

Cross-Border Mergers and Acquisitions (M&A) and Foreign Direct Investment:

A Case Study of Bangladesh

Farhana Latif Sumi¹; Mohammad Sharif²

¹BSS, MSS Department of Economics, Chittagong University, Chittagong, Bangladesh,

²BSS, MSS, Chittagong University, MBA Finance & Banking, Leading University, Dhaka, Bangladesh

Abstract— This research paper offers an in-depth investigation of cross-border mergers and acquisitions (M&A) and foreign direct investment (FDI) in Bangladesh, underscoring their effects on the economy, challenges and opportunities, case scenarios of successful scenarios, and recommendations for policymakers, investors, and organizations. The study examined how cross-border Mergers and acquisitions and Foreign Direct Investment impact the Bangladeshi economy in terms of employment, technology transfer, and economic growth. It highlights the motivations behind these activities, comprising resource-seeking, strategic asset-seeking, market-seeking, efficiency-seeking, and knowledge-seeking. The study explores different forms of cross-border mergers & acquisitions, such as vertical, horizontal, and conglomerate mergers, and discusses their impact. It identifies the benefits of cross-border mergers & acquisitions and Foreign Direct Investment, such as augmented market share, access to new technologies, cost efficiencies, and increased competitiveness, while recognizing the risks involved, entailing integration issues, cultural differences, and regulatory obstacles. The study underscores the importance of examining cross-border M&A and FDI in Bangladesh, bearing in mind the nation's growing interest from foreign investors, and its capability for economic growth, sustainable development, and industrial advancement. The findings contribute to the current knowledge base on cross-border mergers & acquisitions and FDI, providing valuable insights for decision-making and policy formulation to maximize the benefits of these investments in Bangladesh.

Keywords: Cross-border M&A, FDI, Bangladesh economy, Employment impact, Motivations for M&A and FDI

I. INTRODUCTION

According to Ashraf (2020), Cross-border mergers and acquisitions and foreign direct investment (FDI) are pivotal drivers of economic development and growth in the contemporary globalized world. These activities comprise the establishment and acquisition of business operations in a foreign nation, facilitating organizations to access new technologies, expand their market presence, gain competitive advantages, and tap into new sources of resources and capital. Bangladesh, a developing nation in South Asia, has witnessed a substantial increase in cross-border M&A and FDI in recent years.

I.I. OBJECTIVES

The prime objective of this research paper is to present an in-depth examination of the cross-border Merger and acquisition and Foreign Direct Investment landscape in Bangladesh. Specifically, this report aims to:

- Analyze the effects of cross-border mergers & acquisitions and FDI on the Bangladeshi economy.
- Identify the opportunities and challenges related to cross-border M&A and FDI in Bangladesh.
- Present a case study scenario to examine specific examples of successful cross-border M&A and FDI in Bangladesh.
- Provide recommendations and insight for investors, policymakers, and organizations interested in cross-border mergers & acquisitions and FDI in Bangladesh.

I.II. RESEARCH QUESTIONS

To accomplish the objectives of this study, this report aims to address the following research questions:

- How does cross-border Merger & Acquisition and Foreign Direct Investment influence the Bangladeshi economy in terms of technology transfer, employment, and economic growth?
- What are the challenges confronted by organizations in cross-border mergers & acquisitions and Foreign Direct Investment in Bangladesh?
- What are the potential benefits and opportunities related to cross-border Mergers and acquisitions and Foreign Direct Investment in Bangladesh?
- How do specific case study scenarios of successful cross-border Mergers and acquisitions and Foreign Direct Investment in Bangladesh provide insights into the factors contributing to their success?

I.III. SIGNIFICANCE OF THE STUDY

Researching cross-border acquisitions and mergers (M&A) and FDI in the setting of Bangladesh holds substantial significance for several reasons. Firstly, Bangladesh has experienced a noteworthy escalation in cross-border Mergers and acquisitions and Foreign Direct Investment activities in recent years, which signifies the escalating interest of foreign investors in the nation. Comprehending the motivations, challenges, impacts, and opportunities related to these investments offers valuable insights for investors, policymakers, and organizations looking to participate in cross-border mergers & acquisitions and Foreign Direct Investment in Bangladesh (Ashraf, 2020). Furthermore, examining specific case studies regarding successful cross-border Mergers & Acquisition and Foreign Direct Investment in Bangladesh facilitates a deeper analysis of the elements contributing to their success, offering practical lessons and best practices that can be applied by other firms and industries.

Moreover, Gould (2020), Bangladesh being an emerging economy, the study highlights the role of cross-border Mergers and acquisitions and Foreign Direct Investment in driving economic growth, technology transfer, employment generation, and overall industrial development, which are instrumental for the nation's sustainable development. Overall, this study contributes to the current knowledge base on cross-border mergers & acquisitions and Foreign Direct Investment and offers insights that can inform decision-making and policy formulation to maximize the benefits of such investments in Bangladesh.

II. LITERATURE REVIEW

Cross-border acquisitions, mergers (M&A), and Foreign Direct Investment are instrumental phenomena in the worldwide business landscape. This section offers an extensive review of the current literature on cross-border Merger and acquisition and FDI, concentrating on their types, motivations, risks, benefits, and the implications of Foreign Direct Investment on the host economy.

II.I. MOTIVATIONS FOR CROSS-BORDER MERGER & ACQUISITION

As per Gould (2020), multifaceted. International relations scholars indicate that the majority of organizations participate in cross-border Mergers and acquisitions to gain competitive advantages, access new markets, expand their service or product offerings, accomplish economies of scale, acquire strategic resources or assets, and reinforce their global presence. Other motivations comprise the goal to overcome diversified risks, and trade barriers, and leverage synergies between merging entities.

II.II. TYPES OF CROSS-BORDER MERGERS & ACQUISITION

Cross-border mergers and acquisitions entail the consolidation of organizations operating in different nations. These transactions assume various forms, each with its unique characteristics and implications. This section presents an in-depth analysis of the distinct types of cross-border M&A, comprising vertical, horizontal, and conglomerate mergers.

a) HORIZONTAL MERGERS

Horizontal mergers happen when two or more companies operating in the same sector or market segment merge with their operations. The primary inspiration behind horizontal mergers is to attain economies of scale, elevate market share, and obtain a competitive advantage. By amalgamating with a competitor, organizations can eliminate duplication of resources, minimize costs, and reinforce their bargaining power with suppliers and customers (Di Giovanni, (2015).

Horizontal amalgamations can result in several outcomes. For instance, they can culminate in the establishment of a dominant player in the market, possibly diminishing competition and elevating concerns regarding market concentration. Nevertheless, they can also enhance innovation and efficiency by ensuring the sharing of best practices, technologies, and knowledge, between the merging organizations (Di Giovanni, (2015). Horizontal mergers frequently encounter scrutiny from antitrust authorities to ensure that they do not lead to anti-competitive behavior or harm consumer welfare.

b) VERTICAL MERGERS

Vertical mergers comprise the integration of companies operating at different phases of the production chain. These amalgamations happen when an organization acquires a supplier or a client, either downstream or upstream in the value chain. The prime objective of vertical mergers is to attain greater control over the supply chain, enhance coordination, and reinforce synergies (Brakman, 2017). Vertical mergers provide several potential benefits. They can affirm operational efficiency by streamlining production processes, reducing transaction costs, and improving coordination between different stages of the value chain. By consolidating customers, the supplier's organization can secure reliable access to ensure quality control, input and obtain a competitive advantage by providing a vertically integrated product or service.

Nevertheless, vertical mergers can raise concerns over market power and possible abuse of dominance. They may restrict competition by foreclosing access to key distribution or input channels for rival firms. Regulatory authorities often scrutinize vertical mergers to assess their potential impact on competition, consumer welfare, and market access for smaller players (Brakman, 2017).

c) CONGLOMERATE MERGERS

As per Brakman (2017), Conglomerate mergers comprise the consolidation of companies that function in unrelated markets or sectors. These mergers target to diversify the reduced risk, and business portfolio, and capture synergies between different business lines. Conglomerate mergers can be classified into two types: mixed conglomerate mergers and pure conglomerate mergers.

Pure conglomerate mergers happen when organizations from unrelated sectors merge to create a new enterprise with a diversified business portfolio. This form of merger facilitates companies to leverage their expertise, resources, and management capacities across distinct sectors, possibly minimizing risk vulnerability and enhancing stability. Pure conglomerate mergers can also offer opportunities for knowledge transfer, cross-selling, and sharing of best practices (Brakman, 2017).

On the other hand, mixed conglomerate mergers entail the acquisition of a company operating in an unrelated sector while upholding the current core business. This form of merger allows an organization to expand its activities into novel markets, diversify revenue streams, and leverage synergies between the acquired firm and the existing organization (Gould, 2020).

Conglomerate mergers carry both challenges and benefits. By contrast, they can offer risk diversification, economies of scope, and access to new markets. Conversely, managing diverse business lines and attaining synergies between un-associated sectors can be sophisticated and challenging. Conglomerate mergers frequently require efficient post-merger consolidation strategies to recognize the prospective benefits and overcome integration difficulties (Gnagon, 2020).

II.III. RISKS AND BENEFITS OF CROSS-BORDER MERGER & ACQUISITIONS

Cross-border mergers and acquisitions transactions provide several possible benefits, comprising escalating market share, access to know-how and new technologies, cost efficiencies, enhanced competitiveness, and reinforcing innovation capabilities. These mergers can also culminate in enhanced corporate governance activities and better utilization of resources. Nonetheless, they are not without risks (Gnagon, 2020). Literature pinpoints possible challenges such as integration issues, cultural differences, regulatory obstacles, financial risks, and the possibility of value destruction if the merger is poorly executed.

II.II. FOREIGN DIRECT INVESTMENT (FDI)

II.II.I. MOTIVATIONS FOR FDI

Foreign direct investment revolves around the development of organizational operations by an organization in a foreign country. The motivations for Foreign Direct Investment can be classified into efficiency-seeking, resource-seeking, market-seeking, strategic asset-seeking, and knowledge-seeking. Market-seeking Foreign Direct Investment targets to access new markets, clients, and distribution networks. Resource-seeking Foreign Direct Investment aims to secure raw materials, access to natural resources, or workforce. Efficiency-seeking Foreign Direct Investment targets to attain cost efficiencies, leverage economies of scale, or leverage comparative advantages (Gnagon, 2020). Strategic asset-seeking Foreign Direct Investment is spurred by the desire to acquire technologies, strategic assets, or brands. Knowledge-seeking Foreign Direct Investment focuses on accessing new knowledge, research, or innovation capabilities.

II.II.II. FORMS OF FOREIGN DIRECT INVESTMENT (FDI)

Foreign Direct Investment (FDI) comprises the development of business operations by an organization in a foreign nation. Foreign Direct Investment can take distinct forms, each with its advantages, characteristics, and implications. There are different forms of Foreign Direct Investment, comprising greenfield investments, acquisitions, joint ventures, and strategic alliances.

A. GREENFIELD INVESTMENTS:

Greenfield investments revolve around the development of new facilities or operations in a foreign nation. In this form of Foreign Direct Investment, an organization builds its operations from scratch, including setting up production facilities, establishing distribution networks, and hiring local employees. Greenfield investments require significant capital investment and involve a long-term commitment to the foreign market (Gnagon, 2020).

Greenfield investments provide several benefits. They enable organizations to have full control over their operations, facilitating the deployment of their own management practices, strategies, and quality standards. Greenfield investments also offer a chance to tailor operations to the particular needs of the foreign market and promote local linkages (Gnagon, 2020). Furthermore, organizations can profit from government incentives and favorable regulations aimed at attracting and promoting Foreign Direct Investment.

Nevertheless, greenfield investments also emerge with challenges. They require significant market research, financial resources, and knowledge of the local business environment. Organizations need to maneuver regulatory frameworks, attain necessary licenses and permits, and build associations with local suppliers, clients, and shareholders. Greenfield investments may also encounter risks associated with political instability, cultural differences, and market uncertainties (Gnagon, 2020).

B. ACQUISITIONS

Acquisitions revolve around the purchase of an existing organization in a foreign nation. This type of Foreign Direct Investment allows an organization to quickly join a foreign market, obtain access to an established customer base, infrastructure, and dissemination networks, and maximize the acquired organization's brand and reputation (Gnagon, 2020). Acquisitions can be either complete or partial, depending on the extent of ownership acquired.

Acquisitions provide several benefits. In particular, they offer instant market presence and facilitate organizations to bypass the time-consuming process of crafting operations from scratch. Acquisitions can also grant access to valuable intangible assets, for example, patents, intellectual property, and technology (Gnagon, 2020). Moreover, organizations can profit from the acquired organizations' existing association with suppliers, clients, and local business partners.

Nevertheless, acquisitions also provide challenges. They demand careful devotion to the market position, financial health, and possible threats of the target organization. Cultural management and integration of human resources can be complicated, as organizations need to align company cultures and overcome possible resistance from the personnel. Acquisitions may also encounter regulatory scrutiny to ensure compliance with antitrust laws and protect market competition (Gnagon, 2020).

C. JOINT VENTURES

According to Shimizu et al., (2018), Joint ventures comprise cooperation between an organization and a domestic organization or between two or more foreign organizations to develop a new entity in the foreign market. In a joint venture, organizations pool their assets, resources, and proficiency to pursue mutual goals. Joint ventures can be established for various purposes, such as market entry, risk sharing, technology transfer, and knowledge exchange.

Joint ventures provide several advantages. They enable organizations to share investment risks, costs, and market knowledge. By partnering with a local company, foreign organizations can profit from the partner's comprehension of the local business climate, developed networks, and regulatory knowledge. Joint ventures also offer a chance for skill development, technology transfer, and knowledge sharing between the partnering entities (Shimizu et al., 2018).

Nonetheless, joint ventures also present challenges. Organizations need to cautiously choose their partners, considering components such as compatibility, shared goals, and complementary capabilities (Shimizu et al., 2018). Managing the decision-making process and addressing conflicts between partners can be sophisticated. Intellectual property protection, ownership rights, and the possibility of knowledge leakage are also pivotal considerations in joint ventures.

D. STRATEGIC ALLIANCES

Strategic alliances comprise cooperative pacts between companies in different countries for a specific purpose project, or venture. These strategic alliances can take distinct forms, such as R&D partnerships, marketing cooperation, or production-sharing agreements. Strategic alliances grant flexibility and allow companies to leverage each other's strengths while affirming their independence (Shimizu et al., 2018).

Strategic alliances provide several benefits. They enable organizations to access technologies, new markets, and distribution channels. By sharing resources, organizations can minimize costs, elevate effectiveness, and accelerate innovation (Shimizu et al., 2018). Strategic alliances offer equal chances for learning, knowledge exchange, and market growth without the need for a full-scale merger or acquisition.

Notwithstanding, strategic alliances also present challenges. Organizations need to establish clear roles, goals, and obligations in the alliance. Conflicting interests, cultural differences, and divergent management styles can lead to challenges in terms of cooperation. Safeguarding intellectual property and affirming fair sharing of benefits and risks are critical considerations in strategic alliances (Shimizu et al., 2018).

II.II.III. IMPACT OF FDI ON THE HOST ECONOMY

Shimizu et al., (2018), indicate that the implications of Foreign Direct Investment on the host economy is a subject of extensive research. Foreign Direct Investment can have positive implications on economic development, technology transfer, employment generation, export promotion, and infrastructure development. It can also spur innovation and competition in the host market. Nevertheless, the effects of Foreign Direct Investment may vary depending on elements such as the nature of the investment, the absorptive capability of the host nation, the level of technology transfer, the level of local linkages, and the efficiency of the institutional framework. Some research also discusses the possible negative implications of Foreign Direct Investment, such as the crowding-out of local firms, environmental concerns, and dependency on foreign capital.

II.III. CROSS-BORDER MERGER & ACQUISITION AND FDI IN BANGLADESH: A MACRO PERSPECTIVE OVERVIEW

According to Hasan (2021), the global economy has experienced a significant escalation in cross-border mergers and acquisitions and foreign direct investment activities. These events play a pivotal role in promoting globalization, and economic development, and facilitating the transfer of knowledge, technology, and capital across borders. This section offers a macro perspective on cross-border Merger & Acquisition and Foreign Direct Investment in Bangladesh, concentrating on the overview of the Bangladeshi economy, patterns in cross-border Mergers and acquisitions and Foreign Direct Investment, motivations for such investments, the impact on the economy, and the policy framework for encouraging these activities.

II.III.I. OVERVIEW OF THE BANGLADESHI ECONOMY

Bangladesh, situated in South Asia, has experienced substantial economic growth in the past decade. Bangladesh's economy is a noteworthy developing market, considered the second-largest economy in South Asia. In particular, it ranks as the 34th biggest economy internationally, and 25th biggest economy in terms of purchasing power parity. The nation is acclaimed by distinctive financial organizations as one of the Next Eleven, transitioning from a frontier market to an emerging market (Hasan, 2021). Bangladesh has membership in the and the World Trade Organization and South Asian Free Trade Area. Despite the obstacles presented by the international pandemic, Bangladesh accomplished an impressive Growth Domestic Product growth rate of 7.2% in the fiscal year 2021-2022, solidifying its position as one of the fastest-growing economies worldwide.

II.III.II. TRENDS IN CROSS-BORDER M&A AND FDI IN BANGLADESH

In the recent past, Bangladesh has arisen as an attractive destination for cross-border mergers & acquisitions and Foreign Direct Investment. The nation has experienced a surge in foreign investments, most notably, in industries such as telecommunications, manufacturing energy, and infrastructure. The inflow of Foreign Direct Investment has been reinforced by the government's efforts to enhance the investment atmosphere, simplify regulatory criteria, and provide incentives to foreign investors. Cross-border mergers and acquisition activities have also gained momentum, with both domestic and foreign organizations participating in mergers and acquisitions to expand their market presence and achieve strategic objectives (Hasan, 2021).

II.III.II. IMPACT OF CROSS-BORDER M&A AND FDI ON THE BANGLADESHI ECONOMY

Cross-border mergers and acquisitions and Foreign Direct Investment have had substantial implications on the Bangladeshi economy. First, these investments lead to employment creation, both indirectly and directly, by spurring economic activities and enhancing industrial growth. Second, foreign investments bring in technology, capital, and knowledge, facilitating the transfer of technological advancements and knowledge to domestic companies (Hasan, 2021). This transfer of know-how and technology promotes productivity, and product quality, and reinforces the competitiveness of local sectors. Furthermore, cross-border Mergers and acquisitions and Foreign Direct Investment assist in diversifying the economy, minimizing dependency on specific sectors, and promoting innovation and entrepreneurship. For instance, the acquisition of GlaxoSmithKline's Bangladesh company by Unilever has assisted in diversifying the Bangladeshi consumer goods industry. In particular, Unilever is a key player in a wide range of consumer goods categories, including food, beverages, and personal care products (Khan et al., 2021).

II.III.III. STATISTICS ON FDI AND M & A IN BANGLADESH

As of 2021, global foreign direct investment (FDI) was approximated to be around USD 1.58 trillion, implying a remarkable 64% rise from the unusually low levels observed in 2020. This recovery displayed strong momentum, propelled by a thriving merger and acquisition (M&A) landscape and exponential growth in global project finance. These developments were primarily related to favorable financing conditions and significant infrastructure stimulus packages. Nevertheless, the global business and cross-border investment landscape encountered a dramatic shift in 2022 (StanbicBank, 2022). The war in Ukraine, compounded by the persistent implication of the pandemic, has sparked a multifaceted crisis comprising fuel, food, and finance in many nations worldwide. The resulting uncertainty among investors has exerted substantial downward pressure on global FDI in 2022.

According to StanbicBank (2022), at the start of the first quarter of 2022, diverse indicators of new investment projects, comprising greenfield announcements, international project finance (IPF) deals, and cross-border mergers and acquisitions, have all started to decline. particularly, cross-border M&A sales dropped by 6%, and IPF values experienced a decline exceeding 30% throughout 2022. As highlighted in the 2022 World Investment Report by UNCTAD, Bangladesh observed a noteworthy escalation in foreign direct investment (FDI) inflows in 2021, marking a 12.9% escalation to achieve USD 2.89 billion, contrasted with the USD 2.56 billion documented in 2020. UNCTAD's estimations indicate that the total FDI stock in Bangladesh amounted to approximately USD 21.58 billion in 2021 (StanbicBank, 2022).

II.III.IV. POLICY FRAMEWORK FOR ENCOURAGING CROSS-BORDER MERGER & ACQUISITION AND FDI

Hasan, (2021) contends that the government of Bangladesh has deployed various policies and schemes to promote cross-border Merger and acquisition and FDI. These comprise developing a favorable investment atmosphere, streamlining regulatory criteria, offering fiscal incentives, developing special economic zones, and promoting public-private partnerships. The government has also focused on developing infrastructure, enhancing the ease of conducting business, and affirming skills development to capture foreign investors. Moreover, ongoing efforts to reinforce intellectual property rights protection, affirm political stability, and address infrastructure obstacles are pivotal for attracting sustained cross-border Mergers and acquisitions and FDI inflows.

III. CASE STUDY 1: ACQUISITION OF GRAMEENPHONE BY TELENOR

III.I. BACKGROUND

According to Gould (2020), the telecommunications industry in Bangladesh has observed noteworthy development and growth in recent years. One noteworthy case scenario in this industry is the acquisition of Grameenphone, the biggest mobile network operator in Bangladesh, by Telenor, a Norwegian telecommunications organization. This case study examines the background, motivations, impact, objectives, success factors, and challenges of this cross-border acquisition and merger (M&A) deal.

Grameenphone was founded in 1997 as a joint venture between Grameen Telecom Company, a non-profit organization, and Telenor. Over the years, Grameenphone has emerged as the leading telecommunications service provider in Bangladesh, providing mobile voice and data services to millions of subscribers across the nation (Gould, 2020).

III.II. MOTIVATIONS AND OBJECTIVES

Telenor's acquisition of Grameenphone was propelled by several objectives and motivations. First, Telenor targeted to expand its presence in the highly growing telecommunications marketplace in Bangladesh. With a population of over 160 million citizens and an escalating demand for mobile services, Bangladesh provided a promising opportunity for Telenor to tap into a new market and boost its customer base (Gould, 2020).

Furthermore, the acquisition enabled Eleanor to leverage Grameenphone's established brand recognition and market position in Bangladesh. Particularly, Grameenphone had already developed a good customer base and wide network coverage, making it a captivating target for Telenor (Gould, 2020). By acquiring Grameenphone, Telenor could profit from the current infrastructure, distribution channels, and client association to elevate its market penetration and gain a competitive edge.

Moreover, Telenor targeted to leverage its worldwide resources and expertise to reinforce Grameenphone's operational effectiveness, technological capacity, and service quality. The goal was to offer clients enhanced services and innovative digital solutions, thereby reinforcing Grameenphone's market position and increasing customer loyalty (Gould, 2020).

III.III. IMPACT ON THE TELECOMMUNICATIONS SECTOR AND THE ECONOMY

According to Gould (2020), the acquisition of Grameenphone by Telenor had a substantial impact on the telecommunications industry in Bangladesh and the overall economy. Particularly, the deal contributed to the foreign direct investment (FDI) into the industry, which in turn spurred the development and growth of the sector. Telenor's investment in Grameenphone facilitated the infusion of technology, capital, and managerial expertise, which spurred the expansion and improvement of telecommunications infrastructure and services. The acquisition also led to elevated competition within the telecommunications industry. Besides, Telenor's entry into the marketplace with the acquisition of Grameenphone sparked a competitive reaction from other telecom companies, leading to enhanced services, competitive pricing, and innovative offerings for customers. This competition benefited clients as they had a wider range of alternatives and improved service quality (Gould, 2020).

Furthermore, the merger and acquisition had a positive effect on the economy of Bangladesh. Grameenphone's operations produced employment opportunities across various divisions, from client service to technical roles. The growth and advancement of the telecommunications sector also created indirect employment opportunities in related industries, such as mobile handset manufacturing and value-added services. Additionally, the accelerating access to mobile services reinforced digital inclusion and economic empowerment. The accessibility of affordable and reliable mobile connectivity empowered the workforce and businesses, enabling them to access information, communicate, conduct financial transactions, and participate in the digital economy (Gould 2020).

III.IV. CASE STUDY 2: FDI IN THE READY-MADE GARMENTS INDUSTRY

III.IV.I. BACKGROUND

The ready-made garments (RMG) sector plays a pivotal role in the economy of Bangladesh. It is the biggest export industry, contributing substantially to employment generation and foreign exchange earnings. Over the years, the sector has attracted

significant foreign direct investment (FDI) because of a favorable investment atmosphere, low production costs, and an adequate supply of skilled and low-cost labor (Kar, 2020).

As per Kar (2020), foreign organizations investing in the RMG sector in Bangladesh have various objectives and motives. First, they target to leverage the nation's competitive advantage regarding low-cost production. The presence of a vast labor force facilitates foreign investors to attain economies of scale and reduce production costs. Furthermore, Bangladesh's duty-free access to key global markets, such as the European Union and the United States, offers a significant advantage for exporting garments.

Moreover, foreign investors are captivated by the potential for high profitability in the Ready-Made Garment sector. Bangladesh's advancing middle class and the escalating global demand for affordable clothing provide a lucrative market for Ready Made Garment products. By investing in the sector, foreign organizations can expand their market reach and increase their sales and revenue (Kar, 2020).

III.IV.II. IMPACT ON THE INDUSTRY AND THE ECONOMY

The influx of Foreign Direct Investment in the Ready-Made Garments sector has had a transformative implication on both the sector and the overall economy of Bangladesh. First, Foreign Direct Investment has played a pivotal role in modernizing the sector's infrastructure and technology. Foreign organizations bring in advanced equipment, machinery, and production techniques, which reinforce productivity and enhance the quality of garments generated. This technology transfer has assisted local manufacturers in upgrading their operations and competing at the global level (Kar, 2020).

FDI has also contributed to skill development in the Ready-Made Garment sector organizations frequently offer training programs to reinforce the skills of the local workforce, enhancing their productivity and efficiency (Kar, 2020). This, in turn, leads to higher wages and better working conditions for the workforce.

Furthermore, Foreign Direct Investment has created employment opportunities on a large scale. The Ready-Made Garment sector is a substantial employer in Bangladesh, mostly for women. The influx of foreign investment has culminated in the establishment of new factories and the expansion of current ones, leading to job creation and poverty reduction (Kar, 2020).

As regards the economy, Foreign Direct Investment in the Ready-Made Garments sector has contributed substantially to export earnings and foreign exchange reserves. Bangladesh's garments are exported to various nations globally, therefore, reinforcing the nation's trade balance and enhancing its position in the global market. The steady inflow of foreign exchange has assisted in stabilizing the economy and financing developmental initiatives.

IV. CONCLUSIONS

Overall, considering everything, the research paper highlighted the instrumental role these activities play in terms of technology transfer, economic development, employment generation, and overall industrial growth and development. The study examined the implications of cross-border Merger and acquisition and Foreign Direct Investment on the Bangladeshi economy, identified opportunities and challenges related to these investments, presented case scenarios of successful examples, and offered recommendations for policymaking investors, and companies interested in being involved in cross-border Merger & Acquisition and FDI in Bangladesh. The literature review explored the motivations, benefits, types, and risks of cross-border mergers and acquisitions and FDI, underscoring the significance of market-seeking, resource-seeking, efficiency-seeking, strategic asset-seeking, and knowledge-seeking motivations. The research paper infers that understanding the dynamics of cross-border Mergers and acquisitions and FDI in Bangladesh enriches the knowledge base and offers insights for decision-making and policy formulation to leverage the benefits of such investments in the country's sustainable development.

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