

MEDMEB

Medical Equipment & Device Manufacturer and Exporter of Bangladesh

FORMAL REPRESENTATION & ADVOCACY BRIEF

Seeking Dedicated Allocation from Bangladesh Bank's

Tk 60,000 Crore Stimulus Package 2026

For the Medical Equipment & Device Manufacturing and Export Sector

Submitted To:

Bangladesh Bank | Ministry of Finance | Government of Bangladesh

Date: May 2026

Executive Summary

Bangladesh Bank's announcement of the Tk 60,000 crore Stimulus Package 2026 is a bold and timely intervention to revive the national economy. The Medical Equipment and Device Manufacturer and Exporter of Bangladesh (MEDMEB) warmly welcomes this initiative and hereby submits this formal representation to Bangladesh Bank, the Ministry of Finance, and the Government of Bangladesh, urging the inclusion of medical equipment and device manufacturing as a dedicated priority sector with a meaningful allocation within this historic package.

The medical equipment and device sector is one of Bangladesh's most strategically significant emerging industries. Currently valued at over Tk 2,500 crore domestically, with a market projected to reach USD 3 billion by 2030, this sector has the potential to simultaneously reduce import dependence, generate high-quality employment, earn valuable foreign exchange, and position Bangladesh as a regional healthcare manufacturing hub. Despite this enormous promise, the sector has been conspicuously absent from the current stimulus framework.

MEDMEB respectfully requests a dedicated allocation of at least Tk 2,000 crore from the stimulus package for this sector — an investment that promises multiplied returns in terms of foreign exchange savings, export earnings, job creation, and national health security.

Bangladesh Bank Stimulus Package 2026: An Overview

On 23 May 2026, Bangladesh Bank Governor Md. Mostaqur Rahman announced the Tk 60,000 crore Stimulus Package 2026 at the central bank headquarters. The package is structured around two funding pipelines:

Fund Component	Amount (Tk Crore)	Source
Refinancing Fund	41,000	Commercial banks with excess liquidity (3-year deposits at 10%)
Bangladesh Bank Own Resources	19,000	Central bank funds under Government guarantee
Total Package	60,000	Combined stimulus for economic recovery

Under the refinancing component, key sector allocations include:

- Tk 20,000 crore — Closed Industrial & Service Sector
- Tk 10,000 crore — Agriculture & Rural Activities
- Tk 5,000 crore — Cottage, Micro, Small & Medium Enterprises (CMSMEs)
- Tk 3,000 crore — Export Diversification
- Tk 3,000 crore — North Bengal Agricultural Hub

From the central bank's own resources, targeted support covers pre-shipment credit, leather & footwear, frozen food, startups, and other segments. However, the medical equipment and

device manufacturing sector — a high-growth, high-impact priority industry — has not received a dedicated allocation. MEDMEB urgently advocates for this to be rectified.

The Medical Equipment & Device Sector: Current Status

Market Size & Growth Trajectory

The medical equipment and device sector in Bangladesh has undergone a remarkable transformation over the past decade. What was once a 100% import-dependent industry has evolved into a nascent manufacturing and export sector of genuine strategic importance.

Indicator	Current Status	Projected (2030)
Domestic Market Value	USD 820 million (~Tk 9,000 crore)	USD 3 billion (~Tk 33,000 crore)
Market Growth Rate (CAGR)	29.62% per annum	Sustained high growth
Import Dependency	~90% of demand met by imports	Target: Reduce to 50%
Export Destinations	~40 countries	Target: 80+ countries
Annual Import Bill	Tk 20,000 crore+	Could be largely substituted locally
Export Revenue Target	~USD 100M	USD 500 million+

Industrial Policy Recognition

Previously, Bangladesh's National Industrial Policy did not formally include medical device and equipment manufacturing. After sustained advocacy by MEDMEB and other industry stakeholders, the sector is now formally recognised in the National Industrial Policy, marking a major milestone. This recognition opens the door for targeted support, investment, and export incentives.

Export Performance

Bangladesh's medical equipment manufacturers are already exporting to nearly 40 countries — a remarkable achievement that demonstrates the global competitiveness of locally-produced goods. Individual manufacturers, such as Promixco, export to over 13 countries with active interest from foreign investors seeking to collaborate with Bangladeshi facilities.

Competitive Advantages Bangladesh Holds

- **Labour Cost Advantage:** Bangladesh's average manufacturing wage (~USD 370/month) is significantly lower than China (USD 1,301/month) and India (USD 734/month)
- **Existing Industrial Ecosystem:** Strength in textiles provides raw material synergies for disposable medical items such as gloves, gauze, bandages, PPE, and surgical drapes

- **Pharmaceutical Foundation:** Bangladesh's world-class pharmaceutical sector provides regulatory experience, quality infrastructure, and technical capacity transferable to medical devices
- **Geographic Position:** Central location between South Asia, Southeast Asia, and Middle Eastern markets offers strategic logistics advantages
- **Growing Domestic Healthcare Demand:** Over 5,054 registered private hospitals and 54,660+ public hospital beds are driving consistent local demand

Why Medical Equipment Manufacturing Must Be Prioritised

1. Strategic Import Substitution Opportunity

Bangladesh currently imports over 90% of its medical equipment needs, representing a foreign exchange outflow of over Tk 20,000 crore annually. The domestic sector serves only approximately 8% of the local market. A targeted stimulus to scale local production would dramatically reduce this import burden. The pharmaceutical sector's experience demonstrates that with focused policy support, Bangladesh can achieve import substitution at scale — the pharmaceutical industry went from near-total import dependence to becoming a major exporter. Medical devices can follow the same trajectory.

2. Export Diversification — A National Priority

Bangladesh Bank has allocated Tk 3,000 crore specifically for export diversification within the stimulus package, reflecting the government's recognition that over-reliance on the readymade garments sector is a strategic risk. Medical equipment exports represent one of the most high-value, future-proof opportunities for export diversification available to Bangladesh:

- The global medical device market is worth over USD 600 billion and growing
- Bangladesh already exports to ~40 countries, proving market acceptance
- The sector targets USD 500 million+ in exports by 2030
- High-value products mean strong foreign currency earnings per unit
- Regional markets in South and Southeast Asia offer growing, accessible demand

3. Employment Generation in Skilled & Semi-Skilled Segments

Bangladesh Bank's stimulus package targets the creation of 2.5 million jobs. The medical equipment sector creates employment across multiple skill levels:

- **Semi-skilled workers:** assembly, packaging, quality control for consumables (syringes, masks, gloves)
- **Skilled technicians:** calibration, electronic component manufacturing, device testing
- **Professionals:** biomedical engineers, regulatory affairs specialists, R&D personnel
- **Ancillary employment:** supply chain, logistics, after-sales service, healthcare training

Investment in medical device manufacturing creates more sustainable, higher-wage jobs compared to many traditional sectors, with long-term employment stability linked to a fundamentally non-cyclical healthcare sector.

4. Health Security & Pandemic Preparedness

COVID-19 exposed the fragility of Bangladesh's healthcare supply chain. During the pandemic, the country faced critical shortages of PPE, ventilators, pulse oximeters, and diagnostic equipment — all of which had to be urgently sourced internationally at inflated prices. A robust domestic medical device industry is not merely an economic asset; it is a national security imperative. Investment today builds the manufacturing capacity that Bangladesh will need during the next health emergency.

5. Reduction of Medical Tourism Outflow

Every year, thousands of Bangladeshis travel abroad for medical treatment, draining billions of taka in foreign currency. Strengthening domestic healthcare infrastructure — which depends critically on the availability of advanced, locally-manufactured medical equipment — can make Bangladesh a destination for regional medical tourism rather than a source of outbound medical spending. This directly contributes to the balance of payments.

6. Alignment with Smart Bangladesh & Vision 2041

Medical equipment manufacturing is inherently a knowledge-intensive, technology-driven sector. It aligns directly with the government's Smart Bangladesh vision and the aspiration to transition from a low-wage manufacturing economy to a knowledge-based, high-value industrial economy by 2041. Supporting this sector today builds the technological capabilities and human capital that Bangladesh needs for its long-term transformation.

Current Challenges Blocking Sector Growth

Despite immense potential, the medical equipment and device sector continues to face structural barriers that only coordinated government and Bangladesh Bank intervention can address:

Challenge	Impact	Proposed Solution
High import duties on raw materials	Raises production costs, erodes price competitiveness	Strategic tariff reduction on manufacturing inputs
Limited access to affordable credit	Hampers capital investment in machinery and R&D	Dedicated low-interest credit via stimulus package
Absence of dedicated economic zone space	Limits industrial clustering and scale-up	Earmark space in EPZs and economic zones for medical devices
Weak testing & certification infrastructure	Blocks export market access requiring international standards	Fund national medical device testing facilities
Shortage of skilled biomedical workforce	Limits product complexity and quality	Fund training programs and university partnerships
No dedicated sector policy/incentive framework	Regulatory uncertainty discourages long-term investment	Formulate a standalone National Medical Device Policy

MEDMEB's Formal Demands & Recommendations

Demand 1: Dedicated Allocation of Tk 2,000 Crore from the Stimulus Package

MEDMEB formally requests a dedicated allocation of minimum Tk 2,000 crore for the medical equipment and device manufacturing sector from the Tk 60,000 crore Stimulus Package 2026. This is justified based on:

- The sector's Tk 20,000 crore+ annual foreign exchange saving potential
- The USD 500 million+ export revenue target by 2030
- The employment generation potential across skilled and semi-skilled categories
- The strategic national security value of domestic healthcare manufacturing capacity

This allocation should be structured as follows:

Sub-Allocation	Amount (Tk Crore)	Purpose
Manufacturing Capital Investment Fund	800	Long-term loans for factory setup, machinery, and technology
Export Promotion Credit Facility	400	Pre-shipment & post-shipment credit for exporters at subsidised rates
R&D and Technology Upgrading Fund	300	Grants and soft loans for product development and quality certification
SME Medical Device Entrepreneurs	300	Micro and small enterprise development in the sector
Infrastructure & Testing Facilities	200	Shared testing labs, certification infrastructure
Total	2,000	Dedicated MEDMEB Sector Allocation

Demand 2: Interest Rate Subvention

Medical equipment manufacturing requires significant capital investment with long payback periods. MEDMEB requests that loans under this sector's allocation carry an effective interest rate of 4% (matching the most subsidised categories in the stimulus package), with Bangladesh Bank providing an interest subvention of 6-7% above commercial rates.

Demand 3: Formal Sector Recognition as Priority/Thrust Sector

MEDMEB urges Bangladesh Bank and the Ministry of Finance to formally designate medical equipment and device manufacturing as a Priority and Thrust Sector in all relevant policy frameworks, eligible for:

- Cash incentives on export earnings (minimum 10%)
- 50% income tax exemption on export revenues

- Duty-free import of capital machinery and raw materials not produced domestically
- Priority status in Bangladesh Bank's refinancing and export credit schemes

Demand 4: Dedicated Space in Economic Zones

MEDMEB requests that the government allocate dedicated space within existing or planned Economic Zones and Export Processing Zones specifically for medical device and equipment manufacturers, with necessary utility and compliance infrastructure pre-installed to reduce setup costs.

Demand 5: National Medical Device Policy

MEDMEB urges the government to formulate a standalone National Medical Device Manufacturing and Export Policy that establishes a long-term framework for investment, regulation, skills development, and market access — modelled on Bangladesh's successful National Drug Policy that transformed the pharmaceutical sector.

Demand 6: Mandatory Local Procurement Preference

MEDMEB recommends that public hospitals and government healthcare facilities be mandated to procure a minimum 30% of their medical equipment requirements from domestic manufacturers, creating a guaranteed base demand that stimulates local production and investment confidence.

Precedent: Bangladesh's Pharmaceutical Success Story

Bangladesh's pharmaceutical industry stands as proof that a targeted, policy-driven approach can transform an import-dependent sector into a globally competitive exporting powerhouse. Within decades of the National Drug Policy's introduction, Bangladesh went from importing nearly all medicines to exporting to over 100 countries. The pharmaceutical industry has attracted USD 1 billion+ in investment in capacity expansion in recent years alone.

The medical equipment and device sector is the natural next candidate for this transformation. The parallels are direct: both sectors serve healthcare needs, both benefit from Bangladesh's cost competitiveness, and both require regulatory frameworks, skilled human capital, and patient capital investment. The government has already taken the crucial first step by including medical devices in the National Industrial Policy. Stimulus package support is the catalyst that will accelerate this trajectory.

Projected Economic Impact of Dedicated Allocation

Impact Indicator	5-Year Projection (with Tk 2,000 crore support)
Foreign Exchange Savings (Import Substitution)	USD 500 million — USD 1 billion

Impact Indicator	5-Year Projection (with Tk 2,000 crore support)
Export Revenue Generation	USD 300 million — USD 500 million
Direct Employment Created	50,000 — 80,000 skilled & semi-skilled jobs
Indirect/Ancillary Employment	150,000 — 200,000 jobs
Domestic Market Share (local manufacturers)	From 8-10% to 30-40%
GDP Contribution (incremental)	0.3 — 0.5% of GDP
Medical Tourism Savings	USD 100 million+ annually retained domestically
Return on Stimulus Investment	Estimated 5:1 over 5 years

Conclusion: A Call for Strategic Vision

Bangladesh stands at an inflection point. The Tk 60,000 crore Stimulus Package 2026 is a historic opportunity not merely to revive struggling industries but to strategically invest in sectors that will define Bangladesh's economic identity in the decades ahead.

Medical equipment and device manufacturing is not a peripheral sector — it is central to three of Bangladesh's most critical national ambitions: healthcare self-reliance, export diversification, and smart industrial development. It is a sector where Bangladesh has already demonstrated it can compete globally, where domestic demand is large and guaranteed, and where the potential returns on investment — in foreign exchange, employment, and national resilience — are among the highest available.

MEDMEB respectfully but urgently calls upon Bangladesh Bank, the Ministry of Finance, and the Government of Bangladesh to take the following actions:

- **Include medical equipment and device manufacturing as a named priority sector in the Stimulus Package 2026 allocation framework**
- **Allocate a minimum of Tk 2,000 crore dedicated to this sector with subsidised interest rates**
- **Issue a formal Bangladesh Bank circular recognising the sector's strategic importance**
- **Convene an inter-ministerial task force (Bangladesh Bank, Finance Ministry, Health Ministry, Commerce Ministry) to develop a coordinated Medical Device Industrial Development Plan**

The pharmaceutical sector's success did not happen by accident — it happened because the government made a decision to support it with policy, protection, and investment. We ask for the same commitment for medical devices. The time to act is now.

Dhaka, Bangladesh | May 2026

"Building Bangladesh's Healthcare Future — Made in Bangladesh"