



ISSUE 9, JUNE 2022

BANGLADESH RISING

THE SUCCESS STORIES OF
BANGLADESH

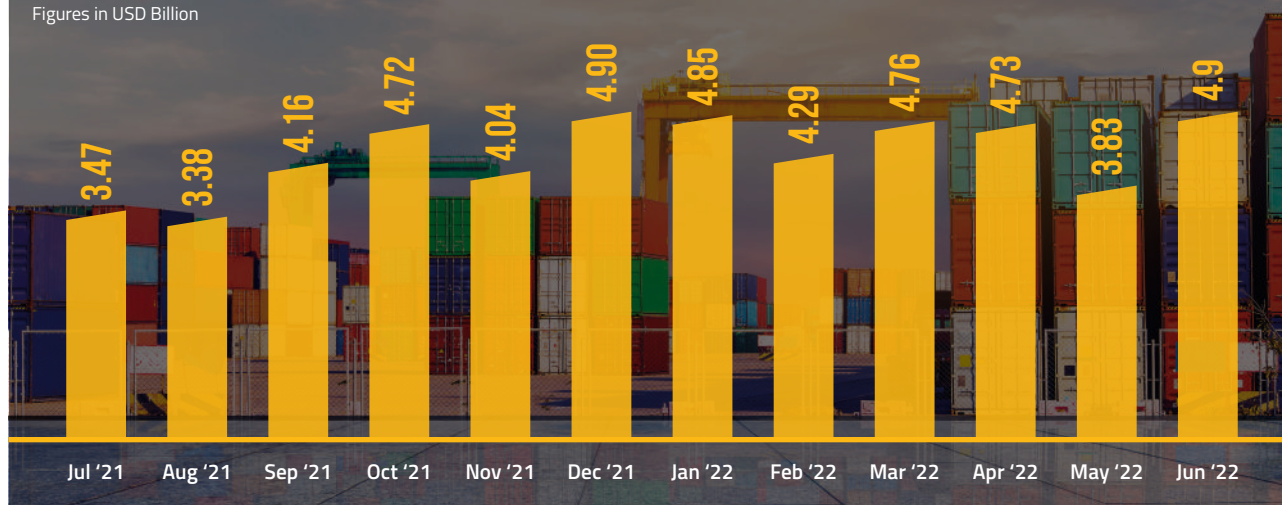




EXPORT CROSSES \$50 BILLION MARK IN FY 2021-22

MONTH-WISE EXPORT EARNINGS FOR FY 2021-22

Figures in USD Billion



Bangladesh has hit a landmark by crossing the \$50 billion mark for export. In FY 2021-22, exports brought home \$52.08 billion, registering a 34.38% year-on-year growth (\$38.75 billion in FY 2020-21). This is the first time in the country's history that export earnings crossed the milestone of \$50 billion, surpassing the target \$43.5 billion set for FY 2021-22. In June 2022 only, the shipment stood at \$4.908 billion, up 37.19% year-on-year, and the highest ever on record in a single month. The previous highest was registered in December 2021 when the

earnings stood at \$4.907 billion. Apparel sector continues to be the biggest earner with \$42.6 billion (35.47% growth year-on-year) followed by home textiles with \$1.62 billion (43.28% growth year-on-year) and agricultural products with \$1.16 billion (13.04% growth). Two more sectors crossed the billion-dollar export mark- leather and leather goods drew \$1.24 billion and jute & jute products fetched \$1.12 billion. Engineering products turned out to be a promising sector growing 50.4% and bagging \$795.63 million. Bed, kitchen and toilet lines and frozen fish

PRODUCT-WISE BREAKDOWN

NAME	FY 21-22	FY 20-21	GROWTH
RMG	\$42.61 B	\$31.45 B	+35.47%
Home Textiles	\$1.62 B	\$1.13 B	+43.28%
Leather & Leather goods	\$1.24 B	\$941.67 M	+32.23%
Agricultural products	\$1.16 B	\$1.02 B	+13.04%
Jute and Jute goods	\$1.12 B	\$1.16 B	-2.91%
Engineering products	\$795.63 M	\$529 M	+50.4%
Bed, Kitchen & Toilet lines	\$576.95 M	\$521.36 M	+10.67%
Frozen and Live Fish	\$532.94 M	\$477.37 M	+11.64%
Total	\$52.08 B	\$38.75 B	+34.38%

and live fish- both hold good promises. These two sectors brought home more than half a billion each. When the whole world has been struggling due to COVID19 fallouts and political developments in Europe, Bangladesh's steady progress has been made possible by the visionary leadership of the Prime Minister Sheikh Hasina, her astute and far-sighted policy guidance, all out support from the government functionaries and commitment and dedication of Bangladesh entrepreneurs supported by hard-working and resilient people of Bangladesh. Analysis of the recent trends indicate that while apparel sector

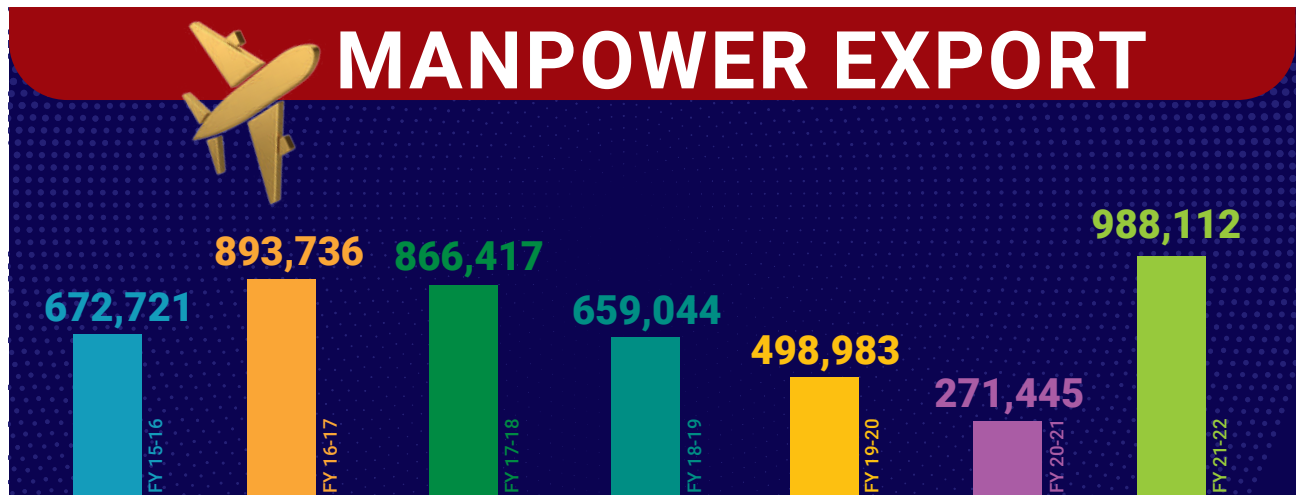
continues to dominate the export sectors, product diversification is also taking place (raked in more than \$8 billion) and efforts are underway to expand the export market and take the industry to a sustainable position. Attention is also being given on how to further increase domestically value-added exports or net exports. Exporters have targeted \$100 billion by 2030 for which a greater emphasis on productivity, skill-driven competitiveness, signing preferential trade agreements, export basket diversification, and market diversification are necessary.







OVERSEAS JOB MARKET GROWING FOR BANGLADESH



In FY 2021-22, almost a million Bangladesh nationals went overseas with jobs indicating a good demand for Bangladeshi workers amid post-pandemic rebound of overseas job market. The number is the highest in the last 7 years. According to BMET, a total of 988112 workers have gone abroad with jobs in FY 2021-22 against a set target of 400000 persons. Saudi Arabia took the biggest share of overseas workers (63% with 385595 workers) followed by Oman (83764), UAE (65351) and Singapore (29093). Bangladeshi workers have gone to 20 countries. The outflow of workers is expected to increase in FY 2022-23 with Malaysia set to resume hiring manpower from Bangladesh. At the moment,

the target is to send 0.7 million workers abroad and it may go up to 1.4 million if Malaysian hiring resumes. Overseas workers have been an important pivot for the economy of Bangladesh, sending huge amount of remittances every month. Migrant workers sent home over \$21.03 billion in FY 2021-22. They also sent more than \$24.77 billion in FY 2020-21. The government is working to ensure a higher number of skilled labour migration through training them up in different trades in the technical training centres. Since 1976, more than 13 million Bangladeshi nationals found jobs overseas, mostly in the Middle-Eastern countries but not limited to those.

1 million people went overseas with jobs in FY 20-21



Number **highest in 7 years**

Saudi Arabia - biggest destination



Oman, UAE, Singapore promising destinations

Overseas workers **an important pivot** for Bangladesh's economy



Sent **\$21.03 billion** in FY 2021-22



HOME TEXTILE SECTOR BECOMING BIG FOREIGN CURRENCY EARNER

Home textile items brought home \$1.62 billion in FY 2021-22 posting an impressive 43.28% year-on-year growth and in the process becoming the second biggest foreign currency earner. The demand for home textiles is increasing, especially because consumers in the international markets are giving importance to changing home décor more frequently and are looking out for new and innovative products to innovate their homes and offices. Bangladeshi made bed-sheets, pillow covers, curtains and cushion covers were in good demand during the last fiscal year with most of the products going to Europe, Canada, the United Kingdom, Japan and Australia. Bangladesh is also one of the global competitors in towel production with increasing exports. The country also produces different types of Terry towel which are available in a wide range including face towels, hand towels, assorted colour bath towels, golf towels, bathrobe towels etc. Towels account for

40% of total exports and bedding around 50%. Some of the major importing companies of home textile products from Bangladesh include IKEA, Carrefour, Asda, Littlewood, Maurice Phillips, Wal-Mart, and Redcats. Offering competitive prices due to inexpensive labour and on-time delivery work for Bangladesh. These pushed exports as cost has increased in China, once the dominant source of home textile products. Political uncertainty in some other source countries have also encouraged buyers to place orders in Bangladesh. There is a huge scope for tapping the global home textile market as Bangladesh currently holds only 7% of it. The global market size of home textiles is currently more than \$104 billion. By 2025, it could be \$133 billion. The textile companies in the region are focusing on restructuring their businesses, developing effective work processes, and investing in niche products.





PROMISING LIGHT ENGINEERING SECTOR CAN GROW BIGGER

KEY FACTS



Global light engineering market
\$7 TRILLION



Factories in Bangladesh
50,000



Total employment
0.8 - 1.0 MILLION



Bangladesh's share
LESS THAN 1%



Total investment
\$15 BILLION



Contribution to GDP
2.5%

LIGHT ENGINEERING INDUSTRY

MAJOR PRODUCTS



Machines made for

- Agriculture ▪ Textile ▪ Jute mills
- Construction ▪ Bakery ▪ Paper mills
- Animal husbandry ▪ Automobile sectors



Metal furniture

LIGHT ENGINEERING



COULD CREATE
5 MILLION JOBS



MAY BECOME
LARGEST EXPORT SECTOR



HAS POTENTIAL TO GROW
3-4 TIMES THE CURRENT SIZE

Light engineering industry in Bangladesh holds great promises and may become a major sector for earning foreign currency by grabbing a big share of the global market, which is \$7 trillion right now. Bangladesh currently chips in with less than 1% share of the international light engineering market. The local industry boasts 50000+ light engineering factories which produce most of the machinery for the agricultural sector, marine, mould and dye, textile, jute mills, tea garden and mills, construction industry, bakery industry, metal furniture, paper mills, animal husbandry industry, automobile industry, and also for

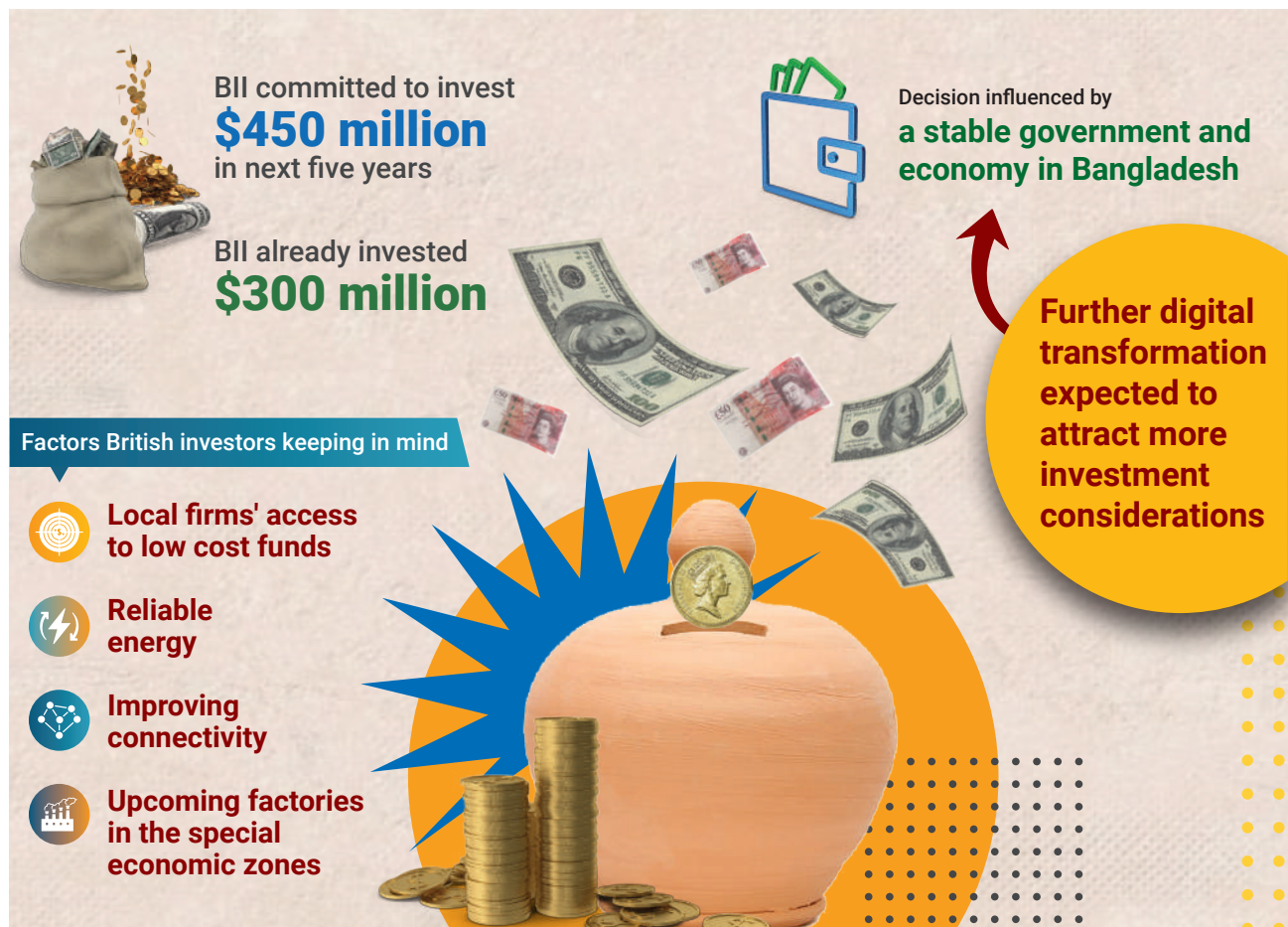
people's everyday life. The sector, which has a cumulative investment of about \$ 15 billion, has generated employment for 0.8-1.0 million people in Bangladesh. The sector is continuously growing because of rising demand but can grow several times bigger with some policy support, establishment of a dedicated industrial park and expansion of technical education to get efficient personnel to drive ahead the sector. If the potentials are realized, this sector may contribute more than 10% to GDP and will generate employment of about 5 million people.



BANGLADESH CONSIDERED AN IMPORTANT DESTINATION FOR BRITISH INVESTMENT

British investors consider Bangladesh an important destination and this has led the British International Investment (BII), formerly known as the Commonwealth Development Corporation to commit \$450 million to invest in Bangladesh's private sector in the next 5 years. A stable government and stable economy in Bangladesh have been instrumental in such decision, stated Nick O'Donohoe, Chief Executive Officer of the UK government's Development Financing Institution (DFI). BII has already pumped in nearly \$300 million in the private sector of Bangladesh. In line with the British government's commitment to climate finance, DFI puts green financing at the top spot, committing nearly one-third of its fund and BII would fulfil its climate commitment through investing in green factories

and projects. Infrastructure, manufacturing, healthcare, technology and financial sectors are the major areas of BII's interest, while it keeps green transformation, digital transformation, job creation, import substitution and trade facilitation in mind during investment. Further digital transformation in Bangladesh is expected to attract more investment opportunities by BII. Local firms' access to low cost funds, reliable energy, improving connectivity and the upcoming factories in the special economic zones are the areas British investors keeping in mind. BII, headquartered in London, is the oldest development finance organisation. It tends to promote countries where it invests its funds and commercial investors also follow, because of the investment criteria and due diligence BII follows.





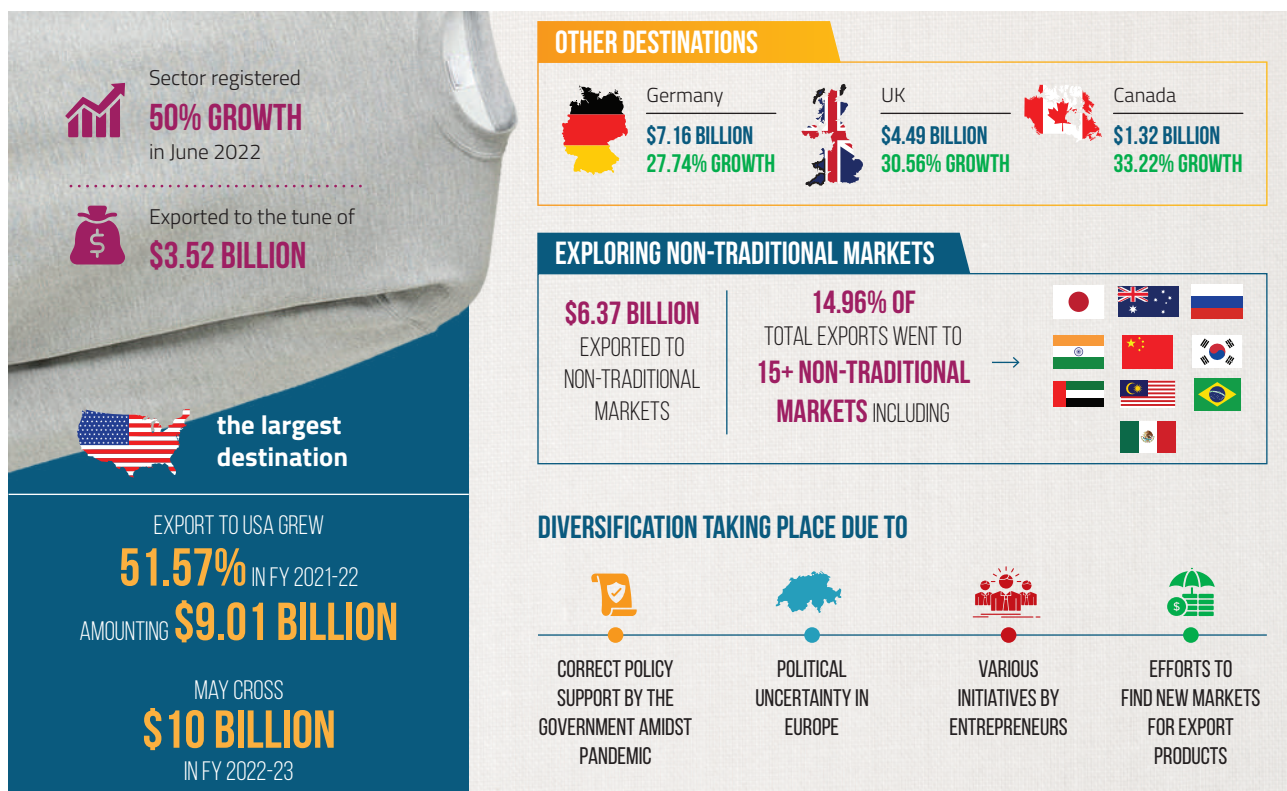
APPAREL EXPORTS SEE 50% GROWTH IN JUNE: EXPLORING NON-TRADITIONAL MARKETS AS WELL



Bangladesh's apparel exports registered a nearly 50% growth compared to last year – amounting to \$3.52 billion, shrugging off the 40-year high record inflation in the United States and European countries prompted by the Russia-Ukraine war. In July-May of FY 21-22, readymade garment shipment saw about 35% growth to \$38.52 billion compared to the same period last year, according to EPB. Apparel exports saw a healthy growth even during the war, as huge orders were booked with the trend expected to continue in the next two months. Garment exports to Bangladesh's single largest destination, the USA, grew by 51.57% to \$9.01 billion in the just concluded fiscal year. Germany remained the second largest export destination, taking in products worth \$7.16 billion, registering a 27.74% year-on-year growth. Shipment to the EU rose by 33.87% year-on-year to \$21.04 billion. Export to the UK increased by 30.56% year-on-year to \$4.49 billion and to Canada by 33.22% to \$1.32 billion. Exporters believe that

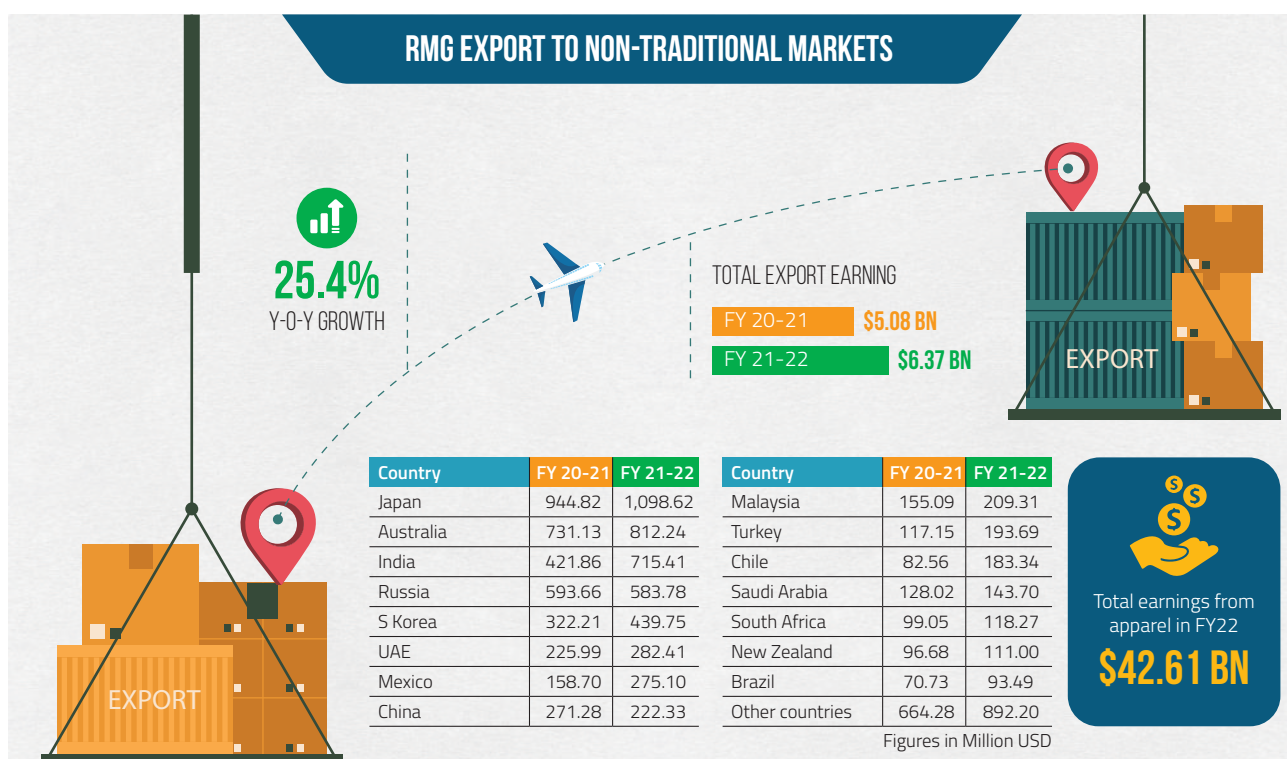
exports to the USA may cross \$10 billion in FY 2022-23 as shipment to the US market is still good despite the region is in the risk of being hit by inflation in near future. The EU markets are also showing very positive signs.

Bangladeshi exporters have been tapping into non-traditional markets as well. In FY 2021-22, Bangladesh exported \$ 6.37 billion to non-traditional markets, which is 25.4% growth year-on-year (\$5.08 billion in FY 2020-21). USA, Canada, EU and UK are the traditional markets of Bangladesh apparel exports. However, countries outside these traditional markets have helped the growth of Bangladeshi exports quite handsomely. Bangladeshi exporters have sent 14.96% of the total exports to 15+ non-traditional markets, which include Japan, Australia, Russia, India, China, South Korea, UAE, Malaysia, Brazil and Mexico. In the just concluded FY, the biggest shipment among the non-traditional markets was to Japan (\$1.09 billion- a 16.28% growth compared to FY 2020-21) followed by Australia



(\$812.24 million), India (\$715.41 million), Russia (\$583.78 million) and South Korea (\$439.75 million). This has happened due to correct policy support by the government amidst pandemic and political uncertainty in

Europe, various initiatives by entrepreneurs and effort to find new markets for export products. The exporters would like to tap in the promising East Asian and Middle Eastern markets.







SOUTH-WESTERN PART OF BANGLADESH LOOKING AT TRANSFORMATION THROUGH 17 ECONOMIC ZONES

With the opening of the much-awaited Padma Bridge, the government has taken the initiative to set up 17 economic zones in the south-western districts of Bangladesh aimed at industrial revolution in that part with a view to acceleration of economic growth. The road connectivity established through inauguration of the Padma Bridge will attract investment in the industrial sector and create thousands of jobs in this part of Bangladesh accommodating 21 districts. Mongla Economic Zone (MEZ) is being developed on 205 acres of land near Mongla Port. Another economic zone near MEZ is being developed on 105 acres of land. Shariatpur will have two economic zones- one in Jajira Upazila (525 acres) and the other in Goshairhat Upzaila (686 acres). Madaripur will get one economic zone in Rajoir Upazila on 1125 acres of land. Faridpur Sadar Upazila is going to get 888 acres economic zone while Gopalganj is expected to have an economic

zone in Kotalipara on 200 acres of land. Khulna's Botighata and Terokhada are expected to have one economic zone each. The work to perform the feasibility study to construct an economic zone in Sreepur Upazila under Magura and another in Satkhira Sadar Upazila has been initiated. The feasibility study for setting up an economic zone at Agailjhara in Barishal has been completed and the proposal of developing an economic zone in Hizla of the district has been approved. An economic zone in Bhola's Sadar Upazila has been planned and Kushtia's Bheramara will get an economic zone on 382 acres of land. As the south-western part of Bangladesh is an agriculture hub, entrepreneurs can make immediate investment in the agriculture sector. In addition, IT sector and logistics sectors will be very promising there due to geographical proximity to India making it easy to export products and services.

17 ECONOMIC ZONES TO BE SET UP IN THE SOUTH-WESTERN DISTRICTS



Road connectivity established through Padma Bridge will attract investment in the industrial sector and create thousands of jobs



Industrial growth and acceleration of economic growth will take place in 21 south-western districts



Agri-sector ready for investment



Promising **IT sector** and **Logistics sector**





FURNITURE EXPORTS HIT DECADE HIGH

In FY 2021-22, Bangladesh exported \$110.36 million worth of furniture- the highest in a decade. This demand for 'Made in Bangladesh' furniture is due to improved product quality, design diversification, manpower availability and affordable wages in the industry. In addition, the growing tendency of importing countries to not rely on a single source for any given product is also a factor in the growth of demand. Furthermore, government's policy support in the form of cash incentives on outbound shipments has also helped this sector grow more. This has resulted the sector in 251% growth compared to the earnings of FY 2012-2013, when outbound shipments fetched a total of \$31.41 million.

Bangladesh currently exports furniture to India, the US, Japan, Spain, South Korea, Canada, Norway, France, Saudi Arabia, Qatar and the UK. Bangladesh Furniture Exporters Association (BFEA) has 17 members including major player like Otobi, Akhtar Furnishers, Hatil Furniture, Brothers Furniture, Partex Furniture and Navana Furniture. Industry experts believe that getting bonded warehouse facilities will double the export volume. The industry will also need greater skilled manpower for research and development, lesser dependency on imported raw materials and access to low interest bank loans. They also feel the need for establishing a separate economic zone for furniture makers.





EXPLORING THE HIDDEN GEMS OF BANGLADESH: RATARGUL SWAMP FOREST

Ratargul Swamp Forest is a freshwater swamp forest located in Gowain River, Fatehpur Union, Gowainghat in Sylhet. The forest's name comes from the word, "Rata" or "Pati" tree, used by the locals of Sylhet. It is the only swamp forest located in Bangladesh and one of the few freshwater swamp forests in

the world. Ratargul is known as "Sundarban of Sylhet". The beauty of this forest is fully bloomed in the rainy season, but never dull at other times. Its area is 3 325.61 acres including 504 acres declared as the animal sanctuary in 2015. Most of the trees growing here are the *Millettia pinnata*.



LOCATED IN
GOWAINGHAT
IN SYLHET



ONLY
SWAMP FOREST
IN BANGLADESH



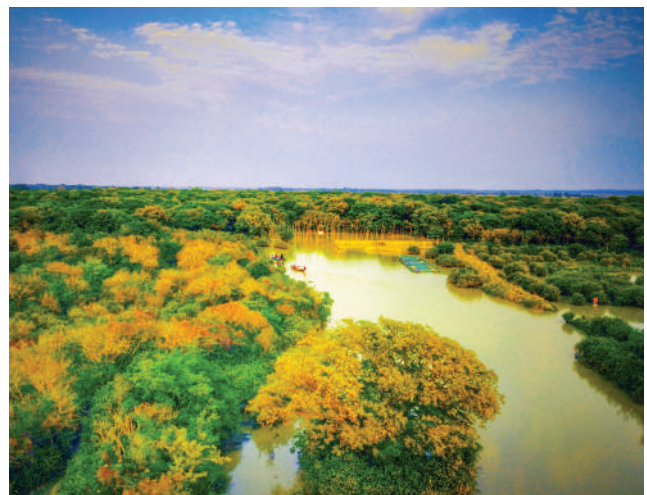
KNOWN AS
SUNDARBAN
OF SYLHET



SPREAD OVER
3325.61
ACRES



504 ACRES
AS ANIMAL
SANCTUARY





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