



# BANGLADESH 2024

## Cold Chain Investment Options Analysis



LAND O'LAKES  
**VENTURE**37

**LIX**|CAP  
ADVISORY & CAPITAL

 **GLOBAL COLD CHAIN**  
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## FOREWORD

This Investment Options Analysis is a product of the Bangladesh Trade Facilitation Project. The aim is to assess the gaps in cold chain practices and infrastructure in the country to identify areas of potential investment. This analysis focuses on providing a macroeconomic, social and infrastructural overview of Bangladesh's cold chain in addition to providing insight into the relevant value chains for the development of cold chain assets.

## IMPLEMENTOR

Bangladesh Trade Facilitation Project

## CONSORTIUM

Venture37 (Lead)

LixCap

Global Cold Chain Alliance

## RECOMMENDED CITATION

Venture37, LixCap, Global Cold Chain Alliance (2024). Bangladesh: Investment Options Analysis. Bangladesh Trade Facilitation Project

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This material is based upon work supported by the U.S. Department of Agriculture, Foreign Agriculture Service under Federal award No. FCC-388-2020/003-00. Any options, findings, conclusions or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the U.S. Department of Agriculture.

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In Bangladesh strategic investments in cold chain infrastructure can catalyze agricultural productivity, reduce post-harvest losses, diversify its exports and imports, and enhance market access for farmers, driving economic growth and poverty alleviation. However, navigating the myriad investment opportunities requires a thorough understanding of market dynamics, financial feasibility, and risk factors. The Investment Options Analysis presented herein provides stakeholders with valuable insights into the potential of cold chain investments in Bangladesh. By facilitating informed decision-making, this analysis aims to unlock opportunities for sustainable economic development and inclusive growth.

This analysis employs a mix of quantitative and qualitative methodologies, including market research, financial modeling, risk assessment, and stakeholder engagement. By integrating diverse perspectives and data sources, it offers a comprehensive framework for evaluating investment opportunities in Bangladesh's cold chain sector. The focus of this study is on third-party, multipurpose, cold storage facilities with frozen and/or chilled storage capabilities.

# WHAT IS AN INVESTMENT OPTIONS ANALYSIS





**USD 726 billion**

The estimated additional nominal GDP of Bangladesh in 2034 compared to 2024 in USD

**46%**

Urbanization rate by 2030

**1%**

CAGR for overall population in Bangladesh

**USD 2.4 billion**

Estimated annual economic loss due to post-harvest loss in Bangladesh

## The market outlook

With 164 million people, Bangladesh is the fifth most populous country in Asia and is catching up to the economic maturity of historically larger Asian economies such as India, Vietnam, Indonesia and Thailand. The Bangladeshi economy is expected to experience a 6 to 7% growth in GDP from 2024 onward. Bangladesh will need to support its transition from informal to formal market in key industries, which includes food wholesales, retail stores, as well as hotels, restaurants and institutional food service companies (HRI), to revive its economy and maintain growth in the near term. Global partnerships will also be key to further facilitate and trigger stronger trade relations.



# Bangladesh's market demand drivers for cold chain

Lucrative opportunities exist to finance and operate TCL projects to handle, export and import of perishable goods. Some key demand drivers in Bangladesh include increased purchasing power, population growth, and urbanization.



## RAPID GROWTH OF PURCHASING POWER

Consumer demand and sales volumes have largely peaked in the developed world and now emerging markets like Bangladesh are projected to account for significant portion of growth in spending and consumption over the next several decades.



**GROWING URBAN POPULATION** Increased urbanization (projected to grow at 3% annually in Bangladesh), contributes to greater consumer desire and access to more sophisticated goods (locally and imported), requiring temperature-controlled logistics to maintain quality and safety standards.



**ROBUST ECONOMIC GROWTH** The average GDP growth in Bangladesh has consistently outpaced global averages.



The Bangladeshi market for temperature-controlled logistics is not well diversified and is lacking in competition. Given the socioeconomic indicators, however, as a country, Bangladesh is prime for cold chain investments.

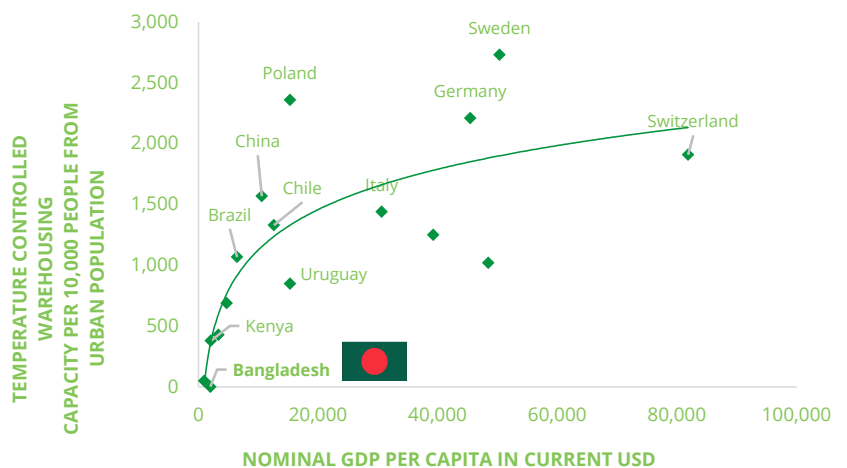


# Cold chain development status quo and the “catch-up” effect

Bangladesh has one of the lowest ratios of cold storage capacity per urban capita to gross domestic product (GDP) per capita.

Given Bangladesh’s economic projections and forecast growth, there is a tremendous opportunity for the nation to quickly fill the temperature-controlled logistics (TCL) service gap as its demand continues to increase. This is known as the “catch-up” effect. This gap in cold chain capacity is, therefore, a large and attractive opportunity for investment.

Cold storage capacity per 10,000 people from urban population in m<sup>3</sup> vs. nominal GDP per capita (2020)



On a three-stage development process, Bangladesh is on a transition from the “**Early Development Stage**” to the “**Developed and Mature Stage**,” where third-party logistic (3PL) providers dominate the logistics sector. First movers will be able to lock in clients for medium- to long-term contracts and position their assets in key strategic locations.

### PRENATAL STAGE

- Cold chain systems are rudimentary to quasi-absent.
- Cold storage assets are more prevalent than temperature transport assets.
- Need for cold chain services is either not met (which leads to high post-harvest loss) or is met with food preservation techniques such as sun drying, salting and smoking.

### EARLY DEVELOPMENT STAGE

- Cold chain systems begin to emerge predominantly in urban centers.
- The number and capacity of cold chain assets is still below demand requirements and highly concentrated in the hands of government entities as well as large private sector actors.
- Third-party cold chain service providers are quasi-absent and the few that exist are operating more as providers of cold storage space rather than providers of cold chain system services.
- Customer awareness is present but is limited to a small subset of the upper middle class with the highest purchasing power.

### DEVELOPED AND MATURE STAGE

- Cold chain systems are developed and are largely operating at international standards.
- The number and capacity of cold chain assets meets demand requirements.
- The government acts as regulator and policy maker, implementor and enforcer.
- Third-party cold chain service providers are predominant in the market and their value-added is well perceived by private as well as public stakeholders.
- Customer awareness is present among all sub-categories of the middle class.



## Overview of cold chain industry

A successful cold chain uses temperature-controlled logistics (TCL) to ensure temperature-sensitive products are kept within optimal temperature ranges. This is important because cold chain limits or slows down a product's maturity/growth to the desired state. TCL consists of not only storage facilities, but thermal and refrigerated packing methods and temperature-controlled vehicles (TCVs).

According to the Bangladesh Cold Storage Association (BCSA), there are 429 cold storages in the country. The highest concentration of cold storages is in Dhaka, Chattogram, Khulna and Comilla respectively. However, over 90% of the temperature-controlled storage capacity

is dedicated to storing potatoes. As a root vegetable, potatoes, onions and carrots require a specific type of equipment to create the temperature, humidity and atmospheric conditions required for their upkeep, which makes this storage infrastructure inappropriate for other products.

Multipurpose temperature-controlled facilities are lacking throughout the country. In fact, the absence of end-to-end cold chain solutions in Bangladesh alongside the scarcity of 3PL cold chain providers has pushed players in the dairy, meat, frozen food industry and others to build their own facilities.

None of the major ports of Bangladesh, be it maritime (Chattogram or Mongla), aerial (Hazrat Shahjalal International Airport - Dhaka), or terrestrial (Benapole cross-border land port), have cold chain infrastructure. This has a direct negative impact on trade prospects, exports and imports. There is an opportunity to invest in temperature-controlled logistics at the seaport level as this infrastructure could have a drastic impact on container rotations, decrease of product losses in volume and value terms due to inspections that are currently taking place in the open air, make additional space available for port operations at the reefer yard that would be removed or reduced in size, and overall quicken port operations and dispatch of perishable products. The lack of an appropriate and sizable TCL facility inside of the airport (and the Terminal 3 plans) also has a negative impact on sensitive products shipped via airfreight like animal vaccines.

Although cold rooms are rarely used near wholesale markets, a private-public-partnership (PPP) intervention to integrate cold chain at the market level would have significant impact in reducing post-harvest loss, extending the shelf-life of the product and maintaining food quality and safety.



Scan this QR code to access the catalogue of cold chain storage and transportation services in Bangladesh

Within Bangladesh, 3PL providers typically witness a 80% utilization across the year, with spikes during the holiday seasons like Ramadan. The healthy level of utilization reported by the very few well-established 3PL cold storage companies indicates a high-demand market for diversified services. This position is persistent even with the following:

1. The current state of infrastructure and equipment of cold storage facilities has room for improvement and it is not always designed to follow best in class energy efficiency standards.
2. The service offer of individual 3PL cold storage players is limited and hence a disincentive for customers to make the shift from captive to outsourced cold chain services.
3. When the 3PL cold storage facilities are ideally located, their size is often small given market pressure on prime real estate assets.
4. When new players aim to develop additional 3PL cold storage capacity, access to land often hinders their project development cost.

The analysis performed does not focus on single-commodity godowns like potato which currently compose a majority of national capacity.

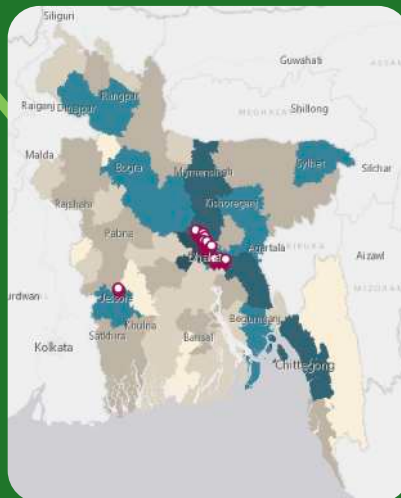
## Distribution of 3PL cold chain companies

This map does not include single-commodity godowns (ex. potato, onion)

Timestamp  
April, 2024



Khulna / Jessore



Dhaka

Population (2022)



Scanning this QR code you can access a live map of current TCL infrastructure and horticulture production. This map is recurrently updated for best accuracy.

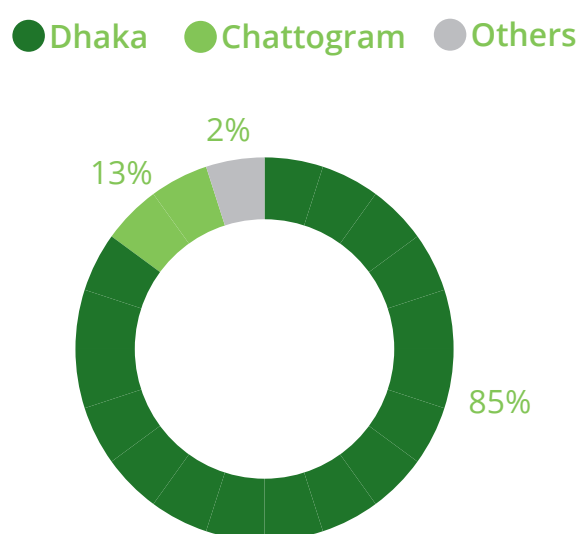
## Transportation and distribution

In Bangladesh, temperature-controlled vehicles (TCVs) are largely owned by domestic companies and importers. Nonetheless, the use of TCVs is limited. It has been observed that these vehicles are often overloaded with different types of products, leading to further spoilage and deterioration. It is important to note, this practice is not unique to Bangladesh, but rather a common occurrence across emerging markets.

There are two types of TCVs found in Bangladesh (1) imported vehicles and (2) vehicles retrofitted by domestic manufacturers. Until 2000, the growth rate of registered refrigerated vehicles was somewhat sluggish with less than a 5% compound annual growth rate (CAGR). However, from 2008 to 2018, the number of registered refrigerated vehicles grew from 49 to 299, with a 20% CAGR.

In terms of third-party services, the transportation and distribution

### Percentage of registered refrigerated vehicles by division (2019)



Source: BRTA

sector is highly fragmented. In general, a Bangladeshi 3PL player in the transportation business has an average of 5 reefer vehicles as a fleet. The largest concentration of these TCVs is situated in Dhaka.



# Obstacles for investing in cold chain

## BUSINESS ENVIRONMENT FOR TCL

The capital expenditure (CapEx) needed for establishing TCL operations in Bangladesh is made higher because of relatively high and uneven import duties. Furthermore, access to land close to major trading and consumption hubs is a key success factor for logistic projects. Such land in Bangladesh is expensive and lease or rental options are scarce and often not aligned with long-term investments.

01

## ACCESS TO INLAND CONTAINER DEPOTS (ICDs) AND SPECIAL BONDED WAREHOUSES (SBWs)

If and when access to prime real estate is possible, local regulation around bonded warehouses and TCL operations inside ICDs make cold chain projects that target import flows less attractive from an return on investment (ROI) point of view. Facilitating access to bonded licenses for cold chain projects and implementation of cold chain operations inside ICDs or major international trading hubs (Chattogram Port, Dhaka Airport) would facilitate cold chain development in Bangladesh.

02

## FINANCING PRODUCTS AND CATALYTIC TOOLS

The commercial banking sector in Bangladesh lacks support mechanisms for cold chain

03

projects like credit guarantees and credit enhancement tools available to a range of private enterprises and SMEs notably. DFIs and foreign investors express hesitancy due to a Foreign Direct Investment (FDI) policy with unclear regulations and policies which can discourage FDI engagement. The absence of a mature exit market for listing SME investments or in Mergers & Acquisitions limits opportunities for investors to successfully achieve an equity exit their investments (via IPO on stock exchange or M&A), reducing the overall attractiveness of Bangladesh for PE and similar investment funds.





*Import tariffs pushing investment costs*

Progress has been made, and the customs duties on equipment that lack local alternatives like prefabricated cold storage facilities and industrial chillers were recently reduced to 1%. However, prospective investors still cite high total tax incidence and additional importation costs as a key hindrance to project implementation. For some key TCL equipment, Bangladesh has higher MFN tariffs (average 13.5%) than some of its regional counterparts like Indonesia, Sri Lanka, Thailand, Vietnam, and Malaysia. For project developers, the additional cost burden makes the investment environment in Bangladesh less attractive. A table on MFN tariffs for cold storage equipment can be found below.

*Land access*

As an indicator, land prices in Dhaka City increased by 2,740% from 2000-2021, indicating that land options around this major consumer hub are becoming less attainable for the TCL industry. Responsibility for land rehabilitation often falls on the project development team which contributes to increasing overall project investment cost. While it is true that the Government of Bangladesh, through Bangladesh Economic Zone Authority, has been promoting the development

of government and private industrial zones, a lot remains to be done including improved road and railway connectivity as well as sustainable and reliable access to basic utilities (electricity, water treatment).

*Commercial banking constraints*

In Bangladesh, a USD 2.8 billion financing gap prevails in the micro, small and medium-sized enterprise sector with a lack of access to collateral being one of the key hindrances. Credit guarantees can remove barriers to financing for the borrower and permits financing on more favorable terms. Currently, strict and impractical conditions for issuing credit guaranteed loans are among the obstacles in implementing credit guarantee schemes for small- and medium-sized enterprises.

*Attracting international financing*

Bangladesh should continue enhancing its business environment to improve the ease of doing business vis a vis their regional competitors. Restrictions on profit repatriation and high taxation, including Value Added Taxes (VAT) policies, increase the cost of investing and diminish the investment climate's appeal.

## MFN tariff for select cold storage equipment (2023)

Importing country	Refrigeration equipment	Insulating panels	Compressor unit	Industrial racks	Dock levelers	Average MFN tariff for select equipment
<b>Bangladesh</b>	14.1%	13.0%	5.5%	25.0%	10.0%	13.5%
<b>India</b>	15.0%	10.0%	15.0%	10.0%	7.5%	11.5%
<b>Thailand</b>	11.7%	20.0%	5.0%	10.0%	1.7%	9.7%
<b>Indonesia</b>	10.0%	13.9%	2.5%	12.5%	5.0%	8.8%
<b>Vietnam</b>	8.8%	10.5%	3.0%	10.0%	0.0%	6.5%
<b>Sri Lanka</b>	5.0%	0.0%	0.0%	20.0%	0.0%	5.0%

Source: ITC Market Access Map

**RANGPUR**

- ▶ Business Model: Hub for preliminary value-added services and high value processing of locally grown fruits and vegetables (F&V) among other products. Oriented towards trade with India and local market. Minimum of 10,000 Pallet Positions (PP), 2/3 for processing and 1/3 for storage.

- ▶ Business Model: Similar to Rangpur model, less oriented towards trade with India and more toward supplying products to Dhaka. Same space allocation as Rangpur.

- ▶ Business Model: Distribution center (DC) for the city of Dhaka handling perishable products coming from Chattogram Port or elsewhere. Minimum of 5,000 PP.

- ▶ Business Model: Trading hub inside Dhaka Airport to handle high value F&V, meat, dairy products, fish and pharmaceuticals. Minimum of 2,000 PP.

- ▶ Business Model: Hub for preliminary value-added services and high value processing of local products. Oriented towards export and import market via the Mongla Port and local market.. Minimum of 10,000 PP (2/3 for processing and 1/3 for storage).

**COX'S BAZAR**

- ▶ Business Model: Distribution center for the city of Cox's Bazar handling perishable products coming from Chattogram Port and elsewhere. Minimum of 2,000 PP.

- ▶ Business Model: Cold storage trading hub inside the Chattogram Port or in one of the custom bonded inland container depots (ICDs). Minimum of 10,000 PP.

**PABNA**

**DHAKA**

**CHATTOGRAM**

**KHULNA**



**Selection of cold chain investment opportunities**

In addition to storage, all the investments opportunities listed above could be designed to supply an end-to-end cold chain service offer which includes value added services as well as transportation and distribution. The investment opportunities listed above are not exhaustive of what Bangladesh has to offer in terms of cold chain investment opportunities.

# Ingredients for success



## HUB AND SPOKE MODEL FOR STORAGE AND VALUE-ADDED SERVICES

Efficiency of a cold storage is enhanced when designed and built as part of a network of facilities consolidating product flows from various clients and regions into a single hub or a selection of strategically located hubs. Gradual development is recommended following a hub and spoke model.



## TRANSPORTATION AND DISTRIBUTION

Consolidation of logistic service offer or ability to supply an End-to-End service offer is recommended as it is highly perceived by various clients (primarily large or multinational companies) and contributes to increasing client retention and boosting financial KPIs. Long haul transportation, distribution as well as last-mile delivery are all important to consider as per client requirements.



## INNOVATION

Proven innovations such as using best in class and latest energy efficient refrigeration equipment, or construction material can have a serious impact on project's competitiveness and financial KPIs. Using adequate and properly financed and sized renewable energy technology can contribute to saving up to 40% of the project's number one cost driver which is electricity.



## OPERATIONAL EXPERTISE

Cold storage is an operationally driven business. As the products handled are fragile and their value is in general high (vaccines, high value fruits and vegetables, imported dairy products), in-depth expertise in cold chain management (storage, handling, transport, distribution) is mandatory. If in-house expertise is lacking, inviting experienced professionals to co-invest by holding minority shareholder position is common practice in the industry.

# Balancing the business model

A balanced business model is essential for the sustainability and healthy, long-term operation of a TCL business. What this means is that TCL operators should not rely on storage as the sole revenue generating activity. An operator must look to provide value-added services like labelling, picking and packing to compliment its storage. Providing transportation and distribution services would allow operators to give a full, end-to-end service to clients. The revenue distribution figures shown on this page are illustrative and refer to industry averages. Each project is different and hence will have a different revenue distribution scheme. Operators are encouraged to increase and diversify their revenue generation streams to maximize revenues and profits and hedge against market trends that might not be favorable.

● **Value-added services\***  
25-30%



● **Transportation & distribution**  
25-30%

● **Storage**  
40-50%



# Penetrating the export market

Total market size for TCL exports in 2024 (pallet positions)



**8%**  
**CAGR**  
(volume terms)

Total market size for TCL exports in 2031 (pallet positions)



To facilitate exports originating from Bangladesh, operators should aim to meet standard and operating procedures of several international certification regimes.

The HACCP system can be used at all stages of a food chain, from food production to preparation processes including packaging and distribution. There are multiple third-party

accredited certification regimes which can be used to demonstrate compliance with the principles of HACCP. It is common for traders, buyers and / or retailers to require compliance with one or more of these systems from their logistics providers. Other well-accepted certifications include the International Food Standard (IFS), the Food Safety System Certification and the Brand Reputation through Compliance Global Standard (BRCGS).

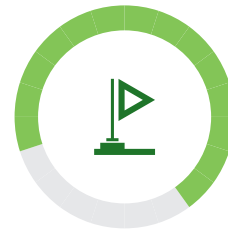


Overview of main international regulations relevant for the export of perishable products from Bangladesh	
Country or Region	Most important regulatory codes for accessing the market
United States	<ul style="list-style-type: none"> <li>➤ FDA Food Safety Modernization Act (FSMA).</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Customs Trade Partnership Against Terrorism (CTPAT): Voluntary supply chain security program led by US Customs and Border Protection.</li> </ul>
Middle East / North Africa	<ul style="list-style-type: none"> <li>➤ Conformity Assessment Programmes.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ For the Middle East, the exporter must obtain a Certificate of Origin in Bangladesh for exemption from import tariffs at the destination airport's customs.</li> </ul>
Asia	<ul style="list-style-type: none"> <li>➤ PRC Food Safety Law and relevant PRC General Administration and Quality Supervision, Inspection and Quarantine (AQSIQ) regulations.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Imported food products are subject to compulsory inspection by local Entry-Exit Inspection and Quarantine Bureau (CIQ) at the port of entry.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ For China, there are a variety of import measures, including testing and disinfection requirements. There is also the risk of inconsistent interpretation of the regulations at various ports of entry and at cold chain facilities. The GACC's Bureau of Import and Export Food Safety is a good resource to understand the current modalities of the country to export food products.</li> </ul>
European Union (EU)	<ul style="list-style-type: none"> <li>➤ Imports of products originating in countries where the cost of production is unusually low can be subjected to import quantity limitations.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Bangladesh has been a WTO member since 1995 and, as a "least developed country" (LDC) it benefits from the EU's "Everything but Arms" arrangement, which grants duty free, quota free access for all exports, except arms and ammunition. This will be subject to review once Bangladesh graduates from LDC status.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Under the Common Agricultural Policy (CAP) system, if the price of the imported product lies under minimum entry price, an additional duty is levied in addition to the Customs Duty. This entry-price system is applicable on tomatoes, cucumbers and zucchini year-round and to products like citrus fruit, apples, apricots, artichokes, cherries, peaches, plum and grapes seasonally. The entry-price system does not affect the exotic fruits and vegetables.</li> </ul>
	<ul style="list-style-type: none"> <li>➤ Access2Markets is the new portal for EU exporters and importers to find detailed information on tariffs, rules of origin, taxes and additional duties. It is available for companies in the LDC countries to look up information on how to access the EU market and benefit from preferential trade agreements.</li> </ul>

# Quantifying the opportunity

Lucrative opportunities exist to finance and operate TCL projects that target export and imports of perishable products.

A Cold Chain Market Dynamics Dashboard is available through the Bangladesh Trade Facilitation website. The tool offers a window to view and understand the Bangladesh market, the trading opportunities, and the demand for perishable products to service the local demand. The dashboard will convey this by looking at opportunities in terms of pallet positions, the value and size of the market, services that can be provided, level of outsourcing, and the flow of these products throughout the supply chain.



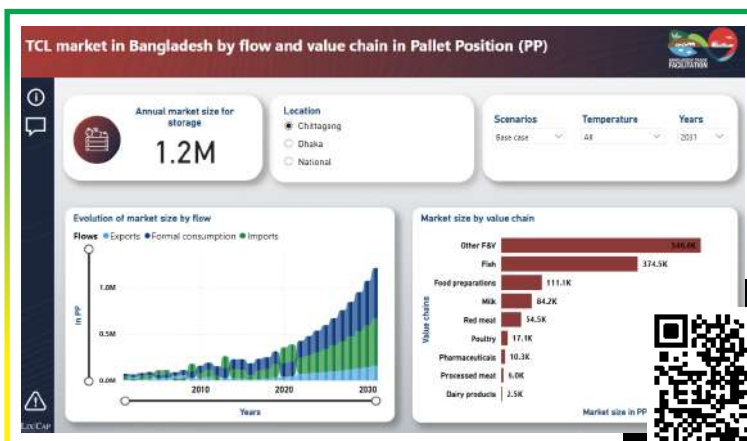
**440**  
Million USD

By 2031, TCL services, including storage, transportation, and value-added services are expected to have a combined market value of USD 440 million



**+209**  
million USD

Total market growth for TCL services 2024-2031



Scan this QR code to access Cold Chain Market Dynamics Dashboard

# Sectorial review

## Fruits and vegetables



The Bangladesh Food Safety Authority (BFSA) seeks to mitigate the risks related to the spread of low-quality foods to reach markets, including fruits and vegetables (F&V). However, a large amount of the sales of F&V continues to happen informally. According to Euromonitor, the level of formalization for the F&V industry was less than 2%, as of 2020.

Precooling practices are scarcely seen throughout the country, further contributing to the high post-harvest loss across all F&V of 20% up to highs of 40%. This PHL and inability to preserve and extend the shelf-life of F&V has resulted in significant supply instability, dramatic price fluctuations, food insecurity, and an increase in F&V importation. Although about 90% of the F&Vs being

imported require TCL services, these are often not used because there is no cold chain infrastructure at the ports of entry and the perceived high cost of cold chain.

### PLAYERS



Sabjiana



EURO FOODS GROUP  
BANGLADESH OPERATIONS

Vegtec Agro Food (Pvt.) Limited

### PROMINENT\* IMPORTS

#### VEGETABLES

Garlic	Turnips
Tomato	Sweetcorn
Capsicum	Peas
Carrot	

#### FRUITS

Apples	Tamarind
Oranges	Jackfruit
Mandarines	Lychee
Tangerines	Passion Fruit
Satusimas	Carambola
Grapes	
Dates	

### PROMINENT\* EXPORTS

#### VEGETABLES

Cabbages	Legumunous vegetables
Kale	Beans
Pumpkin	Peas
Squash	
Gourds	

#### FRUITS

Tamarind	Dried guava
Jackfruit	Mango
Lychee	Mangosteen
Sapodillo	Durian
Plums	Cashew apple
Passion fruit	
Carambola	

\*in volume terms  
Excluding potato and onions



# Sectorial review

## Fish and seafood



Fish and seafood products constitute the highest agricultural export from Bangladesh, although the export level has been declining in the last years.

Although the fish and seafood industry is one of the most formalized in Bangladesh, the lack of uniform temperature-controlled storage and vehicles continues to cause significant losses to the industry (about 25% in product losses). Fish products destined for local consumption use little TCL services and are often sold within two days (or lost). Exporters, on the other hand, are the heavier users of cold chain infrastructure. These players have developed their own storages and invested in TCL vehicles.

Most fishery companies in Bangladesh are family owned and of small- to medium-size. In the last few years, the industry has been pushing to get approval from the government to begin the industrial farming of vannamei shrimp. The mass production of this type of shrimp is expected to revive the industry and boost exports from Bangladesh. A series of pilot projects have been successful, but approval for the industrial production of the type of shrimp has not been approved yet.

### PLAYERS



### PROMINENT\* IMPORTS

Frozen fish	Catfish
Sardines	Anchovies
Brising	Carp

### PROMINENT\* EXPORTS

Shrimp	Squid
Prawn	Catfish
Cuttle fish	Frozen fish

\*in volume terms

# Sectorial review

## Milk and dairy



Dairy is a relatively competitive and crowded industry with numerous actors, Milk Vita being one of the largest. Milk producers often sell their product through intermediaries in the informal market or through milk processors in the formal market. Goat milk is the most widely consumed form of milk.

Large producers tend to develop and use their captive cold chain facilities and refrigerated vehicles to transport milk and make deliveries. Outsourced TCL facilities and vehicles are utilized during peak seasons.

Powder milk benefits from Bangladesh' duty-free trade agreement with New Zealand. Packaged cheese, yogurt, and sour milk products are not as popular due to their price and the competition with home-made and informal alternatives.

### PLAYERS



 **90%**  
Powder milk accounts for 90% of dairy imports into Bangladesh

### PROMINENT\* IMPORTS

Fats & oils derived from milk	Butter
Processed cheese	Buttermilk
	Curdled milk
	Cream

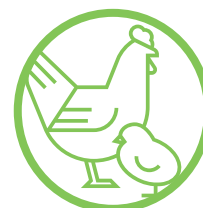
### PROMINENT\* EXPORTS

Yogurt	Dairy spreads
Buttermilk	Butters
Curdled milk	
Cream	

\*in volume terms

# Sectorial review

## Poultry



Poultry meat is considered the protein of choice for Bangladeshi households. Despite the popularity of poultry meat, the sector is relatively underdeveloped in virtually all steps of the value chain. It lacks organized downstream infrastructure, particularly when it concerns slaughtering, storing, and transporting the product to market.

There has been an increasing demand for processed broiler meat. This is due to the drastic rise in urbanization and changing consumer preferences. The

entrance of fast-food giants like KFC and Nando's have further instigated the formalization and thus integration of the supply chain into better practices that include cold chain management.

Still, most poultry meat is sold at wet markets. Live poultry sales are preferred as consumers believe it assures a "better taste" and "quality."

### PLAYERS



# Sectorial review

## Red meat



In terms of cold chain management and the formalization of the red meat industry, there is no complete, unified, or consolidated cold chain infrastructure for meat products. players usually rent or purchase chest freezers and glass top freezers in supermarkets or butcheries to place their product.

The formalization of the red meat industry has been slowly increasing. However, consumers still largely prefer (for cultural reasons) to buy meat in wet markets and roadside butchers due to its "freshness."

Most of the slaughtering takes place informally by butchers who then sell the product. It is estimated that less than 30% of the meat being sold in Dhaka is slaughtered in formal facilities.

The few formal players in the industry have their own cold chain storages and refrigerated vehicles. It is rare for informal red meat players to use any cold chain technology to preserve the product.

Processed meat as a product has been growing in demand in the main cities of Dhaka and Chattogram. This product is mainly sold at modern grocery stores in frozen packages. There are more businesses involved in making processed meat products than in the red meat industry alone as this type of product usually involves poultry companies.

### PLAYERS IN THE RED MEAT INDUSTRY



### PLAYERS IN THE PROCESSED MEAT



## Sectorial review

### Ice cream



Ice cream sees high seasonal demand. Sales peak from April to June, when the country sees a hot and humid summer. These months account for almost half of overall sales while March, July, and August account for a third.

The ice cream market in Bangladesh remains untapped as it is considered an item to be consumed on sporadic occasions and only a small portion of people regularly consume it.

The value chain and its players face several challenges, mainly the limited cold chain distribution networks and

power outages. This causes significant losses and a decrease in the overall product quality.

Some of the largest players have their own small cold rooms to store the product before distribution, however, most of the businesses operate through glass top freezers in small shops across main cities.

#### PLAYERS



## Sectorial review

### HORECA



The quick-service restaurant business (QSR), hotels and grocery stores represent the largest share of the demand for 3P cold chain services. Although the retailing sector in Bangladesh is underdeveloped compared to its South Asian counterparts, the increase in star-rated hotel chains, penetration of QSRs and e-commerce have driven better cold chain standards.

Informal retailing remains ubiquitous

and has been estimated that 50% of grocery retailers in major cities are unregistered. This figure grows to 80% in smaller cities and rural areas.

Traditional grocery stores and open markets remain far more popular than supermarkets. Lately, however, there has been a rise in e-commerce platforms like Panda and Chaldal that demand cold chain assets for distribution and short-term inventory.



# Sectorial review

## Pharmaceuticals



The pharmaceutical industry in Bangladesh is one of the most developed technology sectors within the country. Manufacturers produce insulin, hormones, and cancer drugs. Most of its raw materials, however, are imported from countries like India and China.

Measures like the National Drug Policy, 2016, denoted the need to ensure good distribution practices and appropriate preservation methods using temperature and humidity control specially for pharmaceuticals.

Most of the temperature-controlled and atmospheric-control warehousing used for the storage of sensitive pharmaceutical products is done inhouse. In some instances, certified 3P warehouses are used to store pharmaceuticals.

While the government strictly maintains the retail price of lifesaving drugs. Pharma companies are free to set up the price of other drugs.

### PLAYERS



ARISTOPHARMA LTD.  
Manufacturer of Pharmaceutical Products



ADVANCING  
POSSIBILITIES



ACME

### PROMINENT\* IMPORTS

Malaria medicine

### PROMINENT\* EXPORTS

Reagents for determining blood groups and blood factors

\*in volume terms

## RECOMMENDED PRICING MODEL FOR 3PL VALUE-ADDED SERVICES

























### LEGEND



How to price it

TYPE OF SERVICE

- Logistics services
- Administrative services
- Value-added services

 Per unit basis <b>Storage</b>	 Per contract basis <b>Supply chain management</b>	 Per unit basis <b>Handling in/out</b>	 Per truckload <b>Customer inspection</b>
 Per contract basis <b>Picking</b>	 Per contract basis <b>Stock management</b>	 Per truckload <b>Weighting</b>	 Per truckload <b>Certifications</b>
 Per truckload/container <b>Cross-docking</b>	 Per unit basis <b>Controlled temperature</b>	 Per truckload <b>Transportation</b>	 Per truckload <b>Laboratory capabilities</b>
 Per season & contract <b>Classification</b>	 Per season & contract <b>Pre-packing and repacking</b>	 Per season & contract <b>Labeling</b>	 Per contract basis <b>Certification &amp; document insurance</b>
 Per season & contract <b>Packing</b>	 Per season & contract <b>Quality assurance</b>	 Per season & contract <b>Pre-cooling</b>	 Per truckload <b>Inspections for export control</b>
 Per season & contract <b>Cool treatment</b>	 Per season & contract <b>Quality control</b>	 Per season & contract <b>Blast freezing</b>	 Per truckload <b>Inspection for food safety</b>



2024

## Investment Options Analysis

### DISCLAIMER

This material is based upon work supported by the U.S. Department of Agriculture, Foreign Agricultural Service under Federal award No. FCC-388-2020/003-00. Any options, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the U.S. Department of Agriculture.

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