Bangladesh is a country in Southern Asia and is located on the Bay of Bengal bordered by India on all sides except for a small border with Burma. Bangladesh has flat plains, and most of the country is situated on deltas of large rivers flowing from the Himalayas. The government system is parliamentary democracy; the chief of state is the president, and the head of government is the prime minister. Bangladesh has a traditional economic system in which the allocation of available resources is made on the basis of inheritance and primitive methods. Bangladesh is a member of the Asia-Pacific Trade Agreement (APTA) and the South Asian Association for Regional Cooperation (SAARC).

**Introduction**

Country rating: C - A very uncertain political and economic outlook and a business environment with many troublesome weaknesses can have a significant impact on corporate payment behavior. Corporate default probability is high.

**Business Climate rating:** C - The business environment is difficult. Corporate financial information is often unavailable and when available often unreliable. Debt collection is unpredictable. The institutional framework has many troublesome weaknesses. Intercompany transactions run major risks in the difficult environments rated C.

**Strengths**

- Competitive garment sector thanks to relatively cheap labor
- Substantial remittances from expatriate workers, mainly living in the Gulf States
- International aid helps to cover financing needs
- Moderate level of public debt
- Favorable demographics: a third of Bangladeshis are below the age of 15
- Improving financial inclusion through microfinance and mobile services

**Weaknesses**

- Economy vulnerable to changes in the global competition in the textile sector and to developments in Gulf Cooperation Council countries
- Very low per capita income and low participation of women, despite progress made
- Recurring and growing political, religious, and social tensions
- Business climate shortcomings and lack of infrastructure
- One of the most vulnerable countries to climate risk: recurring natural disasters (cyclones, severe floods, landslides) resulting in significant damage and crop losses
- Fragile banking sector: many non-performing loans on banks’ balance sheets

**Key Economic Facts**

- **Income Level (by per capita GNI):** Lower Middle Income
- **Level of Development:** Developing
- **GDP, PPP (current international $):** $1,265.94 billion (2022)
- **GDP growth (annual %):** 7.10% (2022)
- **GDP per capita, PPP (current international $):** $7,395.10 (2022)
- **External debt stocks, total (DOD, current US$):** $91,429,305,071.60 (2021)
- **Manufacturing, value added (% of GDP):** 21.76% (2022)
- **Current account balance (BoP, current US$):** -$14.37 billion (2022)
- **Inflation, consumer prices (annual %):** 7.70% (2022)
- **Labor force, total:** 74,459,362 (2022)
- **Unemployment, total (% of total labor force) (modeled ILO estimate):** 4.70% (2022)
- **Imports of goods and services (current US$):** $96.17 billion (2022)
- **Exports of goods and services (current US$):** $59.28 billion (2022)

**GDP Composition %**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Agriculture</th>
<th>Services</th>
<th>Industry</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rank</strong></td>
<td>11</td>
<td>51</td>
<td>34</td>
<td>22</td>
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</tbody>
</table>

*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.

**Rankings**

<table>
<thead>
<tr>
<th>Index</th>
<th>Rank</th>
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</thead>
<tbody>
<tr>
<td>Corruption Perceptions Index</td>
<td>144 / 178</td>
</tr>
<tr>
<td>Global Competitiveness Index</td>
<td>105 / 141</td>
</tr>
<tr>
<td>Global Enabling Trade Index</td>
<td>123 / 136</td>
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<tr>
<td>Global Services Location Index</td>
<td>33 / 60</td>
</tr>
<tr>
<td>Index of Economic Freedom</td>
<td>121 / 179</td>
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<td>International Logistics Performance Index (LPI)</td>
<td>100 / 160</td>
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<tr>
<td>Inward FDI Potential Index</td>
<td>117 / 139</td>
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<td>KOF Index of Globalization</td>
<td>159 / 185</td>
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<tr>
<td>Networked Readiness Index (NRI)</td>
<td>112 / 139</td>
</tr>
<tr>
<td>Open Budget Index</td>
<td>79 / 117</td>
</tr>
</tbody>
</table>

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