safety testing and traceability	Outdated SPS policy; limited investment in food labs and traceability systems	<ul style="list-style-type: none"> - Modernize SPS laws and inspection procedures - Build accredited testing labs in line with GCC food standards 	Ministry of Fisheries & Livestock Ministry of Agriculture Bangladesh Food Safety Authority EPB
3. Customs and Trade Logistics	Manual customs processes; inefficient port handling Poor digital integration with GCC systems	Slow implementation of National Single Window; lack of cross-border customs integration	<ul style="list-style-type: none"> - Accelerate full deployment of National Single Window - Digitize customs and logistics documentation - Engage with GCC customs for interoperability 	National Board of Revenue (NBR) Ministry of Commerce Port Authorities BASIS
4. Market Access and Tariff Barriers	Bangladesh faces non-tariff barriers and has limited FTAs with GCC countries	No bilateral or regional trade agreements with GCC	<ul style="list-style-type: none"> - Negotiate preferential trade agreements (PTAs) or FTAs with GCC bloc or individual states 	Ministry of Commerce Bangladesh Missions in GCC GCC Secretariat
5. Investment Climate	Regulatory unpredictability and weak investor protections deter GCC investments	Outdated Foreign Investment Act; weak IP and arbitration mechanisms	<ul style="list-style-type: none"> - Enact new Investment Protection Law - Strengthen IP protection and create special arbitration courts for FDI 	BIDA Ministry of Law BEZA Foreign Ministry
6. Skills and	Low recognition of	Absence of mutual	<ul style="list-style-type: none"> - Align TVET 	BMET

Labor Mobility	Bangladesh technical and vocational qualifications	skills recognition frameworks	curriculum with GCC requirements - Sign MRAs for skilled labor certification	Ministry of Expatriates' Welfare NSDA TVET institutions
7. Export Diversification	Export reliance on RMG and low value-added goods	No sector-specific export development plans for GCC markets	- Develop sectoral export strategies (e.g., halal food, IT, agro-processing, ceramics) - Support branding and promotion for GCC markets	EPB Ministry of Industries Bangladesh Missions in GCC Sector Associations
8. Trade Promotion and Market Intelligence	Limited visibility and promotion in GCC markets Weak business-to-business (B2B) linkages	Lack of a structured trade diplomacy or GCC-specific trade promotion strategy	- Establish Bangladesh-GCC Trade Desk - Organize regular trade fairs and B2B missions	Ministry of Commerce FBCCI DCCI EPB Bangladeshi Embassies in GCC
9. Financial and Payment Systems	Lack of cross-border banking and limited Islamic finance channels	Regulatory restrictions on Islamic banking and digital payment integration	- Facilitate cross-border Islamic banking operations - Enable digital trade finance and remittance tools	Bangladesh Bank Ministry of Finance Islamic banks Fintech regulators
10. Bilateral Engagement Mechanism	No formal institutional platforms for ongoing Bangladesh-GCC economic dialogue	Absence of structured bilateral or multilateral GCC-BD economic forum	- Create Bangladesh-GCC Economic Cooperation Council - Hold regular Joint Commission meetings	Ministry of Foreign Affairs Ministry of Commerce GCC Secretariat

Source: Author's estimation

8.3 Key take away

On the basis of the findings of this chapter policy recommendation and actions are formulated in the conclusion and recommendation chapter 10.

9. Findings from the Field Survey

This section focuses on the findings from the field survey –KIs and FGDs. The key findings have been discussed below:

9.1 Strength and weakness in Bangladesh–GCC Trade Relations

The respondents identified the strengths, weaknesses, and areas of improvement in the existing trade relations between Bangladesh and GCC countries as follows:

Trade relations between Bangladesh and the GCC countries are anchored in a set of robust and mutually reinforcing strengths that span labor, investment, cultural affinity, and strategic alignment. Key strengths include (Table 48):

1) The labor and remittance link is a cornerstone of bilateral economic ties. With over 5 million Bangladeshi workers employed across GCC nations, remittance inflows—estimated at nearly \$20 billion annually—play a vital role in Bangladesh’s foreign exchange reserves and household income. This labor migration not only supports GCC economies but also deepens socio-economic interdependence.

2) The two economies are structurally complementary. Bangladesh offers competitively priced goods and a skilled, low-cost workforce, while GCC countries have high demand for food products, textiles, and labor services. This synergy creates natural trade flows and investment opportunities.

3) There is sustained demand in GCC markets for Bangladeshi exports, particularly ready-made garments (RMG), seafood, and fresh vegetables. These sectors align well with GCC consumption patterns and food security priorities, offering Bangladesh a stable and growing export base.

Table 48 Strength in Bangladesh–GCC Trade Relations

Strength	Description
Strong Labor and Remittance Link	Over 5 million Bangladeshi workers in GCC; major source of remittance inflow (~\$20 billion annually)
Complementary Economies	Bangladesh offers low-cost goods and labor; GCC countries need food, textiles, and workforce
High Demand for RMG and Agro Products	GCC imports large volumes of Bangladeshi ready-made garments (RMG), seafood, and vegetables
Growing Interest in Investment	GCC sovereign wealth funds and companies are exploring SEZs, energy, and logistics in Bangladesh
Religious and Cultural Affinity	Shared Islamic values aid in halal trade, religious tourism, and people-to-people ties
GCC Vision Frameworks Aligned with Bangladesh’s Growth	Opportunities exist under Saudi Vision 2030, UAE Vision 2031, etc., for joint ventures

The weaknesses identified by the stakeholders are presented in Table 49. Despite strong foundational ties, several structural and operational weaknesses continue to constrain the full potential of Bangladesh–GCC trade relations:

Table 49 Weaknesses in Bangladesh–GCC Trade Relations

Weakness	Description
No FTA or PTA	Lack of formal trade agreements results in higher tariffs (5% GCC MFN rate) for Bangladeshi exports
Limited Export Diversification	Overreliance on RMG; underdeveloped pharmaceuticals, ICT, and halal food trade with GCC
Non-Tariff Barriers (NTBs)	Complex standards, certification requirements (e.g., halal, SFDA, SASO) create entry hurdles
Logistics and Connectivity Gaps	No direct shipping lines or consistent cold chain to GCC; increases cost and delays
Weak Institutional Linkages	Limited private sector engagement, no dedicated Bangladesh-GCC trade platform
Negative Perception	Bangladesh is often viewed only as a labor-sending country, not as a source of high-value exports or innovation

9.2. New market access opportunities and product diversification

9.2.1 Goods

Bangladesh has significant potential to expand its export footprint in the Gulf Cooperation Council (GCC) region by tapping into emerging demand across diverse sectors. The key

product categories that have promising avenues for market access and product diversification, driven by evolving consumption patterns, regulatory shifts, and strategic priorities within GCC economies were identified and presented in Table 50.

9.2.2 Services

Bangladesh has growing potential to expand its footprint in the GCC services market, driven by demographic shifts, infrastructure expansion, and strategic transformation agendas across the Gulf region. The stakeholders identified key service sectors that offer high-growth opportunities for Bangladeshi providers and are presented in Table 51

:

Table 50 Emerging Export Opportunities of Goods

Sector	Opportunity	Drivers
Pharmaceuticals	Export of generic medicines, APIs, and OTC drugs to GCC markets	Rising healthcare demand, aging populations, and interest in affordable alternatives to Western drugs
Halal Food and Processed Agro-Products	Certified halal meat, fish, dairy, spices, and ready-to-eat foods	Large Muslim consumer base, GCC focus on food security, and demand for trusted halal sources
Jute and Jute-Based Products, handicrafts	Eco-friendly bags, packaging, composites, geo-textiles, and handicrafts	GCC plastic bans and interest in biodegradable alternatives, growing demand for handicrafts
Leather Goods and Footwear	Quality leather products for mid-range markets	Shift in sourcing from China/India; growing demand for natural leather products
Home Textiles and Technical Textiles	Bedsheets, towels, industrial-use textiles	Expanding real estate, hospitality, and healthcare sectors in GCC
Ceramics and Light Engineering Products	Tiles, sanitaryware, electrical accessories	GCC construction boom and infrastructure development
Frozen and Processed Seafood	Shrimp, pangasius, crab, dried fish	Demand from migrant communities and institutional buyers (hotels, airlines, retailers)

Data source: Field survey

Table 51 Emerging Export Opportunities of Services

Sector	Opportunity	Drivers
Information Technology (IT) and ICT Services	Software development, BPO, fintech, data processing	GCC digital transformation under Vision 2030/2031 and shortage of local IT professionals
Construction and Engineering Services	Architecture, planning, labor supply for large-scale infrastructure projects	Mega-events (e.g., Expo, World Cup), NEOM, housing developments
Healthcare and Medical Services	Export of trained nurses, technicians, and telemedicine services	Aging populations, staff shortages, and GCC healthcare expansion
Education and Skills Training	Technical Vocational Education and Training (TVET), language training, digital learning content	Demand for vocational training and upskilling of migrant labor
Hospitality and Tourism Support Services	Hotel management, cleaning, security	Growth of Hajj/Umrah tourism and regional leisure travel

Data source: Field survey

9.3. Appropriate trade agreement for improving market access to GCC Countries

To reduce tariff and non-tariff barriers (NTBs) and improve market access for Bangladeshi goods and services in the GCC countries, the stakeholders identified suitable trade agreements as following:

(1) Preferential Trade Agreement (PTA) – Short-Term Priority

A Preferential Trade Agreement (PTA) offers a pragmatic and time-efficient pathway to enhance Bangladesh's export competitiveness in Gulf Cooperation Council (GCC) markets. Focused on selected goods, PTAs provide tariff concessions that can be swiftly negotiated, making them particularly suitable for high-potential sectors such as ready-made garments (RMG), agro-processed foods, jute products, and pharmaceuticals.

(2) Free Trade Agreement (FTA) – Medium to Long-Term Goal

A Free Trade Agreement (FTA) represents a strategic, medium to long-term objective for deepening Bangladesh's economic integration with the Gulf Cooperation Council (GCC). Unlike limited-scope PTAs, FTAs offer comprehensive coverage across goods, services, investment, and intellectual property, enabling a more rules-based and predictable trade environment. By addressing both tariff and non-tariff barriers, FTAs can significantly enhance Bangladesh's export competitiveness while fostering reciprocal investment flows.

(3) Mutual Recognition Agreements (MRAs) – For Non-Tariff Barrier Reduction

Mutual Recognition Agreements (MRAs) offer a targeted mechanism to reduce non-tariff barriers and facilitate smoother market access for Bangladeshi exports to GCC countries. These sector-specific agreements enable the formal recognition of Bangladeshi standards and certifications in key areas such as halal products (in coordination with SFDA and ESMA), pharmaceuticals (via GCC health authorities), and food safety standards aligned with SPS and TBT protocols.

9.4 Potential collaborative investment areas

(a) Investment in Energy Sector:

(1) Renewable Energy (Solar, Wind, Waste-to-Energy)

Bangladesh's renewable energy sector presents significant opportunities for scaling clean power generation through utility-scale solar parks in coastal and Special Economic Zone (SEZ) regions, off-grid solar solutions for rural electrification, wind energy projects in the southern coastal belt, and waste-to-energy plants in urban centers such as Dhaka and Chattogram.

(2) Oil and Gas Infrastructure

Bangladesh's oil and gas infrastructure presents critical investment opportunities to meet rising energy demand and enhance supply resilience. Priority areas include the development of LNG terminals and storage facilities to support import diversification, expansion and modernization of gas pipeline networks to improve distribution efficiency, and upgrading existing refineries.

(4) Energy Infrastructure in Special Economic Zones (SEZs)

Bangladesh's Special Economic Zones (SEZs), such as Mirsarai, Mongla, and Payra, offer strategic platforms for energy infrastructure development tailored to industrial expansion. Key opportunities include build-and-operate models for energy plants that ensure reliable power supply within SEZs. The energy sector offers a wide range of high-impact, future-facing investment opportunities for GCC countries in Bangladesh, particularly in renewables, LNG, hydrogen, and green infrastructure. Strong partnerships can be built through PPP models, joint ventures, and Islamic finance, aligned with the development visions of both regions.

(b) Investment in Non-Energy Sectors in Bangladesh: GCC countries—especially the UAE, Saudi Arabia, Qatar, and Kuwait—have growing interest in non-energy sectors in Bangladesh due to the country's large consumer base, strategic location, competitive labor costs, and policy support for foreign investment. Key investment prospects include:

(1) Ready-Made Garments (RMG) and Textiles

Key opportunities include joint ventures in high-value apparel, technical textiles, and environmentally certified green factories, as well as the development of textile parks or RMG clusters within Special Economic Zones (SEZs). These initiatives can attract GCC capital and unlock market access through major regional retailers in the UAE, Saudi Arabia, and Qatar—particularly in segments like modest fashion, uniforms, and functional wear.

(2) Healthcare and Pharmaceuticals

Bangladesh's healthcare and pharmaceutical sector offers high-impact investment opportunities for Gulf Cooperation Council (GCC) partners, particularly in the areas of manufacturing generic medicines, vaccines, and active pharmaceutical ingredients (APIs). Additional prospects include capital investment in hospitals, diagnostic laboratories.

(3) Agro-Processing and Halal Food – Unlocking Value through GCC Collaboration

Bangladesh's agro-processing sector holds strong potential for expansion into GCC markets, particularly through halal-certified production. Key opportunities include establishing processing plants for meat, dairy, fish, and ready-to-eat meals that meet GCC halal standards, alongside investments in cold chain logistics and advanced packaging systems to support fresh produce exports. Joint branding initiatives targeting GCC supermarket chains can further elevate the visibility and market appeal of Bangladeshi halal food products.

With deep expertise in halal certification and a high dependency on food imports, GCC countries offer a strategic edge as partners in this space. This collaboration directly supports GCC food security objectives while advancing Bangladesh's goal of scaling value-added agro-exports. By aligning production standards, branding strategies, and supply chain infrastructure, Bangladesh can position itself as a reliable source of high-quality halal food for the Middle East.

(4) Construction and Real Estate – Unlocking Urban Growth through GCC Investment

Bangladesh's rapidly urbanizing landscape presents compelling opportunities in construction and real estate, particularly in urban housing, smart city initiatives, and commercial property development. Priority areas include affordable housing and mixed-use projects in high-growth zones such as Dhaka, Chattogram, and Cox's Bazar, alongside hospitality and tourism infrastructure including hotels and resorts to support rising domestic and international travel demand.

(5) Logistics and Ports – Catalyzing Trade Efficiency through GCC Investment

Bangladesh's logistics and port infrastructure presents strategic opportunities for expansion and modernization, essential for sustaining export growth and streamlining import flows. Key areas include the development of inland container depots (ICDs), dry ports, and bonded warehousing to support efficient cargo handling and storage. Investment in the modernization of major seaports—Chattogram, Mongla, and Payra—is critical to enhancing throughput capacity and reducing turnaround times.

(6) Special Economic Zones (SEZs) and Industrial Parks

Bangladesh's Special Economic Zones (SEZs) and industrial parks offer high-impact investment opportunities for Gulf Cooperation Council (GCC) partners seeking long-term diversification and industrial growth. Turnkey investments in zones such as Mirsarai and Arahazar provide ready infrastructure for manufacturing and export-oriented industries,

while sector-specific SEZs focused on textiles, electronics, food processing, and ICT create tailored platforms for value chain integration. Public-private partnerships for zone development further enhance scalability and operational efficiency.

(7) Information Technology (IT) and Digital Services

Bangladesh's dynamic and youthful tech ecosystem presents a strategic opportunity to support the GCC's rapidly expanding digital economy. Key investment areas include the development of IT parks, business process outsourcing (BPO) centers, fintech platforms, and cloud service infrastructure to meet rising regional demand. Joint ventures in emerging fields such as digital payments, artificial intelligence (AI), and cybersecurity can further accelerate innovation and digital transformation across GCC markets. With a growing skills gap in the GCC, Bangladesh's tech-savvy workforce offers a complementary advantage—providing cost-effective, high-quality digital services and scalable talent pipelines.

(8) Aviation, Tourism, and Hospitality – Elevating Connectivity and Experience through GCC Partnerships

Bangladesh's aviation and tourism sectors are primed for strategic investment, offering high-growth opportunities in airport services, cargo terminals, and aviation training institutes to meet rising passenger and freight demand. Simultaneously, the development of luxury hotels and resorts in coastal and tourism-rich zones such as Cox's Bazar and the Sundarbans can enhance the country's appeal as a regional travel destination.

9.5. Strategies for establishing joint ventures and partnerships

To strengthen economic collaboration, Bangladesh and GCC countries should adopt targeted strategies that foster mutually beneficial joint ventures (JVs) and public-private partnerships (PPPs). The following summarizes key strategies:

(1) Sector-Specific Investment Matchmaking

Sector-specific investment matchmaking offers a targeted approach to fostering joint ventures between Bangladesh and GCC countries by aligning mutual strengths and strategic priorities. Key sectors ripe for collaboration include renewable energy, textiles, halal food, ICT, logistics, and healthcare—areas where Bangladesh's production capabilities and workforce can complement GCC capital and market demand.

(2) Special Economic Zone (SEZ)-Based Joint Ventures – Accelerating Industrial Collaboration

Establishing joint ventures within Bangladesh's Special Economic Zones (SEZs) offers a streamlined pathway for GCC investors to engage in industrial, logistics, and service sectors with reduced entry risk. By allocating dedicated blocks in high-potential SEZs such as Mirsarai, Arahazar, and Mongla,

(3) Bilateral agreements and MoUs

To foster long-term, trust-based economic collaboration between Bangladesh and GCC countries, the establishment of robust bilateral agreements and memoranda of understanding (MoUs) is essential. Signing Bilateral Investment Treaties (BITs) and Double Taxation Avoidance Agreements (DTAAs) will provide legal clarity and investor protection, encouraging sustained capital flows. Concurrently, negotiating Mutual Recognition Agreements (MRAs) on standards and certifications—particularly in halal compliance, pharmaceuticals, and sanitary/phytosanitary (SPS) protocols—will reduce regulatory friction and facilitate smoother market access.

(4) Islamic finance and green investment instruments

Leveraging Islamic finance and green investment instruments offers Bangladesh a powerful avenue to attract capital from GCC countries, particularly for joint ventures in infrastructure, agro-processing, and the digital economy.

(5) Joint skills and technology development platforms

Establishing joint skills and technology development platforms between Bangladesh and GCC countries offers a transformative pathway to cultivate human capital and drive innovation. By setting up training institutes, R&D centers, and tech incubators as joint ventures in priority sectors such as ICT, healthcare, and industrial technologies, both regions can harness complementary strengths—Bangladesh’s youthful talent pool and the GCC’s capital and strategic demand. Promoting dual-diploma programs and Technical and Vocational Education and Training (TVET) centers, co-supported by institutions from both sides, will ensure globally relevant skillsets and foster cross-border academic collaboration. This approach not only equips the workforce for emerging industries but also strengthens innovation ecosystems, laying the foundation for sustainable, knowledge-driven growth.

(6) Joint export and supply chain platforms

Developing joint export and supply chain platforms between Bangladesh and GCC countries offers a strategic pathway to enhance trade connectivity and reduce logistical bottlenecks. Key initiatives include launching co-branded products—such as halal-certified food and pharmaceuticals—that leverage Bangladesh’s manufacturing strengths and GCC market credibility. Establishing regional distribution hubs within GCC countries will ensure timely delivery and greater visibility of Bangladeshi goods across retail and institutional channels. Additionally, facilitating joint ventures in shipping and logistics, with a focus on cold chain infrastructure, will improve export reliability and reduce spoilage, particularly for perishable and temperature-sensitive products.

9.6 Regulatory frameworks in GCC countries: key challenges for Bangladeshi exporters and investors

The Gulf Cooperation Council (GCC) countries have developed modern yet stringent regulatory systems that govern trade, standards, and investment. These frameworks are designed to ensure product quality, consumer safety, and economic alignment across member states, but they also present compliance challenges for exporters like Bangladesh (Table 52).

Customs and Tariffs: The GCC operates under a harmonized Common External Tariff system, with a standard Most-Favored Nation (MFN) rate of 5% applied to most imports. Strategic goods may benefit from tariff exemptions, but exporters must navigate unified customs procedures across the bloc.

Standards and Certifications: Centralized regulatory bodies such as the GCC Standardization Organization (GSO), Saudi Food & Drug Authority (SFDA), and Emirates Authority for Standardization and Metrology (ESMA) oversee product standards and certifications. These institutions enforce strict technical specifications, requiring exporters to align with GCC norms for market entry.

Halal Compliance: Halal certification is mandatory for food products, cosmetics, and certain pharmaceuticals. Products must be certified by recognized halal authorities, and documentation must meet GCC religious and regulatory standards. This is particularly relevant for Bangladesh’s agro-processing and pharmaceutical sectors.

Import Licensing and Labeling: GCC countries impose complex labeling requirements, including mandatory Arabic language labeling, expiry dates, and traceability codes. Barcode systems and digital traceability tools are increasingly used to monitor product authenticity and safety, especially in food and healthcare sectors.

Investment Regulation: While GCC countries are gradually liberalizing their investment regimes, restrictions remain in certain mainland sectors. Free zones offer more flexibility, including 100% foreign ownership and streamlined procedures. Understanding sector-specific rules is essential for Bangladeshi investors seeking entry into GCC markets.

Non-Tariff Barriers (NTBs): Exporters face a range of technical barriers to trade (TBT), including sanitary and phytosanitary (SPS) regulations and lengthy product approval

timelines. These NTBs can delay market entry and increase compliance costs, underscoring the need for robust certification and documentation systems in Bangladesh.

Navigating these regulatory frameworks requires strategic alignment, institutional coordination, and capacity building among Bangladeshi exporters and regulatory bodies. Enhanced mutual recognition, digital documentation, and targeted training can help mitigate compliance risks and unlock sustained access to GCC markets.

Table 52 Regulatory Frameworks in GCC Countries- key features

Area	GCC Regulatory Characteristics
Customs & Tariffs	Harmonized GCC Common External Tariff (mostly 5% MFN); exemptions for strategic goods
Standards & Certifications	Centralized bodies like GSO (GCC Standardization Organization), SFDA (Saudi Food & Drug Authority), ESMA (UAE Standards)
Halal Compliance	Mandatory halal certification for food, cosmetics, and pharmaceuticals
Import Licensing & Labeling	Complex labeling requirements (Arabic mandatory), barcode/traceability systems
Investment Regulation	Gradual liberalization; free zones offer 100% foreign ownership, while mainland has restrictions in some sectors
Non-Tariff barriers	TBT, SPS rules, and long product approval times

Despite growing trade volumes and investment interest, Bangladeshi exporters and investors face several persistent challenges in accessing and operating within GCC markets. These barriers limit the full realization of bilateral economic potential and require targeted policy and institutional responses (Table 53).

Table 53 Key Challenges Faced by Bangladeshi Exporters and Investors

Challenge	Description
Lack of Regulatory Alignment	Bangladeshi products often do not meet GCC-specific packaging, labeling, and certification requirements
Complex Halal & Food Safety Rules	Multiple halal authorities and evolving standards confuse exporters
Lengthy Customs Clearance	Due to documentation errors, non-compliant packaging, or inspection delays
Lack of Mutual Recognition	No MRAs on pharmaceutical, halal, or quality certifications—causing re-testing and approval delays
Language Barrier	Arabic is mandatory on many labels; many exporters lack language/cultural readiness
Weak Institutional Presence	Limited engagement between Bangladeshi trade bodies and GCC regulators

9.7. Gaps in Bangladesh’s policy and tariff & non-tariff regulations in relation to GCC standards

Key Gaps identified in Bangladesh’s Policies and Regulations Relative to GCC Standards:

(1) Tariff Framework

- Lack of bilateral or preferential trade agreements (PTAs/FTAs) with GCC countries
- No tariff concessions to compete with suppliers from countries that already enjoy trade preferences in GCC

(2) Non-Tariff Barriers (NTBs)

- **Product standards** often not harmonized with GCC regulatory bodies like GSO, SFDA, or ESMA
- **Halal certification process** in Bangladesh lacks mutual recognition with GCC halal authorities
- Weak capacity in meeting **technical barriers to trade (TBT)** and **sanitary and phytosanitary (SPS)** measures

(3) Export Readiness and Labeling

- Inconsistent **labeling practices**, especially missing Arabic translation and QR/barcodes
- Lack of **traceability and conformity assessment systems** for food, pharmaceuticals, and consumer goods

(4) Institutional Weakness

- BSTI and DGDA have limited engagement with GCC standardization bodies
- No active coordination platforms between Bangladeshi and GCC regulators or trade facilitation agencies

(5). Investment Facilitation Gaps

- Outdated or missing Bilateral Investment Treaties (BITs) and Double Taxation Agreements (DTAAs) with several GCC states
- No targeted investment promotion roadmap for attracting GCC investors to compliant sectors like halal food, pharma, logistics|

Table 54 Recommendations to bridge the gaps in Bangladesh’s policy and tariff & non-tariff regulations

Recommendation	Action Needed
1. Negotiate PTAs/FTAs with GCC Countries	Start with key partners like UAE or Saudi Arabia to reduce tariff barriers; explore eventual Bangladesh-GCC FTA
2. Sign Mutual Recognition Agreements (MRAs)	Establish MRAs with SFDA, GSO, ESMA for mutual acceptance of halal, food safety, pharmaceutical, and quality standards
3. Upgrade National Standards	Align BSTI and DGDA regulations with GCC counterparts; invest in testing and conformity labs for export sectors
4. Develop Export Sector Compliance Guidelines	Create sector-specific manuals for exporters (halal food, pharma, RMG, agro-products) focused on GCC regulatory requirements
5. Introduce Mandatory Arabic Labeling Protocols	Mandate bilingual labeling (English-Arabic) for all exports destined for GCC; integrate into customs clearance checklist
6. Create Bangladesh–GCC Standards Coordination Forum	Engage regulatory authorities and trade bodies in structured dialogues to reduce TBT/SPS friction
7. Facilitate Investment Treaties and SEZ-Based Entry	Update and sign BITs and DTAAs with GCC countries; offer compliant industrial zones tailored for halal, logistics, and pharma sectors
8. Strengthen Digital Trade Facilitation	Launch an integrated export Single Window system aligned with GCC customs for easier documentation, certification, and tracking

Data source: Field survey

9.8. Suggested trade facilitation measures to improve Bangladesh–GCC trade

To improve efficiency and reduce bottlenecks in Bangladesh–GCC trade, six priority measures were suggested:

- 1) **Direct Maritime and Air Cargo Connectivity**
Launch dedicated shipping lines (Chattogram/Mongla to Jebel Ali/Dammam) and air freight corridors for perishables. Invest in cold chain logistics and bonded warehouses to reduce spoilage and transit risks.
- 2) **Digital Single Window for Trade**
Integrate export documentation (COO, SPS, halal, customs) into one platform with GCC system interoperability. Use blockchain and traceability tools to enhance transparency and reduce delays.

- 3) **Streamlined Customs and Border Procedures**
Adopt risk-based inspections, harmonize customs codes with GCC standards, and introduce fast-track lanes and pre-arrival documentation review to improve clearance speed.
- 4) **Aligned Certification and Labeling Standards**
Mandate Arabic labeling, halal logos, expiry dates, and traceability codes. Train exporters on GCC SPS/TBT requirements and pursue mutual accreditation of certification bodies.
- 5) **Bangladesh–GCC Trade Facilitation Desk**
Establish support centers in Dhaka, Dubai, and Riyadh to provide regulatory updates, market entry guidance, and real-time issue resolution for exporters.
- 6) **Improved Inland Logistics and Export Infrastructure**
Upgrade dry ports, ICDs, and container terminals. Develop export clusters near SEZs and invest in intermodal hubs linked to ports and airports to enhance supply chain efficiency.

9.9. Cultural and social factors influencing business interactions between Bangladesh and GCC countries

Cultural and social dynamics play a significant role in shaping the business environment between Bangladesh and the GCC countries. These are:

(1) Shared Religious and Cultural Affinity

Bangladesh and GCC countries share a strong foundation of Islamic values that deeply influence societal norms, business ethics, and interpersonal interactions.

(2) Relationship-Based Business Culture – Building Trust Beyond Transactions

In GCC countries, business culture is deeply rooted in personal relationships, trust, and reputation. While formal contracts play a role, they are often secondary to the strength of interpersonal connections and ongoing engagement. Face-to-face meetings, regular follow-ups, and visible commitment are highly valued.

(3) Language and Communication Style

Effective business engagement with GCC countries requires sensitivity to linguistic and communicative norms. While Arabic is the official language across the region, and a marker of cultural identity, English is commonly used in business settings.

To build rapport and avoid misinterpretation, Bangladeshi businesses should adopt bilingual labeling on products, employ interpreters during key negotiations, and ensure marketing materials reflect culturally appropriate language and tone.

9.10 Environmental priorities in trade and investment collaborations between Bangladesh and GCC countries

Environmental sustainability is becoming a strategic priority in trade and investment decisions for both Bangladesh and GCC countries. Future collaborations must increasingly align with green growth, climate resilience, and low-carbon development goals.

(1) Renewable Energy and Clean Technology

The transition to renewable energy is a strategic priority for GCC countries, driven by national frameworks such as Saudi Arabia's Green Initiative and the UAE's Net Zero 2050 road map. Bangladesh, with its growing energy demand and abundant natural resources, presents significant potential for clean energy investments—including solar parks, wind farms, waste-to-energy facilities, and off-grid renewable solutions for rural electrification.

(2) Sustainable Agriculture and Climate-Smart Food Systems

As GCC countries confront rising food insecurity and climate-related risks, the demand for secure, sustainable sources of halal and organic food has become a strategic priority. Bangladesh, with its fertile land, agro-diversity, and growing adoption of climate-smart agriculture (CSA) practices, is well-positioned to meet this need. The country's capacity to

export eco-labeled agro-products—supported by improved food traceability systems—offers a compelling value proposition for GCC markets seeking reliability, quality, and compliance.

Key take aways

The key finding and recommendations of the stakeholders have utilized in the next chapter for formulations of recommendation and policy actions

10. Conclusions and Recommendations

10.1 Summary of key findings

This report has analyzed the evolving trade and investment landscape between Bangladesh and the GCC countries. Key findings from the analysis are summarized below:

- **Strengthening Trade Relations:** Trade between Bangladesh and the GCC countries has grown significantly over the past decade. UAE and Saudi Arabia have emerged as the two largest export destinations within the GC.
- **Export Growth Trends:** Exponential trend analyses confirmed strong and statistically significant growth in exports to all six GCC countries. UAE and KSA showed the steepest upward trajectories, while smaller markets like Bahrain and Oman also demonstrated consistent positive trends.
- **Product Diversification:** Bangladesh's exports to the GCC are diversifying. Alongside traditional sectors like garments and textiles, high-potential products include leather goods, pharmaceuticals, construction materials & ceramics, electrical equipment, ICT & technical services, and processed foods skill based labour-engineer and health professional
- **Tariff Impact Simulation:** Simulations using the OEC Tariff Simulator demonstrated that even modest tariff increases (from 0% to 5% or 5% to 10%) could significantly reduce export volumes across most product categories. This effect was most pronounced in countries currently maintaining low or zero tariff levels (e.g., Qatar, KSA, Bahrain). Overall, the analysis indicates that a 5% tariff reduction across these GCC countries would lead to broad-based export gains for Bangladesh, with the strongest relative effects in Qatar and the UAE, followed by Kuwait and Oman. These results reinforce the policy case for pursuing FTA negotiations, tariff harmonization, or preferential market access arrangements with GCC members, as even modest tariff reductions can yield substantial trade expansion due to high price sensitivity and strong sectoral complementarities.
- **Future Export Projections:** ARIMA-based forecasts project total exports to the GCC to reach USD 3.7 billion in 2030 and USD 4.3 billion by 2035 with a GDP contribution 2.9 billion USD in 2030 and 3.43 billion in 2035 as well as create jobs 2.59 million and 3.01 million respectively. The strongest growth is expected in exports to UAE and KSA, while other markets like Qatar and Kuwait are also projected to expand steadily.
- **Investment Landscape:** GCC countries, particularly UAE, Saudi Arabia, and Qatar, have demonstrated increasing interest in Bangladesh's infrastructure, energy, logistics, and industrial zones. However, the investment flow remains below potential due to regulatory, procedural, and institutional challenges.
- **Trade Balance and Imports:** Bangladesh's imports from GCC countries remain energy- and input-intensive, dominated by petroleum products, chemicals, and machinery. The trade balance is currently tilted in favor of the GCC.
- **Policy and Institutional Bottlenecks:** The analysis identified critical barriers such as lack of bilateral trade agreements, absence of GCC-specific market access strategies, limited private sector capacity to comply with GCC technical and sanitary standards, and weak branding of Bangladeshi products in the region.

10.2 Recommendations

Deeper economic engagement with the Gulf Cooperation Council (GCC) presents a transformative opportunity for Bangladesh to diversify its external trade portfolio, boost export revenues, and attract long-term, sustainable foreign direct investment (FDI). To unlock the full potential of this regional partnership, a coordinated reform agenda and proactive diplomacy are essential. The following strategic recommendations outline key areas for action:

1) Strengthen bilateral engagement

Bangladesh should prioritize the negotiation and renewal of bilateral trade and investment agreements with individual GCC member states. This includes:

- Free Trade Agreements (FTAs) to reduce tariff and non-tariff barriers.
- Double Taxation Avoidance Agreements (DTAAs) to encourage cross-border investment and reduce fiscal uncertainty.
- Mutual Recognition Agreements (MRAs) on standards and certifications (e.g., halal, pharmaceuticals, SPS) to streamline regulatory compliance.

These instruments will provide legal certainty, reduce transaction costs, and foster long-term commercial trust.

2) Ensure tariff-free market access

Bangladesh's export competitiveness—particularly in labor-intensive sectors like RMG and agro-products—is highly sensitive to tariff structures. Maintaining duty-free or preferential access to GCC markets is critical. This requires:

- Structured economic diplomacy to preempt tariff revisions.
- Engagement in GCC-led trade forums to advocate for Bangladesh's market access interests.
- Monitoring of GCC tariff schedules and regulatory changes to ensure timely response and adaptation.

3) Deepen export diversification

To reduce overdependence on RMG and tap into evolving GCC consumption trends, Bangladesh should promote high-value sectors such as:

- Pharmaceuticals and generics, aligned with GCC healthcare expansion.
- Agro-processing and halal-certified food, meeting GCC food security needs.
- Leather, ceramics, and ICT services, tailored to regional demand and infrastructure growth.

Targeted incentives, export readiness programs, and sector-specific trade missions can accelerate diversification.

4) Strengthen trade infrastructure and compliance

Export-oriented MSMEs require institutional support to meet GCC market standards. Key interventions include:

- Upgrading BSTI and DGDA capacities to align with GCC regulatory bodies (e.g., SFDA, ESMA).
- Investing in halal certification, packaging labs, and SPS testing facilities.
- Improving post-harvest management and cold chain logistics to reduce spoilage and enhance product quality.

These measures will reduce rejection rates and improve Bangladesh's reputation for compliance and reliability.

5) Enhance investment climate

GCC investors are increasingly targeting strategic sectors in Bangladesh, including energy, logistics, and SEZs. To attract and retain this capital, Bangladesh should:

- Simplify investment procedures and reduce bureaucratic delays.
- Ensure land availability and infrastructure readiness in SEZs.

- Promote PPPs in green infrastructure, ports, and industrial parks, leveraging GCC sovereign wealth funds.

A dedicated GCC investor facilitation desk under BIDA could further streamline engagement.

6) Leverage the labor–trade nexus

Remittances from GCC countries are a cornerstone of Bangladesh’s foreign exchange reserves. Integrating labor and trade strategies can unlock new opportunities:

- Promote skill-based service exports in healthcare, construction, and ICT.
- Align vocational training with GCC labor market needs.
- Explore bundled agreements that link labor mobility with trade and investment incentives.

This nexus can drive inclusive growth and deepen bilateral ties.

7) Develop a GCC market strategy

A focused export promotion strategy for the GCC is essential to raise product visibility and build long-term commercial relationships. Key components include:

- Sector-specific trade missions and expos in GCC capitals.
- Digital marketing campaigns and e-commerce platforms targeting GCC consumers.
- B2B matchmaking and diaspora-led business networks to facilitate deal flow.

This strategic approach will position Bangladesh as a responsive and competitive supplier in the Gulf region.

8) Enhance trade facilitation measures to strengthen Bangladesh–GCC Trade

To improve efficiency and reduce bottlenecks in Bangladesh–GCC trade, six priority measures are recommended:

(i) Negotiate Mutual Recognition Agreements (MRAs) – Streamlining regulatory access to GCC markets

To reduce non-tariff barriers and accelerate export approvals, Bangladesh should prioritize the negotiation of Mutual Recognition Agreements (MRAs) with key Gulf regulatory bodies such as the Saudi Food and Drug Authority (SFDA), Emirates Authority for Standardization and Metrology (ESMA), and the Gulf Standardization Organization (GSO). These MRAs should focus on critical sectors including pharmaceuticals, halal certification, and food safety and packaging standards. By formally recognizing Bangladeshi certifications and testing protocols, MRAs can eliminate redundant procedures, shorten approval timelines, and lower compliance costs—ultimately enhancing the competitiveness of Bangladeshi exports in GCC markets.

(ii) Establish a Bangladesh–GCC trade compliance desk – Enhancing export readiness and market access

To streamline export procedures and ensure regulatory alignment with Gulf Cooperation Council (GCC) markets, Bangladesh should establish a dedicated Trade Compliance Desk with offices in Dhaka and key GCC hubs such as Dubai and Riyadh. This desk would serve as a one-stop support center for Bangladeshi exporters, offering critical services including pre-shipment inspection guidance, documentation and labeling compliance assistance, and timely updates on regulatory changes across GCC jurisdictions. By bridging information gaps and reducing procedural delays, the Trade Compliance Desk would enhance export readiness, minimize rejection risks, and strengthen Bangladesh’s reputation as a reliable trade partner in the Gulf region.

(iii) Upgrade national standards to GCC equivalents – Ensuring regulatory convergence for seamless trade

To facilitate smoother market access and reduce regulatory friction with Gulf Cooperation Council (GCC) countries, Bangladesh must prioritize the alignment of its national standards with GCC benchmarks. This involves strengthening key institutions such as the Bangladesh Standards and Testing Institution (BSTI) and the Directorate General of Drug Administration (DGDA) to harmonize with standards set by the Gulf Standardization Organization (GSO)

and the Saudi Food and Drug Authority (SFDA). In parallel, expanding technical support services and establishing advanced testing laboratories for halal certification, sanitary and phytosanitary (SPS) measures, and technical barriers to trade (TBT) compliance will equip exporters with the tools needed to meet GCC regulatory requirements. This strategic upgrade will enhance product credibility, reduce rejection rates, and position Bangladesh as a trusted supplier in the Gulf region.

(iv) Simplify export documentation and digitize trade – Accelerating efficiency and transparency

To enhance trade facilitation and reduce administrative bottlenecks, Bangladesh should prioritize the simplification and digitization of export documentation, particularly for GCC-bound shipments. Introducing a Single Window export processing system—interlinked with GCC customs platforms—will streamline approvals, reduce duplication, and enable real-time data exchange. Promoting the adoption of digital tools such as e-certification, blockchain-based traceability, and electronic invoicing will further strengthen transparency, ensure product authenticity, and minimize delays. This digital transformation not only boosts exporter confidence but also aligns with GCC countries' push toward smart trade ecosystems, positioning Bangladesh as a modern and reliable trading partner.

(v) Develop sector-specific export guidelines – Enhancing compliance and market readiness

To improve export performance and ensure alignment with international standards, Bangladesh should develop detailed, sector-specific export guidelines tailored to high-potential industries. These manuals would provide practical instructions and regulatory checklists for exporters in key sectors such as halal meat, seafood, and spices—covering certification protocols, hygiene standards, and packaging requirements for GCC markets. Similarly, guidelines for generic pharmaceuticals should outline Good Manufacturing Practices (GMP), documentation for regulatory approvals, and labeling norms aligned with GCC health authorities. For jute and leather goods, manuals should focus on quality grading, eco-certification, and customs documentation. These targeted resources will empower exporters with the knowledge needed to meet destination market requirements, reduce rejection rates, and strengthen Bangladesh's reputation for quality and compliance.

(vi) Enhance institutional engagement and capacity building – Strengthening regulatory alignment and stakeholder collaboration

To foster deeper trade integration and regulatory convergence with Gulf Cooperation Council (GCC) countries, Bangladesh should prioritize institutional engagement and capacity building. Establishing a Bangladesh–GCC Standards Coordination Forum will provide a structured platform for dialogue on harmonizing technical standards, certifications, and compliance protocols. Regular capacity-building sessions with GCC regulators will equip Bangladeshi institutions and exporters with up-to-date knowledge on market requirements, inspection procedures, and documentation practices. Additionally, convening public-private dialogues under the leadership of the Ministry of Commerce (MoC) and the Bangladesh Investment Development Authority (BIDA) will ensure that policy frameworks are responsive to industry needs and aligned with international best practices. This multi-stakeholder approach will build trust, improve regulatory readiness, and enhance Bangladesh's competitiveness in GCC markets.

(vii) Improve investment facilitation – Creating a conducive environment for GCC capital

To attract and retain strategic investment from Gulf Cooperation Council (GCC) countries, Bangladesh must enhance its investment facilitation framework through targeted legal and administrative reforms. Updating or signing Bilateral Investment Treaties (BITs) and Double Taxation Avoidance Agreements (DTAAs) with GCC nations will provide legal safeguards, fiscal clarity, and greater investor confidence. Complementing these agreements, Bangladesh should introduce fast-track investor services tailored for GCC companies—covering expedited approvals, dedicated liaison desks, and streamlined access to land, utilities, and regulatory clearances. This dual approach will position Bangladesh as a

responsive and investor-friendly destination, capable of mobilizing long-term GCC capital across priority sectors.

10.3 Road map of prioritized and time-bound policy recommendations and actions

Time horizon definition

- Immediate / Short-term: 0–12 months (institutional setup, pilots, negotiations launch)
- Medium-term: 1–3 years (agreements concluded, systems operational, scale-up)
- Long-term: 3–5+ years (deep integration, sustained outcomes)

Priority Tier 1: Market Access, Standards, and Compliance (Highest Impact, Immediate Returns)

1. Strengthen bilateral engagement through legal trade instruments

Objective: Provide legal certainty and reduce trade/investment transaction costs.

Short-term (0–12 months)

- Identify priority GCC partners (UAE, Saudi Arabia, Qatar) for FTAs/PTAs, DTAAAs, BITs, and MRAs.
- Launch parallel negotiations for:
 - MRAs on halal certification, pharmaceuticals, SPS
 - Renewal/updating of existing DTAAAs and BITs
- Establish an Inter-Ministerial GCC Negotiation Cell (MoC–MoFA–NBR–BIDA).

Medium-term (1–3 years)

- Conclude at least one PTA/FTA (preferably UAE) and two MRAs (halal + pharma/food).
- Operationalize DTAA/BIT provisions with implementation guidelines.

Long-term (3–5+ years)

- Expand toward a Bangladesh–GCC Economic Partnership Agreement covering goods, investment, and services.

2. Ensure tariff-free or preferential market access

Objective: Safeguard competitiveness of RMG, agro-products, and emerging exports.

Short-term

- Create a GCC Tariff & NTB Monitoring Unit within MoC/EPB.
- Institutionalize early-warning mechanisms for tariff or regulatory changes in GCC markets.
- Actively participate in GCC trade forums and policy consultations.

Medium-term

- Embed tariff-preference clauses in PTAs/FTAs.
- Negotiate safeguard exemptions for labor-intensive Bangladeshi exports.

Long-term

- Secure binding tariff-free access for priority products under regional agreements.

Priority Tier 2: Export Diversification and Market Development (Medium-Term Structural Gains)

3. Deepen export diversification toward high-value sectors

Objective: Reduce RMG dependence and align with GCC demand trends.

Short-term

- Officially designate GCC Priority Export Sectors:
 - Pharmaceuticals & generics
 - Agro-processing & halal food
 - Seafood, ceramics, leather
 - ICT & construction-related services
- Launch sector-specific export readiness and incentive packages.

Medium-term

- Conduct sector-focused trade missions and buyer-seller meets in UAE, KSA, Qatar.
- Support joint ventures and contract manufacturing with GCC firms.

Long-term

- Integrate Bangladeshi firms into GCC regional value chains (healthcare, food security, infrastructure).

4. Develop a dedicated GCC market strategy

Objective: Improve visibility, branding, and sustained market presence.

Short-term

- Formulate a Bangladesh–GCC Export Promotion Strategy under EPB.
- Establish Bangladesh–GCC Trade Desks in Dhaka, Dubai, Riyadh.

Medium-term

- Deploy digital marketing and e-commerce outreach targeting GCC consumers.
- Institutionalize diaspora-led B2B networks.

Long-term

- Position Bangladesh as a preferred supplier brand in selected GCC product segments.

Priority Tier 3: Trade Infrastructure, Facilitation, and Digitalization (Enabling Reforms)

5. Strengthen trade infrastructure and regulatory compliance

Objective: Reduce rejection rates and compliance costs for exporters.

Short-term

- Initiate capacity upgrading of BSTI and DGDA aligned with SFDA, ESMA, GSO standards.
- Expand halal certification, SPS testing, and packaging labs.

Medium-term

- Establish GCC-recognized accredited labs and modern cold chain facilities.
- Roll out post-harvest and quality management programs for agro-exports.

Long-term

- Achieve automatic or fast-track recognition of Bangladeshi certifications in key GCC markets.

6. Enhance Trade Facilitation through Digitization

Objective: Reduce time, cost, and uncertainty in Bangladesh–GCC trade.

Short-term

- Simplify export documentation for GCC-bound shipments.
- Pilot e-certification and electronic SPS/pharma approvals.

Medium-term

- Fully operationalize National Single Window with GCC customs interoperability.
- Introduce blockchain-based traceability and e-invoicing.

Long-term

- Establish fully digital trade corridors with major GCC ports.

Priority Tier 4: Investment and Labor–Trade Nexus (Long-Term Strategic Leverage)

7. Enhance investment facilitation for GCC capital

Objective: Attract long-term, strategic FDI from GCC countries.

Short-term

- Create a Dedicated GCC Investor Facilitation Desk under BIDA.
- Map GCC sovereign wealth funds and priority sectors (energy, ports, SEZs).

Medium-term

- Update/sign BITs and DTAAAs with key GCC states.
- Launch fast-track investor services for GCC firms.

Long-term

- Mobilize GCC capital into PPPs for green infrastructure, logistics, and industrial parks.

8. Leverage the labor–trade nexus

Objective: Integrate migration, services exports, and trade policy.

Short-term

- Align TVET curricula with GCC skill demand (healthcare, construction, ICT).
- Promote skill-based service exports alongside goods trade.

Medium-term

- Negotiate mutual recognition of skills certifications.
- Pilot bundled agreements linking labor mobility with trade/investment incentives.

Long-term

- Institutionalize labor–trade–investment cooperation frameworks with GCC states.

Priority Tier 5: Institutional Coordination and Capacity Building (Cross-Cutting)

9. Enhance institutional engagement and coordination

Objective: Ensure sustained regulatory alignment and stakeholder ownership.

Short-term

- Establish a Bangladesh–GCC Standards & Compliance Coordination Forum.
- Convene regular public–private dialogues led by MoC and BIDA.

Medium-term

- Conduct joint capacity-building programs with GCC regulators.
- Institutionalize exporter training and regulatory intelligence systems.

Long-term

- Embed Bangladesh–GCC cooperation into permanent policy and regulatory platforms.

Priority Summary Matrix

Priority Level	Focus Area	Time Sensitivity
Tier 1	Market access, MRAs, FTAs, tariff-free entry	Immediate
Tier 2	Export diversification & GCC market strategy	Short–Medium
Tier 3	Compliance, standards, digital trade	Medium
Tier 4	Investment & labor–trade nexus	Medium–Long
Tier 5	Institutional coordination	Continuous

Source: Author’s estimation

10.4 Road Map of Prioritized, Time-Bound Policy Actions with Responsible Agencies

These policy actions are aligned with MoC Five-Year Trade Policy, Perspective Plan 2041, and FDI Strategy

PRIORITY TIER 1: Market Access, Tariffs, and Legal Frameworks (Immediate Impact)

1. Strengthen Bilateral Trade & Investment Agreements

Objective: Secure legal certainty and reduce trade and investment risks.

Timeframe	Policy Action	Lead Agency	Supporting Agencies
Short-term (0–12 months)	Identify priority GCC partners (UAE, KSA, Qatar) and establish an Inter-Ministerial GCC Negotiation Cell	MoC	MoFA, ERD, NBR, BIDA
Short-term	Launch negotiations for FTAs/PTAs, MRAs (halal, pharma, SPS), DTAA renewal	MoC	MoFA, BSTI, DGDA, NBR
Medium-term (1–3 years)	Conclude at least one PTA/FTA and two MRAs	MoC	MoFA, ERD

Long-term (3–5+ years)	Pursue Bangladesh–GCC Economic Partnership Agreement	MoC	MoFA, ERD, BIDA
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Source: Author's estimation

2. Ensure Tariff-Free / Preferential Market Access

Objective: Protect export competitiveness of RMG and emerging sectors.

Timeframe	Policy Action	Lead Agency	Supporting Agencies
Short-term	Establish GCC Tariff & NTB Monitoring Unit	MoC	EPB, Bangladesh Missions
Short-term	Structured economic diplomacy to preempt tariff changes	MoFA	MoC, EPB
Medium-term	Embed tariff-preference clauses in FTAs/PTAs	MoC	NBR
Long-term	Secure binding duty-free access for priority exports	MoC	MoFA

Source: Author's estimation

PRIORITY TIER 2: Export Diversification and Market Development

3. Deepen Export Diversification

Objective: Reduce RMG dependency and align with GCC demand.

Timeframe	Policy Action	Lead Agency	Supporting Agencies
Short-term	Designate GCC priority export sectors (pharma, halal food, ICT, ceramics, leather)	MoC	EPB, relevant line ministries
Short-term	Launch sector-specific export readiness programs	EPB	SME Foundation, BSCIC
Medium-term	Organize sector-focused trade missions in GCC	EPB	MoFA, Bangladesh Missions
Long-term	Promote JV and contract manufacturing with GCC firms	BIDA	MoC, BEZA

Source: Author's estimation

4. Develop a GCC-Focused Market Strategy

Objective: Improve product visibility and long-term market presence.

Timeframe	Policy Action	Lead Agency	Supporting Agencies
Short-term	Formulate Bangladesh–GCC Export Promotion Strategy	EPB	MoC
Short-term	Establish Trade & Compliance Desks (Dhaka, Dubai, Riyadh)	MoC	EPB, MoFA
Medium-term	Digital marketing and e-commerce targeting GCC consumers	EPB	ICT Division
Long-term	Institutionalize diaspora-led B2B networks	MoFA	EPB

Source: Author's estimation

PRIORITY TIER 3: Trade Infrastructure, Standards, and Digitalization

5. Strengthen Trade Infrastructure and Compliance

Objective: Reduce rejections and enhance reliability.

Timeframe	Policy Action	Lead Agency	Supporting Agencies
Short-term	Upgrade BSTI and DGDA capacity aligned with GCC regulators	BSTI / DGDA	MoC, MoHFW
Medium-term	Expand halal, SPS, and packaging testing	Mol	BSTI, BSCIC

Timeframe	Policy Action	Lead Agency	Supporting Agencies
term	facilities		
Medium-term	Improve cold chain and post-harvest logistics	MoA	LGED, Private Sector
Long-term	Achieve mutual recognition of Bangladeshi certifications	MoC	BSTI, DGDA

Source: Author's estimation

6. Enhance Trade Facilitation & Digitization

Objective: Reduce time and cost of exporting to GCC.

Timeframe	Policy Action	Lead Agency	Supporting Agencies
Short-term	Simplify export documentation for GCC shipments	NBR	MoC
Medium-term	Implement National Single Window linked to GCC customs	NBR	ICT Division
Medium-term	Roll out e-certification and digital SPS systems	MoC	BSTI, DGDA
Long-term	Develop digital trade corridors with GCC ports	MoC	CPA, ICT Div.

Source: Author's estimation

PRIORITY TIER 4: Investment and Labor–Trade Nexus

7. Enhance Investment Facilitation for GCC Investors

Objective: Attract long-term GCC FDI.

Timeframe	Policy Action	Lead Agency	Supporting Agencies
Short-term	Establish GCC Investor Facilitation Desk	BIDA	MoC, MoFA
Medium-term	Update/sign BITs and DTAAAs with GCC states	ERD	MoFA, NBR
Medium-term	Fast-track services for GCC investors	BIDA	BEZA, BPZA
Long-term	Promote PPPs in ports, energy, green infrastructure	PPP Authority	BIDA, MoPEMR

Source: Author's estimation

8. Leverage the Labor–Trade Nexus

Objective: Link remittances, services exports, and trade growth.

Timeframe	Policy Action	Lead Agency	Supporting Agencies
Short-term	Align TVET programs with GCC skill demand	BMET	MoE, MoExpat
Medium-term	Promote skill-based service exports	MoC	ICT Division
Medium-term	Negotiate skill certification recognition	MoExpat	MoFA
Long-term	Bundle labor mobility with trade/investment deals	MoFA	MoC

Source: Author's estimation

PRIORITY TIER 5: Institutional Coordination & Capacity Building

9. Strengthen Institutional Engagement

Objective: Ensure sustained policy coherence and regulatory alignment.

Timeframe	Policy Action	Lead Agency	Supporting Agencies
Short-term	Establish Bangladesh–GCC Standards Coordination Forum	MoC	BSTI, DGDA

Timeframe	Policy Action	Lead Agency	Supporting Agencies
Medium-term	Joint capacity-building with GCC regulators	MoC	Development Partners
Continuous	Public–private dialogue on GCC trade	MoC	FBCCI, Sector Associations

Source: Authors estimation

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Annex 1 Welfare decomposition of projected potential exports in 2030 and 2035

Below provided a quantitative decomposition of Bangladesh’s projected potential exports to GCC countries—USD 3.7 billion in 2030 and USD 4.3 billion in 2035—into GDP contribution and employment generation. Since sector-specific econometric coefficients for Bangladesh–GCC exports are not officially published, the analysis uses standard input–output multipliers, consistent with Bangladesh’s past export–GDP elasticity, RMG and non-RMG value-added ratios, and employment elasticities derived from BBS, BIDA, and Planning Commission frameworks.

(1) Key assumptions used (aligned with Bangladesh context)

To maintain methodological consistency, the following widely accepted multipliers were applied:

A. GDP contribution multipliers

Sector	Average Value-Added Share	GDP Multiplier (direct + indirect)
RMG & Textiles	45–50%	1.3×

Sector	Average Value-Added Share	GDP Multiplier (direct + indirect)
Agro-food, halal meat,	52–60%	1.4×
Pharmaceuticals	55–65%	1.6×
IT/ITES	65–75%	1.8×
Ceramics, construction	40–45%	1.3×

Weighted average GDP multiplier for GCC-oriented exports: ≈ 1.45
Average domestic value-added share: 52–55%

B. Employment elasticity for export sectors

Sector	Jobs per USD 1 million export
RMG	1,200–1,400 jobs
Agro-food & fisheries	800–1,000 jobs
Pharmaceuticals	250–300 jobs
IT/ITES	150–200 jobs
Ceramics & construction goods	350–450 jobs

Weighted average job creation per USD 1 million export: ≈ 700 jobs
(Reflecting the shift toward higher-value non-RMG exports.)

(2) Export projection and sectoral breakdown

For both projection years-2030 and 2035, the export projections were decomposed as follows (based on current GCC demand trends):

Sector	Share of Total	2030 (USD)	2035 (USD)
RMG & Textiles	40%	1.48	1.72
Agro-food, halal, fisheries	22%	0.81	0.95
Pharmaceuticals	10%	0.37	0.43
IT/ITES	8%	0.30	0.34
Ceramics & construction goods	12%	0.44	0.52
Misc. (light engineering, leather,	8%	0.30	0.34
Total	100%	3.70	4.30

(3) GDP Contribution of GCC Exports

A. GDP Contribution in 2030

Step 1: Calculate Domestic Value-Added (DVA)

DVA = 3.7 billion \times 0.54 = USD 1.998 billion

Step 2: Apply GDP Multiplier (direct + indirect effects)

GDP contribution = 1.998 billion \times 1.45 = USD 2.90 billion added to Bangladesh's GDP in 2030

B. GDP Contribution in 2035

DVA = 4.3 billion \times 0.55 = **USD 2.365 billion**

GDP contribution = 2.365 billion \times 1.45 = USD 3.43 billion added to GDP in 2035

(4) Employment Generation from GCC-Oriented Exports

Using the weighted average:

≈ 700 jobs per USD 1 million export

A. Employment Impact in 2030

Jobs = 3.7 billion \div 1,000,000 \times 700

= 3.7 \times 700k = 2.59 million jobs

Job breakdown by sector (2030):

Sector	Jobs Created (million)
RMG	1.85
Agro-food & fisheries	0.24

Pharmaceuticals	0.10
IT/ITES	0.05
Ceramics & construction goods	0.20
Other sectors	0.15
Total	2.59

B. Employment Impact in 2035

Jobs = 4.3 billion ÷ 1,000,000 × 700

= 4.3 × 700k = 3.01 million jobs

Breakdown by sector (2035):

Sector	Jobs Created in million
RMG	2.02
Agro-food & fisheries	0.42
Pharmaceuticals	0.12
IT/ITES	0.06
Ceramics & construction goods	0.23
Other sectors	0.16
Total	3.01

Annex 2. Checklists for KIIs and FGDs

Study on Prospect and Policy Recommendation of Gulf Co-operation Council (GCC) for the identification of prospective market access and area of cooperation

Checklist for Key Informant Interview (KII)

Possible respondents: Exporters, Importers, Chamber of Commerce, Government officials and academia etc.

Name of respondent _____ Organisation _____
 Designation _____ Mobile No. _____
 Date of interview: _____ Time _____

S.N.	Guide questions	Response
1.	<p>(i) Market access opportunities: What are the new market access opportunities for Bangladeshi goods and services in GCC countries?</p> <p>(ii) What kind of Free Trade Agreement (FTA) is appropriate for reducing tariff and non-tariff barriers for improving market access of Bangladeshi goods and services in GCC countries?</p>	<p>New market opportunities for goods:</p> <ol style="list-style-type: none"> 1. 2. 3. <p>New market opportunities for services:</p> <ol style="list-style-type: none"> 1. 2. 3. <p>Rank your suggested FTAs: 1 = Lowest ... to 4=Highest</p> <p>(a) GCC regional FTA: (b) Bilateral FTA: (c) Multilateral FTA:</p>
2.	<p>a) Investment potential in <u>energy sector</u> of Bangladesh: What are the potential collaborative investment areas for the GCC countries in the energy sector of Bangladesh?</p> <p>b) Investment potentials in the <u>non-energy sector</u> of Bangladesh: What are the investment prospects for the GCC countries in non-energy sectors in Bangladesh? Non-energy sectors: Ports, textiles and clothing, ceramics, pharmaceuticals, health care, IT and software services, banking and finance, and real estate, etc.</p>	<p>Potential investment areas for mutual benefits:</p> <ol style="list-style-type: none"> 1. 2. 3. 4. <p>Investment prospects for GCC countries in Bangladesh::</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5.
3.	<p>Sectoral cooperation: What strategies you suggest for establishing joint ventures and partnerships between Bangladesh and GCC countries?</p>	<p>Specific strategies for sectoral co-operation: Rank your suggested strategies: 1 = Lowest to 4=Highest</p>

S.N.	Guide questions	Response
4.	<p>Regulatory frameworks: What are the regulatory frameworks in GCC countries? What are the key challenges faced by Bangladeshi exporters and investors, and propose solutions to enhance trade facilitation and regulatory alignment.</p>	<p>Key regulatory challenges faced by Bangladeshi exporters:</p> <ol style="list-style-type: none"> 1. 2. 3. <p>Solutions:</p>
5.	<p>a) Gap analysis of policy and tariff and non-tariff regulation: What are the gaps of Bangladesh's policy and tariff and non-tariff regulation: in relation to GCC standards</p> <p>Considering above gaps give recommendations for the Government of Bangladesh for harmonizing regulations to facilitate trade and investment with the GCC countries.</p>	<p>Identify Gaps in policy and tariff and non-tariff regulation:</p> <ol style="list-style-type: none"> 1. 2. 3. <p>Recommendations:</p> <ol style="list-style-type: none"> 1. 2. 3.
6.	<p>Trade facilitation measures: Please suggest measures to ease trade processes, and promote smoother and more efficient transactions between Bangladesh and GCC countries?</p>	<p>Suggested Trade facilitation measures:</p> <ol style="list-style-type: none"> 1. 2. 3.
7.	<p>Cultural and social dynamics: What are the cultural and social factors that influence business interactions between Bangladesh and GCC countries?</p>	<p>Cultural and social factors that influence business interactions between Bangladesh and GCC nations:</p>
8.	<p>Environmental sustainability: What are the environmental priorities of potential trade and investment collaborations with Bangladesh and GCC?</p>	<p>Priorities aligned with both Bangladesh's and GCC's environment:</p> <ol style="list-style-type: none"> 1. 2.

Annex 3 Checklist for FGD

Study on Prospect and Policy Recommendation of Gulf Co-operation Council (GCC) for the identification of prospective market access and area of cooperation

Checklist for FGD

Possible participants: Exporters, Importers, Chamber of Commerce, Government officials etc.

Date: _____ **Time** _____

Topics to be discussed:

S.N.	Guide questions	Response
1.	<p>(i)Market access opportunities: What are the new market access opportunities for Bangladeshi goods and services in GCC countries?</p> <p>(ii) What kind of Free Trade Agreement (FTA) is appropriate for reducing tariff and non-tariff barriers for improving market access of Bangladeshi goods and services in GCC countries?</p>	<p>New market opportunities for goods:</p> <p>New market opportunities for services:</p> <p>Rank your suggested FTAs: 1 = Lowest ... to 4=Highest (a) GCC regional FTA: (b) Bilateral FTA: (c) Multilateral FTA:</p>
2.	<p>a) Investment potential in <u>energy sector</u> of Bangladesh: What are the potential collaborative investment areas for the GCC countries in the energy sector of Bangladesh?</p> <p>b) Investment potentials in the <u>non-energy sector</u> of Bangladesh: What are the investment prospects for the GCC countries in non-energy sectors in Bangladesh? Non-energy sectors: Ports, textiles and clothing, ceramics, pharmaceuticals, health care, IT and software services, banking and finance, and real estate, etc.</p>	<p>Potential investment areas for mutual benefits:</p> <ol style="list-style-type: none"> 1. 2. 3. 4. <p>Investment prospects for GCC countries in Bangladesh::</p> <ol style="list-style-type: none"> 1. 2. 3. 4. 5.
3.	<p>Sectoral cooperation: What strategies you suggest for establishing joint ventures and partnerships between Bangladesh and GCC countries?</p>	<p>Specific strategies for sectoral Coperation: Rank your suggested strategies: 1 = Lowest to 4=Highest</p>

S.N.	Guide questions	Response
4.	<p>Regulatory frameworks: What are the regulatory frameworks in GCC countries? What are the key challenges faced by Bangladeshi exporters and investors, and propose solutions to enhance trade facilitation and regulatory alignment.</p>	<p>Key regulatory challenges faced by Bangladeshi exporters:</p> <ol style="list-style-type: none"> 1. 2. 3. 4. <p>Solutions:</p>
5.	<p>a) Gap analysis of policy and tariff and non-tariff regulation: What are the gaps in Bangladesh's policy and tariff and non-tariff regulation in relation to GCC standards?</p> <p>Considering above gaps give recommendations for the Government of Bangladesh Government of Bangladesh for harmonizing regulations to facilitate trade and investment with the GCC countries.</p>	<p>Identify Gaps in policy and tariff and non-tariff regulation:</p> <ol style="list-style-type: none"> 1. 2. 3. <p>Recommendations:</p> <ol style="list-style-type: none"> 1. 2. 3.
6.	<p>Trade facilitation measures: Please suggest measures to ease trade processes, and promote smoother and more efficient transactions between Bangladesh and GCC countries</p>	<p>Suggested Trade facilitation measures:</p> <ol style="list-style-type: none"> 1. 2. 3.
7.	<p>Cultural and social dynamics: What are the cultural and social factors that influence business interactions between Bangladesh and GCC countries?</p>	<p>Cultural and social factors that influence business interactions between Bangladesh and GCC nations:</p>
8.	<p>Environmental sustainability: What are the environmental priorities of potential trade and investment collaborations with Bangladesh and GCC?</p>	<p>Priorities aligned with both Bangladesh's and GCC's environment:</p> <ol style="list-style-type: none"> 1. 2. 3.