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**Bangladeshi businesses buoyed by promising growth outlook: HSBC***\*\* Almost all (97%) Bangladeshi firms are projecting growth\*\***\*\* 94% are optimistic about international trade\*\***\*\* Asia-Pacific remains the key growth destination for Bangladeshi firms \*\**

**Bangladesh** - Buoyed by a strong economy and positive international trade prospects, business confidence in Bangladesh is significantly higher than the global and Asian averages. Nearly all Bangladeshi firms surveyed have an optimistic outlook, according to a new HSBC global report.

HSBC's 'Navigator: Now, next and how' captures business sentiment from 9,131 companies globally, including 193 Bangladeshi companies, shedding light on their investment priorities, decision-making drivers, and plans to implement change and growth expectations.

**Bangladesh bullish: nearly all firms share an upbeat outlook**

*HSBC Navigator reveals* that 97% of Bangladeshi businesses are bullish on growth in the next year. This compares to the global average of 79% and the Asian average of 77%. Moreover, 50% of Bangladeshi businesses are expecting growth of 15% or more, which would be about twice the rate of expected GDP growth in Bangladesh.

Business confidence in Bangladesh is also on the rise – 74% are more optimistic about their prospects than a year ago, compared to the Asian average of 43%.

Commenting on the survey findings, **Francois de Maricourt, CEO HSBC Bangladesh said**, "Bangladesh is at the heart of Asia's emerging growth so it's only fitting that its businesses are among the most bullish globally. What we are seeing is Bangladeshi businesses proactively adapting to the pace of global change, with expansion into new markets, investments in innovation and upskilling their workforce as key ways to boost growth."

Bolstered by fast-growing industries, nine in ten Bangladeshi businesses believe international trade is a force for good that will drive innovation and improve efficiency.

"With a strong focus on manufacturing and industries like garments that continue to grow, Bangladesh remains well-poised to make gains from international trade in the years to come," said Maricourt.

## **International trade the driver of innovation and operational efficiency**

Asia remains the main arena where Bangladeshi firms trade, with more than four in five (83%) companies citing its importance. The largest trading partners for Bangladeshi firms are mainland China (43%), Japan (36%) and India (27%).

Over the past year Bangladeshi firms have continued to strengthen key business corridors, with China continuing to be a top trading partner. Firms are also eyeing fresh pathways to growth, with Japan more than tripling in importance to replace Malaysia as Bangladesh's second most important trading partner.

Meanwhile, trade with most major European economies, such as Germany (only 7% cite its importance), France and Italy (both down to 4% in 2019), has more than halved in the last 12 months. However the slack has been picked up by the US, which has doubled in importance over the last year (to 16%).

## **Bangladeshi firms combat protectionism with positivity and proactivity**

Despite their sky-high confidence, Bangladeshi businesses are not immune from the impacts of protectionist policies in their key markets, although the threat is felt substantially less than last year. Only 42% of Bangladeshi firms feel protectionism is on the rise in 2019, compared to 93% in 2018.

Even so, Bangladeshi firms are proactively taking countermeasures through joint ventures with local companies, selling more online, using more local suppliers and adapting their product and service offerings. The proactivity of firms is encouraging with three quarters (74%) of Bangladeshi firms expecting their business to change substantially in the next five years compared to just half of their global peers.

**Maricourt concluded:** "Where there is fast growth, there is also fierce competition. Nowhere is that more apparent than Asia. The future is bright for Bangladeshi businesses if they remain positive and proactive, raising their game to match their potential."

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**About the Navigator Report:**

Navigator survey is the most comprehensive survey of international trade, sponsored by HSBC. The study gauges sentiment and expectations of the businesses in the near to mid-term future, and covers the following areas: Business outlook, International trade, Protectionism and geopolitics, Sustainability, Well-being and Technology in business. Key decision makers and those having significant input into the decision-making process in eligible companies take part in the survey. A total of 35 markets were surveyed. Fieldwork for the survey took place in August - September 2019. A total of 193 Bangladeshi businesses participated in face-to-face personal interviews

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