



POWER & ENERGY

CHARGE AHEAD

DISCOVER
LIMITLESS
OPPORTUNITIES



ABOUT BANGLADESH

- Strategic hub in South Asia linking India, China, and ASEAN countries
- 5-year GDP growth at a CAGR of 7%, one of the fastest growing economies in the world
- 41st largest economy, poised to become the world's 25th largest economy by 2035
- 10.5% annual growth in country's middle & affluent class population, projected to reach 34 million by 2025

ACCOLADES & CREDENTIALS

- A 'Next-11' country, Bangladesh is poised to become one of the largest economies of the 21st century, according to Goldman Sachs
- Credit rating of BB- by Standard & Poor in 2021 indicates long-term stability
- As per JETRO survey on Business Conditions of Japanese Companies, 70% of surveyed firms present in Bangladesh want further 'expansion'

ROBUST AND GROWING INFRASTRUCTURE

- **3 international airports** (Dhaka, Chattogram and Sylhet) and **5 domestic airports** provide seamless aerial connectivity. The 3rd terminal at Dhaka's Hazrat Shahjalal International Airport will become operational by 2024.
- 580-km coastline facilitates 90% of Bangladesh's international trade via ports of Chattogram and Mongla.
- Part of Trans-Asian railway network stretching from Europe to South-East Asia.
- Extensive network of good quality roads (Asian Highways, National Highways, and regional highway corridors like SASEC, BIMSTEC and SAARC).
- 25,000+ MW power generation capacity; target to reach 40,000 MW by 2030.

POWER AND ENERGY SECTOR AT A GLANCE



Access to electricity increased to 94% of total population, distribution losses reduced to 9.35%



Per capita generation: 426 KWh
Per capita consumption: 378 KWh
FY 2020



Power plants In operation: 146
Under construction: 151



Bangladesh generated **25,235 MW of electricity** in FY 2021, of which grid production is 22,031 MW and off grid is 3002 MW



Of the **22,031 MW** of electricity produced, **public sector and private sector contributes 46% and 43% respectively**



Improvement of **transmission lines** have enhanced power **generation and distribution** by **1,324 MW** from 2020 to 2021

More than **4 million off-grid roof top solar home systems** installed since the last decade

146



From **fuel-based production** of electricity, each commodity represents



Hydro 1.04%	Gas 51.97%	Coal 8.03%
Diesel 5.86%	Furnace Oil 27.25%	
Renewable Energy 0.59%		

Contribution from **technology-based production** of electricity



Combined Cycle 34.62%	Wave 1.04%
Solar 0.59%	Gas Turbine 5.55%
Reciprocative Engine 38.05%	

Commercial consumers: 291,000
Electrical consumption: 7.6 trillion-KWh



Industrial consumers: 379,000
Electrical consumption: 20.2 trillion-KWh



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 Around **20 million** people in rural areas brought under power coverage through **5.8 million solar home systems**



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7 Public-Private Partnership (PPP) projects initiated for power generation to meet growing demand



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151 more power station currently under construction, of which 24 are private sector projects

Above 100 meters wind speed in the southern region of Bangladesh, which is ideal for wind-powered electricity generation



DEMAND DRIVERS



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 Increased urban immigration is driving electrical consumption



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 Purchasing power increased by 43.3% from 2013 to 2020



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 Total number of registered vehicles: 4.47 million units



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 12 million people are in medium income affluent bracket and the segment is growing at rate of 10% per year

.....
 By 2030, Bangladesh plans to produce 10% of electricity from renewable energy sources



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 Ongoing megaprojects are expected to drive up demand for electricity in the coming years

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 Bangladesh has the potential to utilize wind farms and tidal energy to ensure sustainable energy development

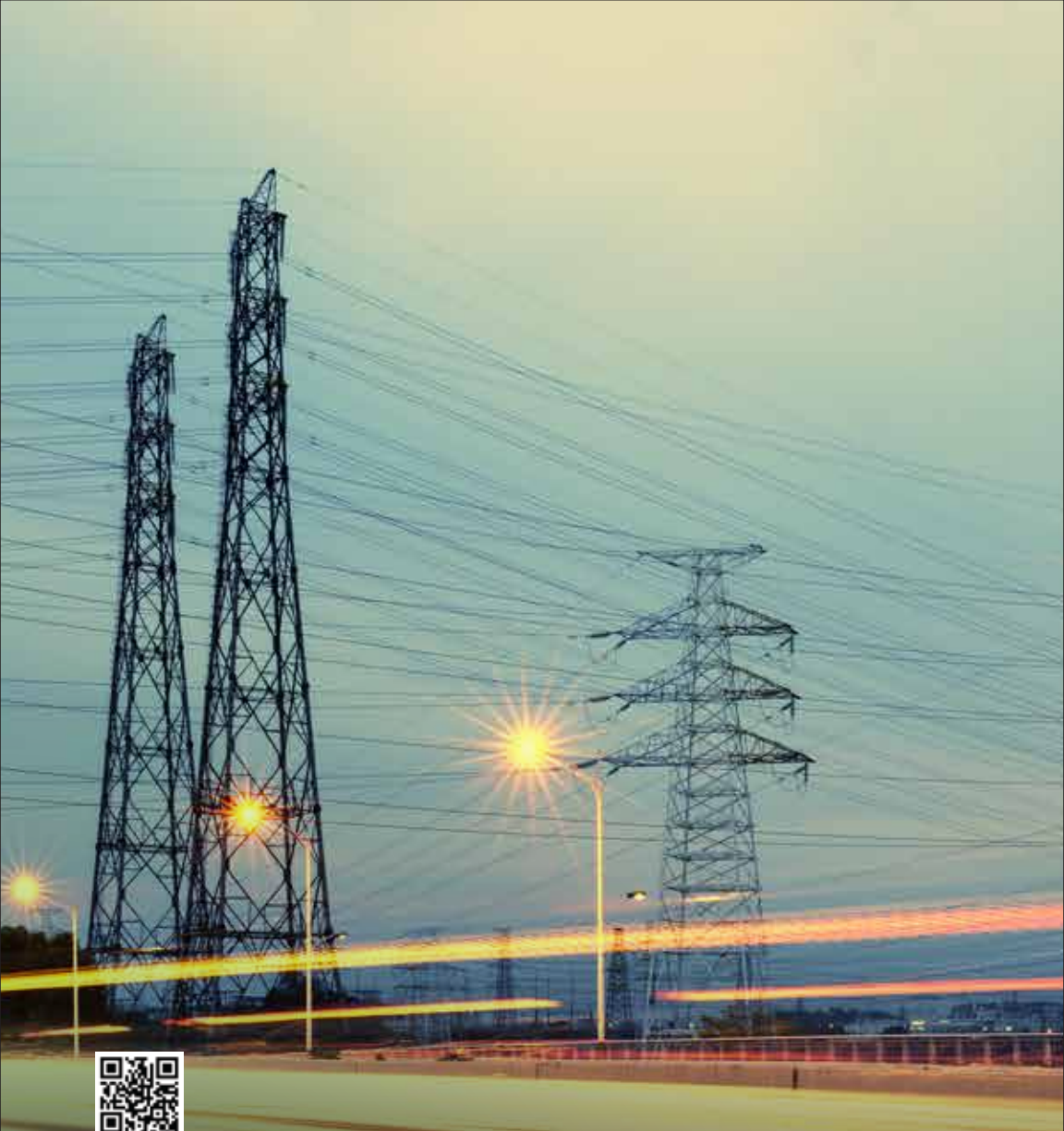


GROWTH DRIVERS

- A strong ecosystem to produce off-grid solar capacity has been set up with low-interest loans, which can increase future demands
- Off-shore gas fields are untapped ever since Bangladesh has won the rights of 200 miles of exclusive economic zone in the Bay of Bengal
- Strong summer winds can generate seasonal higher electric output
- Demand for electricity will increase with modernization of distribution and transmission of energy system
- Government amended terms for production sharing contract in 2019
- Large scope for growth from waste to bio-gas

SECTOR-SPECIFIC INCENTIVES

- The National Budget for FY 2021 has allocated Tk. 24,853 crore to the Power Division of which Tk. 24,804 crore (99.8% of total budget) is for development budget.
- Income Tax Exemption for coal based private power company based on the commencement of operations (up to 15 years).
- Income Tax Exemption for non-coal based private power company.
- Commencing operations between 1 Jan 2020 to 31 Dec 2022 – 100% exemption up to 31 Dec 2034.
- Power producers i.e., power generation companies are exempted from VAT on their supply of electricity.
- 3 years income tax exemption for foreign expatriates working in private power generation companies.
- Foreign expatriates can send 75% of net income as well as repatriation of savings and retirement benefits at the time of their return.
- Capital gains tax is exempted for sale shares of private power generation companies.



www.bida.gov.bd

**Bangladesh Investment
Development Authority (BIDA)**

Address: E-6/b Agargaon, Sher-E-bangla Nagar, Dhaka-1207, Bangladesh
E-mail: info@bida.gov.bd, Phone: +880-2-55007241-45

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