

BMW, Mercedes in talks to set up assembling plant in Bangladesh

DHAKA: World-renowned executive car producers, BMW and Mercedes-Benz, could soon be putting the pedal to the metal by setting up an assembling plant in Bangladesh, officials told Arab media. A high-profile delegation from Germany is on a five-day visit to Dhaka, to explore investment options.

The group held several rounds of talks with top Bangladeshi government officials, including Finance Minister Mustafa Kamal, and representatives of the Bangladesh Investment Development Authority (BIDA) to speed up the investment process. They also met Prime Minister Sheikh Hasina on Thursday. “We have just started the discussions with the German investors. We hope that it is going to be a Foreign Direct Investment (FDI). Although we are yet to confirm the amount, I can say that it will definitely be a big one,” Nabash Chandra Mandal, executive member of BIDA said.

Mandal added that the visiting delegation has been briefed about the investment roadmap and the ease of doing business in Bangladesh. “It will take a couple of months to finalise the negotiations and we hope things will move positively,” Mandal said.

The companies hope to set up a plant in Bangladesh to manufacture some parts locally. The rest will be imported from Germany, with plans to build a brand new vehicle in Bangladesh in the future, Finance Minister Kamal said.

“It is a good proposal as we will not have to import very expensive cars from abroad if they set up the plant,” he added. The proposal has got its seal of approval from experts and analysts, too.

Professor Mustafizur Rahman, a distinguished fellow at the Center for Policy Dialogue (CPD) — a non-governmental think-tank — said he was optimistic about the plans considering it could be a “new kind of FDI for the country.”

He added that once the companies set up shop, it will help to boost the economy and create a positive branding for Bangladesh in the global market. “Since it’s a capital intensive venture, this large-scale FDI from Germany will definitely encourage other big, global players to invest in Bangladesh. Besides, it will create another opportunity for the small and medium enterprises to grow, centering around this world-famous vehicle assembling plant, and generate employment, too,” Professor Rahman said.

Bangladesh is one of the world’s fastest growing markets, with the demand for luxury cars increasing by the year. According to the Bangladesh Reconditioned Vehicles Importers and Dealers Association (BARVIDA), in the past year alone, nearly 13,000 reconditioned private cars were imported.