Emergence and Prominence of Foreign Direct Investment (FDI) as a Contributor of Enhancing Per Capita Income (PCI) to Developing Country: An Empirical Study of Bangladesh

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Abstract: Foreign Direct Investment (FDI) has a significant contribution to the economic development of Bangladesh through accelerating Per Capita Income (PCI). The current position of FDI in Bangladesh is well enough but in 2020, due to the Covid-19 pandemic outbreak wasn't up to the expected level. However, it can be possible to turn around by deploying the necessary resources, trained and affordable workforces, a balanced political environment, effective and timely policy regarding monetary and fiscal, developing infrastructure, and a long-run strategic plan to stimulate FDI in Bangladesh. The study aims to examine the influence of FDI on the PCI of Bangladesh. The study has used time series data from 2008 to 2021. The study found that there is a positive and significant relationship exists between FDI and PCI of Bangladesh. The study also found that FDI and PCI are both steadily increasing. As a developing nation, Bangladesh must boost the quantity of FDI and it attracts the reinvestment facility in Bangladesh to make more profit. It is recommended that government should focus on it and launch fresh initiatives to boost FDI inflows into Bangladesh.

Keywords: Economic Growth, Foreign Direct Investment, Per-capita Income.

1. Introduction

Foreign Direct Investment (FDI) is a huge flow of funds by an enterprise or firm in one country that extends its investment in another country and encompasses the purchase, control, and transmission of its properties. It plays a significant role in a nation's economic development, especially for undeveloped and developing nations that depict the employment status, production capacity, price level, income level, level of imports, level of

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exports, overall balance of payment, and the overall welfare of the receiver country. For emerging nations, the FDI is one of the illuminated foundations of economic growth. Moreover, the significance of capital creation has a tendency to have a number of amenities. From the perspective of the innovative theory of financial growth, FDI is regarded as a crucial tool for economic growth and is responsible for more than half of all global capital flows. According to the International Monetary Fund (IMF), "investment that is made to acquire lasting interest in an enterprise operating in an economy other than that of the investor and the investor's purpose being to have an effective voice in the management of the enterprise".

2. Background of the Study

Bangladesh must improve its economy if it wants to live in this world and certainly, economics has the power to transform the world into a stronger world. The economy of a nation can be strengthened by several factors. From the viewpoint of economic growth, FDI is one of the greatest noteworthy components of capital formation especially for least developed countries, Bangladesh as a developing nation is less capable to accumulate sufficient domestic savings to invest in profitable projects despite meeting all of its fundamental necessities. As a result, FDI is used as one of the crucial aspects of Bangladesh's economic expansion. Shaari, Hong, and Shaker (2012), Hate, Moldovan and Miru (2009), and Z. K. Kang (2010) confirm, Foreign Direct Investment can accelerate the growth of the economy. FDI transfers the greatest and most advanced technological advances, improved human resources and administrative capability, skilled labor forces, and competence and efficiency of management to any country. Bangladesh gained its independence in 1971, and since 1972, the International Development Association (IDA) has assisted it with more than US$16 billion in funding for investment and policy programs. The World Bank claims that Bangladesh's primary source of foreign aid in the past was IDA. The study on FDI and economic growth is so crucial at this time and will undoubtedly provide some insights to fix the strong point of the relationship. One of the essential components for the economic development of a growing nation is industrial development. Bangladesh is a developing nation in South Asia that is progressively transitioning to an industrial economy from an agricultural-based economy. However, the planned industrialization process is hampered by poor rates of domestic savings, gross domestic investment, and inadequate technical base. In this case, FDI can be seen as a significant catalyst for the nation's industrialization and economic progress. (Rayhan, 2009, p.101). According to several studies, FDI can help a nation's economy grow faster by fostering job growth, a more competitive environment, and increased efficiency. As a result, FDI is essential to boosting the economic growth of a developing nation like Bangladesh. Ever since globalization emerged in the 1990s, substantial amounts of private capital in the form of FDI have been flowing into countries all over the world, which is widely accepted to be an essential element for economic development.

3. Rationale of the Study

Considering how much the country's per capita income is influenced by FDI. Everyone who depends on it or gets benefits from it should pay special attention as a result. Given that FDI is the greatest source of investment and has a favorable impact on PCI, it is increasing Bangladeshis' per capita income. The study will show the true image of the impact of FDI on and the potential for investment in Bangladesh, which will help to increase per capita income, a sign of solvency as well as a more effective economic system.

4. Objectives of the Study

The elementary objective of the study is to determine how FDI affects Bangladesh's PCI.

- To depict the actual picture of Bangladesh's economy's PCI and FDI since 2008;
- To assess the effects of whether a rise in FDI causes an increase in PCI; and
- To make recommendations for appropriate FDI policy-related actions that will help economic growth by achieving the highest PCI.

5. Literature Review

A literature review will assist us as a guideline to conduct the whole study and identify the research gap as well as it’s conducted to review the present scenario of a particular research theme. Throughout the reviewing of the literature, researchers find out the research gap as well as get a proper guideline to complete the research work. The following research works are reviewed.

Mahtab and Islam (2015) claimed that FDI would bring technological advancement to the host nation, which would spread to other domestic economic sectors and promote export and development. Secondly, increased rivalry among the companies utilizing import substitution will increase effectiveness and efficiency. Thirdly, enhancing employment opportunities in the host country will increase GDP both straight through factor income and meanderingly through the economy's multiplier impact. Abbas, Akbar, Nasir, Amanullah, and Naseem (2011) mentioned that FDI is the term for net inflows of investment into an economy. With abundant natural and human resources, the SAARC member nations are home to the fifth of humanity. It has the potential to dominate the world thanks to its resources in terms of personnel, technology, agriculture, and mineral assets. It also has a strong global appeal for tourism as well as for historical art and cultural civilization. Additionally, Faruk (2013) stated that a developing nation like Bangladesh is greatly impacted by FDI. While the developing nation looks for new sources of funding to develop the nation, the foreign investor looks for new sources of investment. New technology is also introduced to a developing country by FDI in addition to funding sources.

Bangladesh's garment and weaving, banking, telecommunications, and pharmaceutical industries all benefit greatly from foreign direct investment. In another study, Mamun and Rahman (2013) noted that as a developing country, the government of Bangladesh hopes to have middle-income status by November 2021. There is a saving-investment gap since doing that takes a substantial investment. The investible fund may originate from both domestic and external sources, and the latter may include foreign aid and direct foreign investment. One of the essential elements for promoting the financial development of the developing country is thought to be a foreign direct investment. Moreover, Manzoor and Chowdhury (2018) claimed that all enterprises were nationalized after Bangladesh's freedom in 1971. These industries underperformed and suffered losses from 1972 to 1978. Due to the intense political pressure produced by this, the government adopted a sound economic strategy and was compelled to gradually privatization the nationalized businesses between 1979 and 1985. Before 1980, Bangladesh shared the concerns of other emerging nations concerning the objectives of FDI. Many limitations were put in place to deter FDI from entering the host nation. To fill the gap in domestic financial capacity, it has evolved into a source of funding and a tool for fostering knowledge transfer. Bangladesh enacted the Foreign Private Investment Act in 1980 to encourage Foreign Direct Investment in contrast to expropriation and added assure full ouster of profits and money. However, Aziz, Sarkar, and Mahmud (2014) stated that FDI can become a significant tool to increase human capital, foster opportunities for employment, boost the capacity of productivity, develop the abilities of resident labor through the transmission of technology and decision-making know-how, and aid in the integration of the national economy into the larger global economy in a capital-poor country like Bangladesh.

From the point of view of Jamil and Hasan (2015), they claimed that for many years, there has been discussion on how foreign direct investment (FDI) and economic growth are related. Because it is believed that FDI will have a favorable influence on local financial development, policymakers in several nations throughout the world are creating a variety of initiatives to encourage FDI. According to Hussain and Haque (2016), Bangladesh is an independent nation that has come a long way to getting its independence in 1971 after a war that wrecked the economy for nine months and left little infrastructure behind. It was once known as a bottomless basket nation when it was young, but it is nowadays progressively transitioning from farming to an industrialized economy. Over the past ten years, the country has had GDP progression rates above 5% acknowledgements to the growth of the garment and microcredit businesses. The preliminary estimate of Bangladesh's Gross Domestic Product (GDP) growth for the fiscal year (FY) 2015, which concluded on June 30, 2015, is higher than the 6.1% reported in FY 2014 and anticipated in the Asian Development Outlook (ADO) 2015. The collaboration of a wide range of social, political, economic, social, environmental, and technological, components that have an influence on how firms are run determines the investment climate. FDI can increase productivity, boost exports, create jobs, transmission skills, and technology, and care for the long-term financial growth of emerging states worldwide. Rayhan (2009) indicated that with a per capita income of USD 990 and a GDP growth rate close to 5%, Bangladesh is a heavily populated, agriculturally based, emerging nation in South Asia that seeks to increase its financial performance for a promising forthcoming. Bangladesh will set itself apart from the LDCs due to its relative success in rural and economic development. Without question, this nation needs to industrialize quickly to keep up with developmental demands. However, insignificant rates of gross national investment and savings, along with an inadequate technological foundation, impede the projected industrialization process. Bangladesh has a large savings-to-investment gap. Grants and foreign aid have been used to fill the shortfall, but they are getting less every year. FDI can be considered a significant impulse to economic growth and the industrialization process in developing countries as a way to deal with the new situation. Alfaro (2003) specified the advantages of upgrading Foreign Direct Investment in the primary, secondary, and tertiary subdivisions differ significantly.

A pragmatic review of cross-country data from 46 nations worldwide during the years 1988-1998 indicates that total FDI has a hazy influence on growth. Khawar (2007) examined that by employing simple least squares, researchers looked at the influence of concurrent foreign direct investment on growth in the years 1970 to 1992. (OLS). The study discovered that both local and international direct investment is strongly as well as favorably connected with growth. However, the measurement of human capital was insignificant in the research. The variables that were adversely connected with growth were growth rate of population, baseline GDP, and political unsteadiness. Flexner (2000) analyzed how FDI affected per capita GDP growth from 1990 to 1998 and discovered a statistically significant impact. The causal relationship between FDI and GDP is examined by Hansen and Rand (2006) in a sample of 31 developing nations. They discover a unidirectional interconnection from FDI to GDP, indicating that FDI promotes growth, by means of estimators for diverse panel data. Borensztein (1998) found that with the least possible onset stock of human capital in the host nation, only then is FDI additional productive than national investment. De Mello (1999) found that FDI has a favorable influence on production growth independent of a host country's technological standing. Whether or not the country is a technology developed.

Dritsaki (2004) examined the association among trade, FDI, and financial growth in Greece between 1960 and 2002. Based on co-integration analysis, their research argues that FDI and growth have a long-run symmetry association. The empirical results of the Granger causality test show that the variables are causally related. Feridun (2004) connected a study of a similar kind for Cyprus from 1976 to 2002. Feridun discovered absorbing evidence that FDI, not the other way around, is what is causing Cyprus's economy to grow more quickly. Chowdhury and Mavrotas (2003) analyzed the association between FDI and financial growth in Malaysia, Chile, and Thailand. They used time series data spanning the years 1977-2003. Their study results point to GDP as the primary driver of FDI in Chile and not the other way around, while there is compelling evidence of bi-directional causality for both Malaysia and Thailand. Lensink and Marrissey (2001) estimated by the use of cross-sectional, panel data, and instrumental variable techniques, the standard model was estimated. The results show that while FDI volatility hurts the economy, FDI itself has a beneficial impact on growth. Additionally, they discover that while the significance of the calculated coefficient varies depending on the specifications, the evidence of FDI's beneficial impact on the economy is independent of the other explanatory factors that are included. Kumar (2002) examined that Even though these countries' share of FDI in the global distribution is still minor or, in particular cases, even shows a decay, FDI has emerged over the 1990s as the greatest noteworthy source of outside resource streams to emerging nations and has grown-up to be an important part of capital development in these countries. Mian and Alam (2006) discovered FDI continues to be a factor in Bangladesh's financial expansion. However, the main causes of limited FDI flow to Bangladesh are the ineffectiveness of the government, less consideration of corruption, political instability, negligence in creating the canon of law, and a letdown to expand the institutional and physical groundwork for policy. Bhattacharya (2005) claimed that an increase of 10% in FDI led to a 3.7% increase in Bangladesh's GDP. Further analysis reveals that a thirteen percent annual growth in FDI is needed to achieve a one percent poverty reduction. Therefore, increasing FDI inflow and assuring a higher outcome in reducing unemployment and poverty remains a critical job of the Bangladeshi government, just as reducing shortage has been a crucial financial goal for the nation.

Even though there has been a lot of study on the consequence of FDI on Bangladesh's economic development, research involves persistently looking for the unknown truth. The researcher thinks that further research needs better and updated recommendations to identify the Influence of FDI on the financial expansion of Bangladesh.

6. Conceptual Framework

The conceptual framework covers the theoretical discussion about Foreign Direct Investment and Per Capita Income. The investments made by overseas financiers to obtain a long-term decision-making stake in a business situated in an economy other than the overseas investor's home-based economy are referred to as the net inflow of FDI. The types of FDI typically involve the management of businesses, partnership, technology transfer, and experience. An individual or a group of connected persons, an entity, a public or private firm, a government body, an estate, a trust, or a social association can all make foreign direct investments. The investment might be made by establishing a firm in the host nation, buying stock in a local corporation, or taking part in an equity joint venture. Foreign Direct Investment Definition

(FDI). Let's say, Nissan, a Japanese company, is building a car plant in the UK. FDI is the net transmission of funds used to buy and obtain physical capital, such as industrial unit and equipment. FDI has in recent times elaborated to shield the purchase of assets and stock that gives depositors a running stake in an institute. It is important to distinguish between portfolio transfers (such as shifting money to overseas bank accounts) and foreign direct investment. However, to make matters more complicated, if there are portfolio transferals that result in an overseas financier having control over a managerial stake in the establishment, this may be regarded as Foreign Direct Investment due to the transmission of ownership.

6.1 Importance of FDI

Bangladesh's savings-investment gap had largely been closed with help from outside the nation. However, the availability of foreign help has been steadily deteriorating meanwhile the end of the cold war. As a result, FDI is now widely seen as necessary in Bangladesh. If the economy is to develop more quickly, as is anticipated, there must be a greater inflow of FDI into Bangladesh to generate jobs for the country's large workforce, boost foreign exchange gains, acquire new and cutting-edge administrative skills, and quicken the economy's overall growth and development. FDI is believed to aid in economic development (and subsequently, the decrease of poverty) by providing a preliminary macroeconomic inducement and by increasing total factor productivity and resource utilization effectiveness in the receiving economy According to World Bank FDI ensures –

i. The immediate transfer of more advanced organizational and technology models to MNC affiliates in the host nation;
ii. The inception of technological and other spillovers to locally owned enterprises; the encouragement of the development of human capital;
iii. The facilitation of international trade integration;
iv. The facilitation of enterprise development; the improvement of environmental and social conditions;
v. The reduction of transportation costs; and
vi. The improvement of transport efficiency;

6.2 FDI in Bangladesh

FDI can aid in bridging a developing nation's resource shortage. Bangladesh has long understood the value and necessity of foreign investment as a growing country. Bangladesh started attempting to draw FDI as soon as it gained independence from Pakistan in 1971 for capital generation, technology transfer, and knowledge transfer. Since 1999, when the Bangladeshi government established a new industrial policy, FDI inflows have dramatically expanded. A comprehensive range of services, such as infrastructural conveniences, export and import facilities, disagreement resolve for overseas financiers, and pre-investment advising, are delivered to overseas financiers by Bangladesh's Board of Investment (BOI). The BOI was established to hasten the implementation of new industrial projects (Foreign Investment, 2009).

The BOI make available politeness services, including airport pickup, hotel reservations, and transportation arrangements, to foreign investors who are in towns. Bangladesh actively encourages foreign direct investment in industries like aircraft, telecommunications, computers, motor parts, agriculture, textiles, and pharmaceuticals. Foreign investors are permitted to invest in any area of their choice, except those that are regarded as "reserved industries," such as those that generate weapons and ammunition, ammunition, nuclear power, and currency notes, even if these are the "preferred sectors.". Bangladesh treats international and domestic investors equally in all areas, except for the restricted industries, including disbursement of royalties, a tax holiday, and practical know-how fees (Foreign Investment, 2009).

Additionally, foreign investors are eligible for complete profit repatriation and 100% foreign equity. The GOB has established EPZs in addition to its FDI-welcoming strategy to offer significant incentives to international businesses. The amount of FDI that has entered Bangladesh over the past thirteen years has grown, rising from $748 million in 2008 to $2600 million in 2020. (BB, 2020). However, Bangladesh's FDI is still excessively low when related to its neighbor India (population of 1.2 billion). India received $64 billion in FDI in 2020. (UNCTAD, 2020). Political unrest, poor infrastructure, ineffective bureaucracy, pervasive corruption, an uneducated workforce, and a sluggish privatization procedure are some of the causes of Bangladesh's limited FDI inflow (Rahman, 2018).

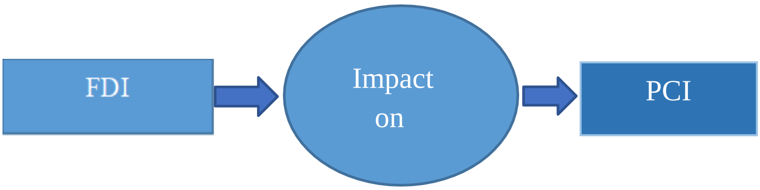
6.3 Per Capita Income

Per Capita Income determines the average yearly income per person in a particular area. The average annual income per person in a given area is measured by PCI, often known as total income (city, region, country, etc.). The sum is computed by dividing the region's total income by its entire population. is easy to calculate using commonly available GDP data and population projections, and it yields a significant statistic for comparing the wealth of various sovereign states. This aids in determining the degree of progress in a nation. It is one of three factors used to determine a nation's Human Development Index. Average income is often referred to as per capita income. Per capita income is equal to the national income divided by the population. Per capita income is widely used to compare the wealth of diverse populations and the average income of a sector. Per capita income is frequently used to gauge a country's quality of life. It is useful when it is articulated in terms of an extensively cast-off overseas currency, such as the US dollar or the euro.

7. Methodology of the Study

The study or theoretical examination of specific working processes is known as methodology. In this research works a quantitative research technique is used to analyze variables and determine their relationships. The data in this study was gathered from secondary sources from the year 2008 to 2021 of 14 years period.

7.1 Research model



Source: Authors constructed

7.2 Mathematical model for analysis

The Econometric model employed in the study is given as:

$$\hat{Y} = \beta 0 + \beta 1 X1 + €$$

Here,

$\beta 0$ = Constant

$\beta 1$ = Co-efficient of X_1

$\hat{Y}$ = Per Capita Income (Dependent variable)

$X1$ = Foreign Direct Investment (Independent variable)

€ = the normal error terms

7.3 Hypothesis of the study

H_0: There is no relationship between foreign direct investment and per capita income of Bangladesh.

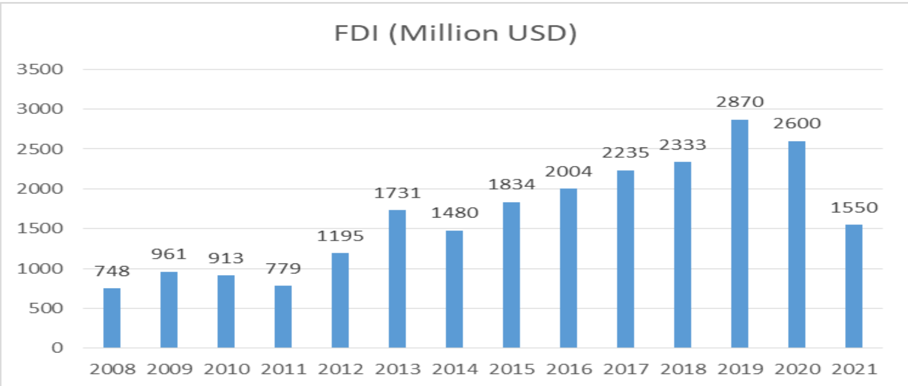
H_1: There is a relationship exists between foreign direct investment and per capita income of Bangladesh.

The alternative hypothesis contends that FDI is statistically distinct from zero, contrary to the research hypothesis, which holds that it is not. FDI, or foreign direct investment, is a statistically significant kind of capital accumulation that promotes economic growth. FDI, on the other hand, serves an altruistic purpose rather than being driven by profit. According to Chami. FDI has a vital effect on PCI also it accelerates the investment of a country. We have strong empirical evidence that FDI is typically compensatory in character and has no impact on PCI. The literature already in existence offers both positive and negative values in opposition to the null hypothesis. The models previously mentioned will examine the relationship between FDI and PCI.

8. Empirical Results and Discussions

In this section, the study analyzes and discuss the impact of FDI on PCI in Bangladesh. This analysis and discussion are trying to provide the scenario about FDI and PCI of Bangladesh and how the FDI influences on PCI of Bangladesh.

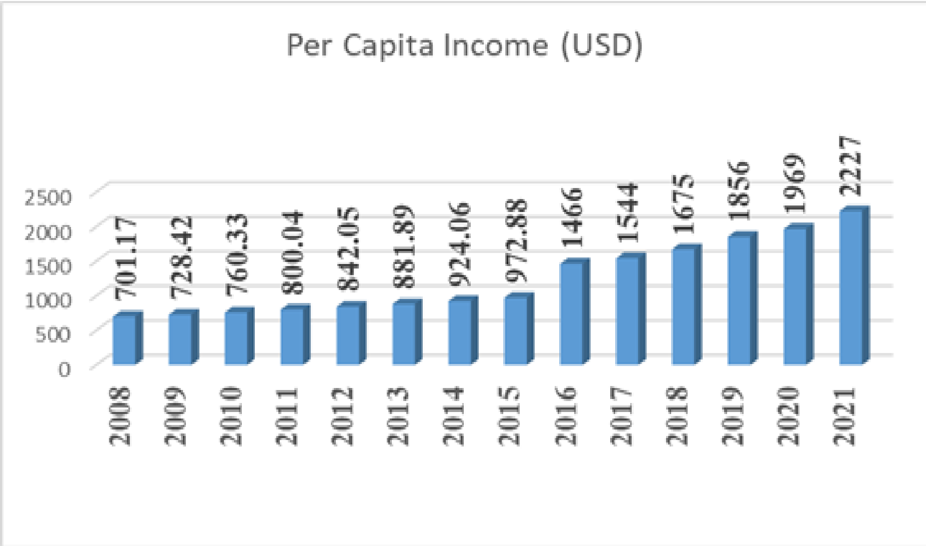
Figure-1: Trend of FDI flows in Bangladesh (in million USD)



Source: Bangladesh Bank Annual Report (2008-2021)

From Figure 1, the study has pointed out that over 14 years, FDI has increased from 748 million USD to 2600 million USD from 2008 to 2020 respectively. But in2021, due to the outbreak of Covid-19, the FDI has been alarm ebbed from 2600 million USD to 1550 million USD. In 2008 FDI was 748 million USD which was the lowest investment in the period and in 2019 FDI contribution was the highest was 2870 million USD which indicates a good sign of FDI.

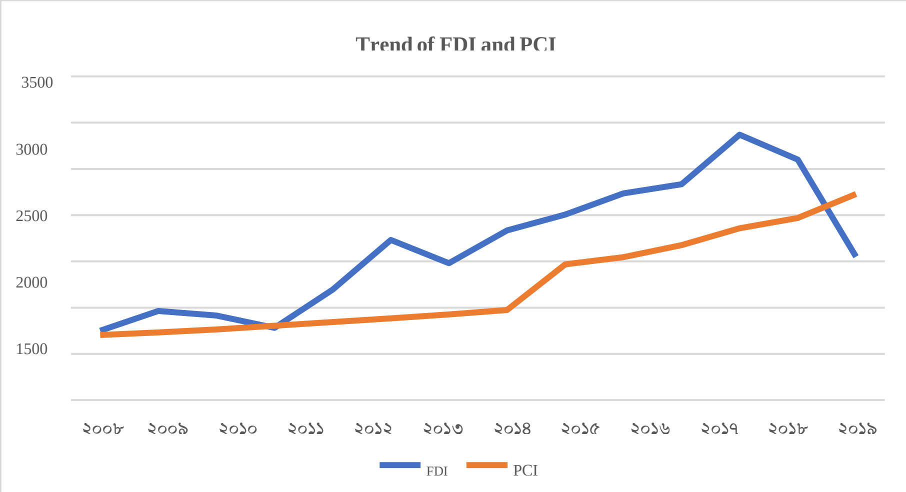
Figure-2: Per Capita Income flows of Bangladesh (in USD)



Source: Bangladesh Bank Annual Report (2008-2021)

In Figure 2, the study found that over 14 years PCI has increased from 701.17 USDto 1969 USD respectively. In 2008 PCI was 701.17 USD which was the lowest in the period and in 2021 PCI was the highest which was 2227 USD. The study foundthat FDI increasing day by day as well as PCI also increasing day by day which indicates a good sign in our country.

Figure-3: Comparison of FDI and PCI



Source: Bangladesh Bank Annual Report (2008-2021)

From figure-3 it shows the comparison between FDI and PCI. It is found that the dependent variable i.e., PCI has been increasing as the independent variable i.e. FDIhas been increasing. FDI was upward since 2008 resulting in PCI also. But in 2021, PCI attains an upward movement although FDI has decreased due to the outbreak of the epidemic of Covid-19 which is a good sign of a rich economy.

8.1 Descriptive analysis

The study discovers the influences between foreign direct investment and per capita income of Bangladesh from 2008 to 2021 data 14 years. With a view to analysis, data of independent variables and dependent variables are analyzed. In this descriptive part where mean, minimum, maximum, standard deviation, variance, kurtosis, and standard error are summarized based on 14 observations. The following table presents the descriptive part of the study.

Table 1: Descriptive statistics of FDI and PCI

	N	Mini.	Max.	Mean	Std. Dev	Variance	Kurtosis	SE
FDI	14	748.00	2870.00	1659.50	690.60	476934.1	-1.071	1.154
PCI	14	701.17	2227.00	1239.13	529.97		-1.164	1.154
ValidN (List-wise)	14							

Source: Author's Analysis

From Table 1, it is noticeable that the mean value of foreign direct investment and per capita income is positive. The mean value of Foreign Direct Investment is US$ 1659.5 million, which indicates the average foreign direct investment per year in Bangladesh is US$ 1659.5 million. And the standard deviation is US$ 690.60417 million. So, the variability of FDI is US$ 690.60417 million.

The mean value of Per Capita Income is US$ 1239.1314 million. That means the average amount of PCI per year is US$ 1239.1314 million. And the standard deviation is US$ 529.96738 million. So, the variability of PCI is US$ 529.96738 million.

8.2 Simple regression between FDI and PCI

FDI is a significant source of investment invested by foreign countries in the territory of Bangladesh's total investment. It has been demonstrated a relationship between FDI and PCI using simple regression analysis. In this case, the FDI is considered an independent variable, and PCI is considered the dependent variable.

Table 2: Model Summary

Regression Statistics	
Multiple of R	0.763
R Square	0.583
Adjusted Value of R Square	0.548
Standard Error	356.29142
Observations	14

Source: Author's Analysis

Table 3: ANOVA Output Summary

	df	SS	MS	F	Sig.
Regression	1	2127927.623	2127927.633	16.733	0.001
Residual	12	1523322.944	126943.579		
Total	13	3651250.567			

Source: Author's Analysis

Table 2 shows that the R^2 value, which is equal to 0.583. It pointed out that 58.3% deviation of the dependent variable, PCI, can be described by the independent variable i.e., FDI.

Table 3 shows that the "F" value, which is equivalent to 16.733 as well as it is noteworthy at 5% level (p-value < 0.05). Therefore, the null hypothesis can be rejected. Meaning that the model is appropriate for the collected data.

As a result, it can be decided that the independent variable (FDI) has a significant influence on the dependent variable (PCI).

Table 4: Coefficient of variable

	Coefficients(Beta)	Standard Error	t Stat	P-value
Intercept	266.93	255.84	1.043	0.001
FDI (Million USD)	0.586	0.14	4.094	0.008

Source: Author's Analysis

Analysis of regression is used to apprehend the typical affiliation between two variables (dependent and explanatory variables). It indicates that the variables have a positive or negative relationship. In this study, Coefficient $\beta_1 = 0.586$ specifies that a unit growth in FDI grounds 0.586 unit growth in per capita income of Bangladesh. The "t" value is equivalent to 4.094 and it is statistically noteworthy at a 5% level (p-value<0.05). Therefore, it can be decided that FDI has a positive influence on per capita income in Bangladesh, and it is statistically significant.

9. Findings

The study found that there is a positive and significant relationship exists between FDI and PCI of Bangladesh. This empirical result is also parallel to the outcome of Flexner (2000). The study also found that FDI and PCI are both constantly increasing.

10. Recommendations

The study findings allow for the following recommendations to be made:

i. Encourage a business-friendly environment so that if would possible more FDI inflows;
ii. Ensure excellent foreign policy for better FDI inflows that might impact per capita income;
ii. Foster political harmony throughout the country as well as mitigate the cross-border conflict so that inflows of FDI can't be hindered;
iii. Create a new economic zone and implement properly the ongoing 100 economic zones authorized by Bangladesh Export Processing Zone (BEPZ);
iv. Need to reform the economy in spite of the aftermath arrival of Covid-19 and having the ongoing Russia-Ukraine war;

v. Create fresh EPZs and debilitate the intermediaries pertaining to export and importing to accelerate the FDI;
vi. Develop industrial parks supporting the FDI that might improve the performance capital income of any country;
vii. Improve infrastructure and human resources that attracts more FDI flows;
viii. Create a favorable environment for law and order for better flows of FDI; and
ix. Ensure efficient bureaucracy and good governance that might be easier for accelerating FDI flows as well as the per capita income of the country.

11. Conclusion

Using yearly time series information from 2008 to 2021, we found a connection between the development stride of Bangladesh's per capita income and unfamiliar direct ventures. As indicated by the review, Bangladesh should foster exchange advancement and unfamiliar speculation agreeable approaches. The drawn-out financial development of the country is altogether impacted by these arrangements. Exchange and unfamiliar speculation influence how well people can live, as seen by per capita income. The public authority can do much more to advance these districts and encourage an inviting environment so theconfidential area (nearby and global) can then progress. Bangladesh ought to capitalize on the nation's ample and generally modest work pool to give however many prospects as it can. Since exchange and FDI are two urgent drivers of monetary development in Bangladesh, pivotal to foster strategies that will empower this development. As well as eliminating impediments to capital streams, regulations ought to incorporate far-reaching speculation arrangements, which would be more successful at drawing in FDI. For Bangladesh to have a business climate that invites unfamiliar direct speculation, the public authority should accept the initiative. Bangladesh should do all necessary investigations, including distinguishing planned ventures, making a point-by-point project proposition, tending to conceivable Unfamiliar Direct Financial backer organizations, and so on, to get an adequate measure of FDI. Rather than going about as a controller of speculation, a devoted organization is required. Keeping a stable political climate and a trustworthy lawful system is similarly vital to drawing in a familiar venture to a country. No matter what, Bangladesh should build the amount of FDI it draws in. With the reinvestment of privately made benefits, the FDI speculation measurement is as of now controlled. Hence, it is the best opportunity to zero in on it and send off new drives to support the FDI flood to Bangladesh.

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