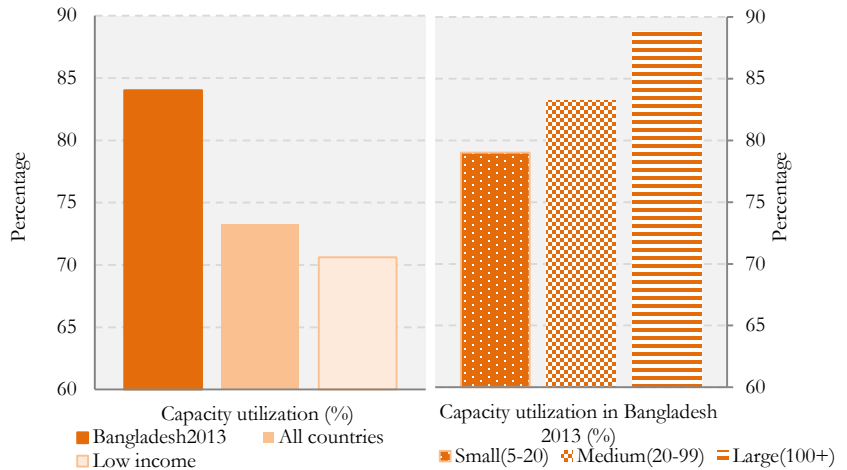


The World Bank interviewed a representative sample of the private sector in 4 of the most active economic regions in **Bangladesh**. The sample consisted of 1442 business establishments surveyed from April 2013 through September 2013. The Enterprise Survey covers several topics of the business environment as well as performance measures for each firm. Below are the main highlights from the survey.

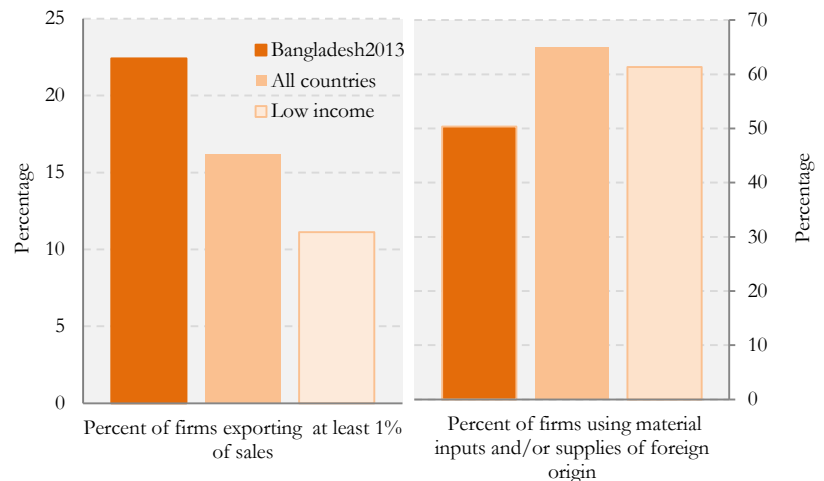
**Bangladeshi manufacturing firms report very high levels of capacity utilization**

On average, manufacturing firms in Bangladesh outperform firms worldwide in terms of **capacity utilization**, measured as the establishment's output produced as a proportion of the maximum output possible when using all available resources. Average capacity utilization for Bangladesh is 84% whereas the average percentage for 122 countries with ES data is 73%. The average capacity utilization for small firms is the lowest amongst all size categories in Bangladesh, but at 79% it is still higher than the world average.



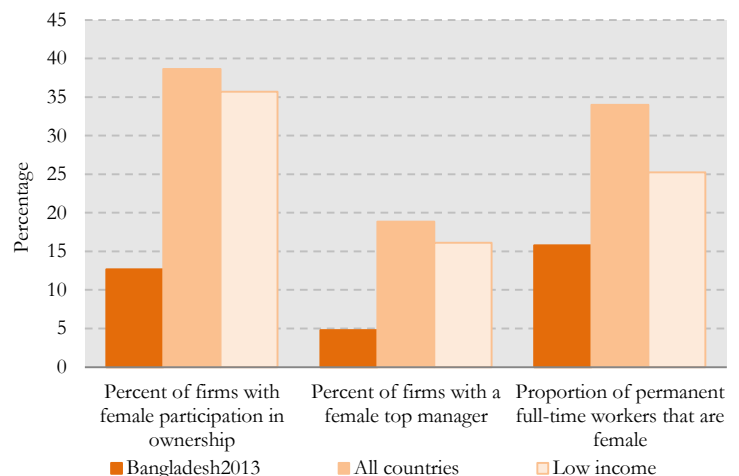
**Bangladeshi firms are also exporting at higher rates compared to businesses in other countries**

Bangladeshi firms also **export** at higher levels compared to firms in neighboring and similar income countries. Over 22% of Bangladeshi firms export, directly or indirectly, at least 1% of sales whereas this rate is 16% in all countries with ES data and 11% in low income countries. The percentage of manufacturing firms that use inputs of foreign origin is, however, smaller in Bangladesh, at 50%, than in low income countries, at 61%.



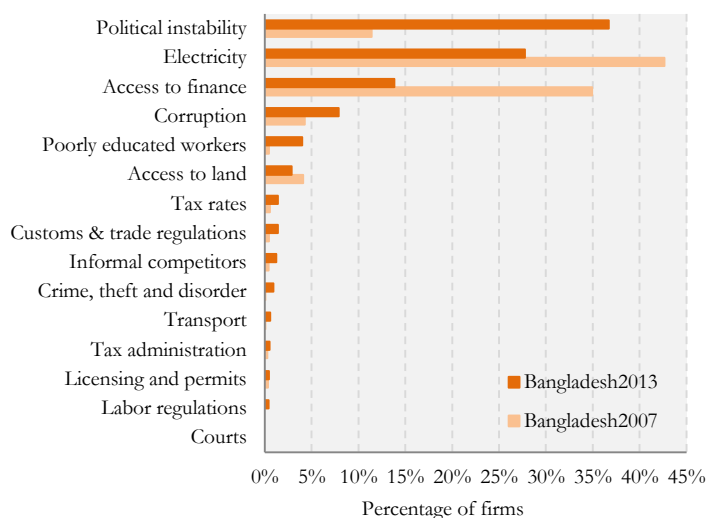
**Female inclusion in economic activity lags behind most countries**

The results of the Enterprise Survey indicate that in Bangladesh, **women's participation** in management, firms' ownership, and employment lag behind most countries. Indeed, the share of women in ownership and in management is less than half the shares found in low income countries or in all countries with ES data. While the share of women participating in the workforce is higher at 16%, it is still considerably lower than the average for all countries, 34%, and for low income countries, at 25%.



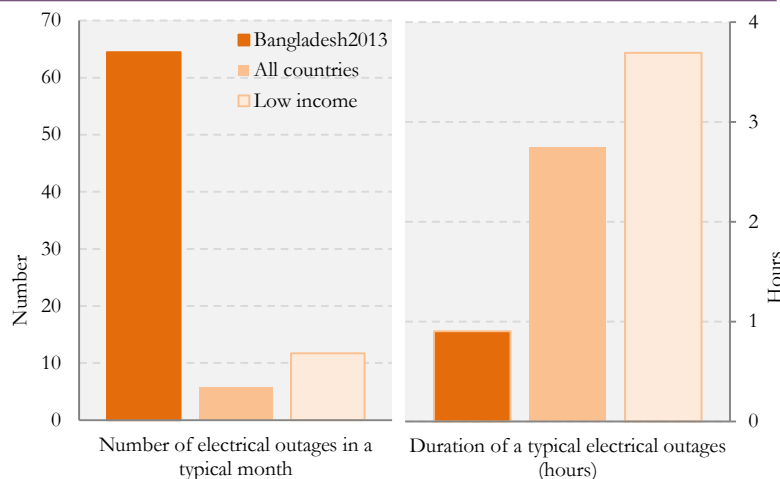
**The Bangladeshi private sector considers political instability as the biggest business environment obstacle**

Among 15 areas of the business environment, firms in Bangladesh are more likely to rate political instability to be the **biggest obstacle** to their daily operations, followed by electricity, access to finance, and corruption. In fact, compared to 2007, political instability has overtaken electricity and access to finance as the main concern for the private sector. This result is a reflection of how perceptions are affected by surges in civil unrest. Nevertheless, problems with the provision of electricity remain a major obstacle for firms' operations as shown by the fact that 28% still consider this element of the business environment as their top obstacle.



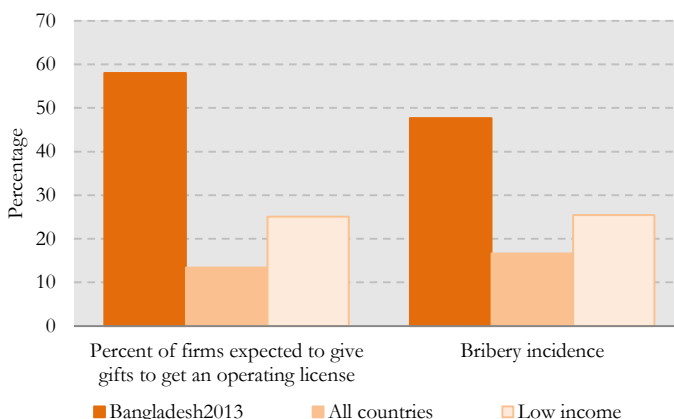
**Electricity outages are numerous and of short duration...**

Firms in Bangladesh suffer ten times as many **outages** in a typical month compared to the average for all countries with ES data and five times as many as low income countries; however the duration of these power outages is much shorter compared to other countries. Consequently, most Bangladeshi firms take compensatory measures to deal with this inefficient supply of electricity: 63% of them own or share a generator. These evidence-based statistics confirm the opinion-based perception of electricity as the second top obstacle of the business environment for the private sector.



**Firms in Bangladesh experience a high level of corruption when obtaining licenses and utility connections**

Although less than 10% of businesses identify corruption to be their **biggest business environment obstacle**, almost 60% of respondents indicated that an informal gift or payment was requested when obtaining an operating license. Similarly, almost 50% of firms experienced at least one bribe payment request among six possible regulatory or utility transactions; this bribery incidence is much larger than in most other countries. In fact, 77% of firms report a bribe solicitation when obtaining an import license which is the highest percentage amongst all countries.



The Enterprise Analysis Unit is a joint World Bank and IFC team of economists, survey experts specialized in private sector development. Surveys implemented by the team reveal what businesses and firms experience across the world by interviewing representative samples of the formal, non-agricultural, non-extractive, private sector with 5 employees or more. The resulting globally comparable firm-level data is used to construct business environment indicators and measure firm performance. The findings and recommendations help policy makers identify, prioritize, and implement policy reforms that support efficient private economic activity.

For more information on the survey visit <http://www.enterprisesurveys.org>