

Bangladesh draws nearly 5pc of South Asia's logistics FDI

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Dhaka: Bangladesh has secured around USD 1.8 billion in greenfield foreign direct investment (FDI) in the logistics sector over the past five years, representing 4.9 percent of South Asia's total, according to a new report jointly prepared by GlobalData and the International Finance Corporation (IFC).

The study, published in June 2025 and available on the Bangladesh Investment Development Authority (BIDA) website, highlights 10 logistics and warehousing projects launched in the country between 2019 and 2024.

Additionally, USD 185.6 million in FDI flowed into sales and administrative operations linked to the logistics industry.

Among the major investments, the report noted UAE-based Abu Dhabi

Ports' plan to invest USD 1 billion in developing a multipurpose terminal under the Bay Terminal Project at Chattogram Port, and Denmark's AP Moller-Maersk's USD 400 million investment to build a new container terminal in Laldia, Chattogram.

Despite these achievements, Bangladesh's share remains modest compared to India, which accounted for 85 percent of South Asia's total 258 FDI projects in the logistics sector.

The report stressed that Bangladesh needs a strategic and forward-looking policy to adapt to global shifts driven by politics, policy, and technology. It urged the government to focus on dual-purpose logistics infrastructure that can serve both international trade and the domestic market.

It also emphasized the importance of green logistics to minimize environmental impact, aligning with global trends toward sustainable investment.

Furthermore, the study recommended fostering smart logistics systems through digital technologies to reduce inefficiencies such as excess documentation, time delays, and resource wastage. These improvements, it said, could help balance supply chain challenges between "just-in-time" and "just-in-case" models.

To attract more investors, the report suggested offering a competitive incentive package for logistics companies, similar to those seen in other regional economies. It also advised identifying key source markets and core sectors — including e-commerce, food, and textiles — where Bangladesh already holds a competitive advantage.

"Incentives have become a much more important factor in attracting FDI in recent years," the report noted, underscoring the need for targeted investment promotion and policy coordination to sustain growth in the logistics sector.

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