

ISSUE 6, MARCH 2022

BANGLADESH RISING

The Success Stories
of Bangladesh

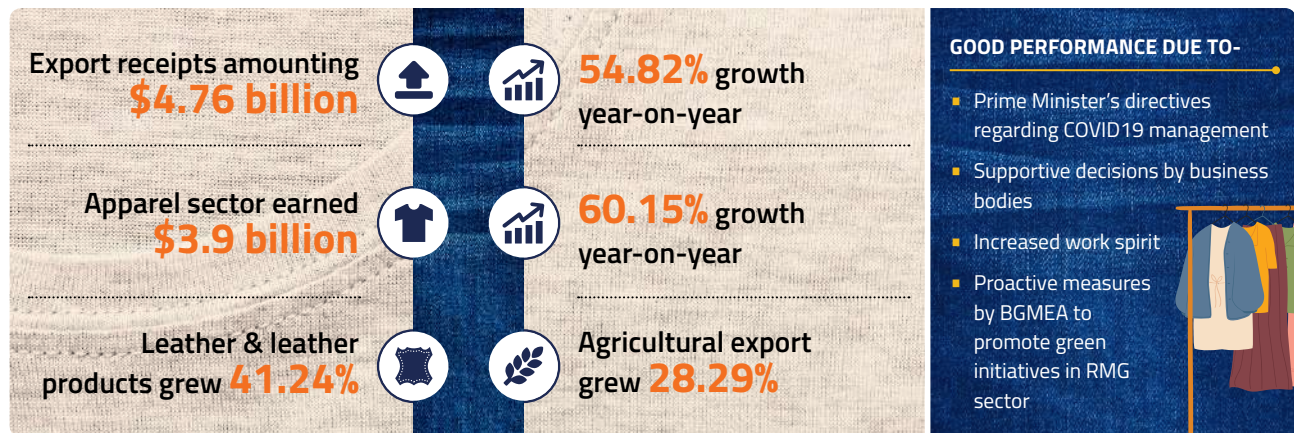
MADE IN
BANGLADESH



Export surges pumped up by big RMG push

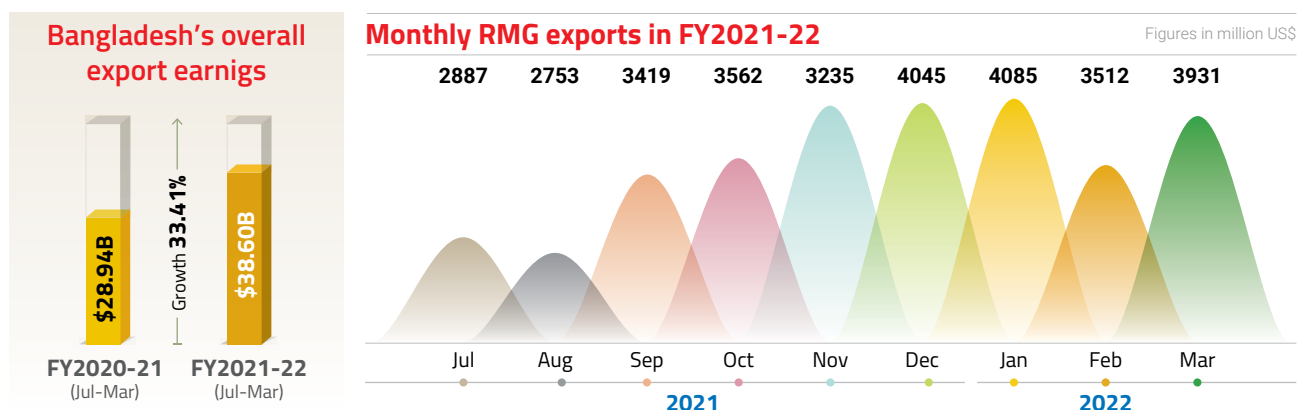
Bangladesh has surpassed the export target set for March 2022 by a big margin and remained on a growth trajectory. Against the set target \$3.54 billion, Bangladesh's export receipts amount to \$4.76 billion registering a 54.82% year-on-year growth (\$3.07 billion in March 2021). The major contributor is again apparel shipment which fetched \$3.9 billion, a huge 60.15% jump year-on-year due mainly to increased shipment to the

US and the EU. Knitwear collected \$2.05 billion whereas woven items brought home \$1.88 billion. Apart from RMG, agricultural export grew 28.29% to \$105.26 million and leather & leather products grew 41.24% to \$111.82 million. Fish & frozen foods, pharmaceuticals and plastic products also experienced year-on-year growth. Majority of the sectors performed well during the current fiscal year. The collective effort by



stakeholders is paying dividends. Hon'ble Prime Minister's directives in COVID19 management was supplemented by the decisions of business bodies, which infused increased work spirit in the workers and kept the momentum going. Proactive measures by BGMEA to promote green initiatives in the RMG sector and best practices are also attracting new buyers to Bangladesh. Local developments in competing countries like internal problems in Myanmar and Ethiopia & financial turmoil in Sri Lanka have also helped

push orders towards Bangladesh due to a very stable environment here. Total export earnings during July-March period of current FY surged 33.4% year-on-year to \$38.6 billion, which was \$28.93 billion during the same period a year ago. The apparel sector has been fetching \$3.5 billion and above in the past five months. Despite some setback in the Russian market due to the ongoing conflict, exporters are improvising to make up for this more than half a billion market by shipping goods to other countries.





Foreign exchange reserves crosses \$44 billion

Bangladesh's forex reserves rose to \$44.30 billion in March 2022 owing to strong export growth and higher remittance inflow. In the first nine months of the current FY, Bangladesh received remittances amounting to \$15.29 billion. Remittance inflow increased by 24.45% in March compared to February. In March alone, migrants sent \$1.86 billion to home- the highest in past eight months and this growth pattern is expected to continue in April and May as well due to Ramadan and Eid as expatriates usually

send more to their family and relatives during this time of the year. The recent government decision to provide 2.5% cash incentives on remittances sent through banking channel raising from existing 2% has also encouraged expatriates to send more money to Bangladesh. Moreover, gradual normalization of migration following waning of COVID19 has also pushed up the remittance inflow. Remittance target for FY 2021-22 is \$26 billion and by March, about 58% of the target has been met.



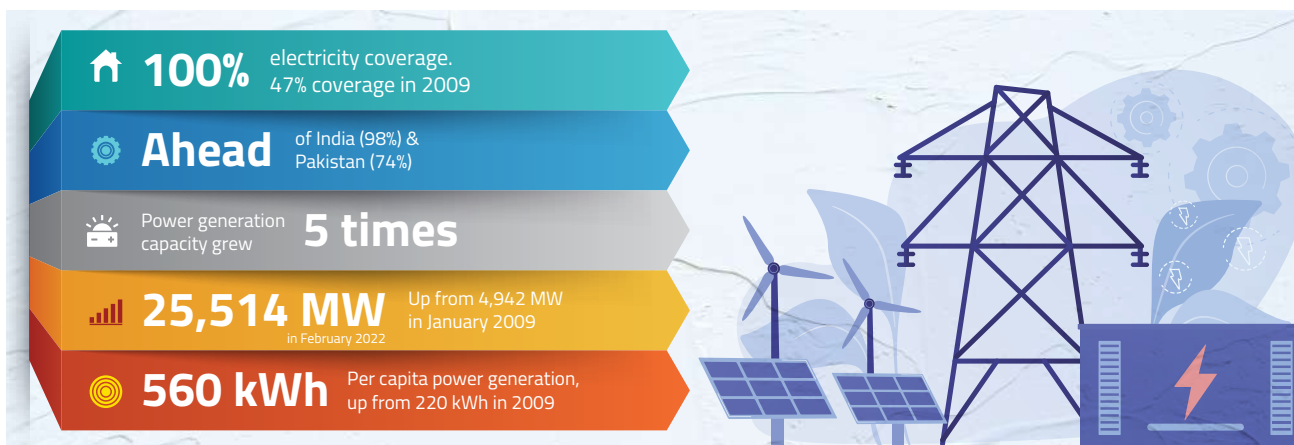


■ Bangladesh achieves 100% electricity coverage with the launching of the largest thermal power plant

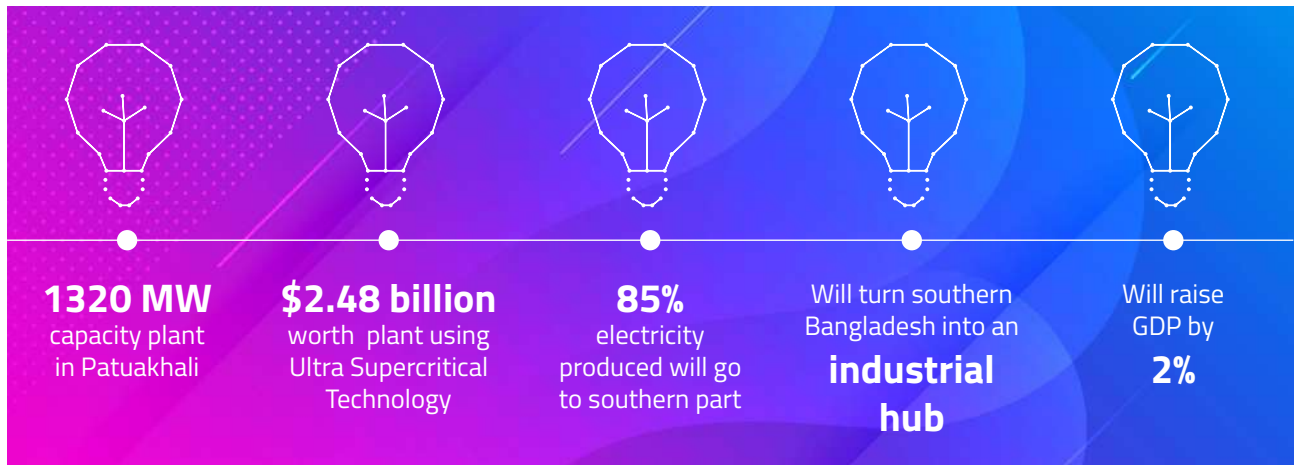


Bangladesh has achieved a milestone by ensuring 100% electricity coverage for her people. While inaugurating 1320 MW Payra Thermal Power Plant in Patuakhali-the largest of its kind- on 21 March 2022, Prime Minister Sheikh Hasina announced, “Every house of the country now has access to electricity.” It’s a giant leap for Bangladesh and remarkable achievement of the current government that propelled electricity coverage to 100% from a mere 47% in 2009 through continuous development of the power

sector. The country has now electricity coverage in every area either by national grid or the solar home system. Bangladesh has now moved ahead of India and Pakistan, which have brought 98% and 74% of their respective population under electricity network. The power generation capacity has risen five-folds to 25,514 MW in February 2022 from 4,942 MW in January 2009. Per capita power generation is up from 220 kWh to 560 kWh and distribution losses of electricity have been cut by 5.85%.

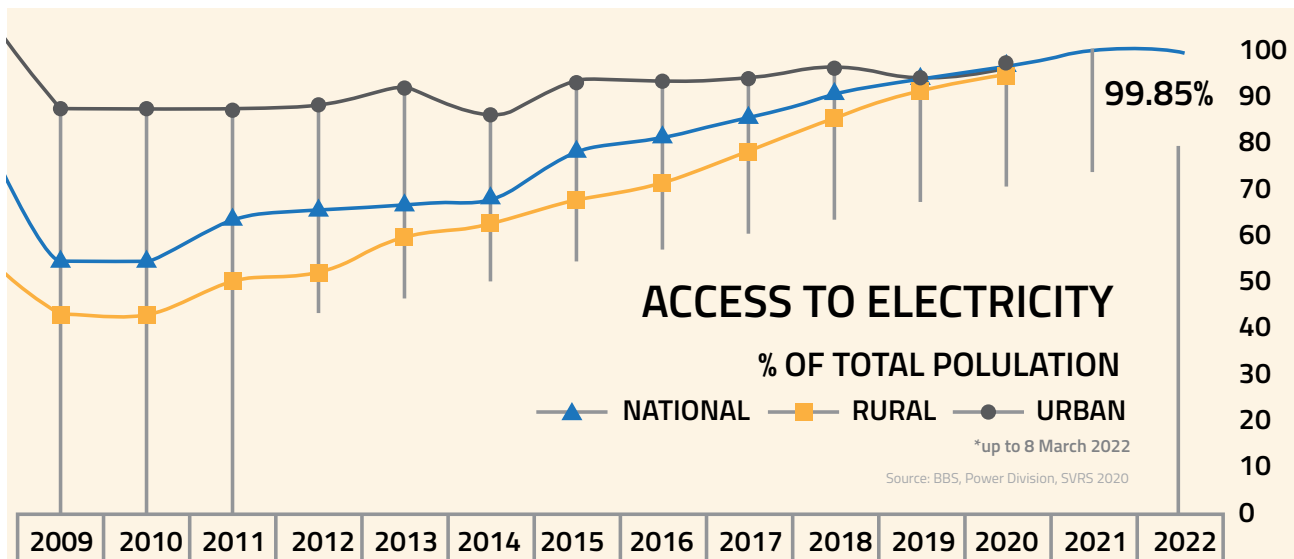


PAYRA THERMAL POWER PLANT



The \$2.48 billion coal-fired power plant built on 1000 acres of land using Ultra Supercritical Technology aimed at protecting the environment is the 13th in the world and 7th in South Asia. Apart from the newly inaugurated plant, construction work of another power plant is underway, which is expected to be completed by 2024. Up to 85% of the plant's electricity will

be supplied to the southern part of the country, particularly Barisal and Khulna, in order to turn them into industrial hubs which will eventually raise GDP by 2%. A special economic zone, rail link, and four-lane highway from Payra to Vanga and Faridpur via the Padma Bridge are in the government's plans.



Electricity emerged as a game-changer in rural life and economy. The government's prudent decisions and prompt actions for fast expansion of rural electrification coverage has already started giving dividends. Villages are a completely changed place now in terms of lifestyle and rural economy. Electricity coverage has made life faster & easier, spurred economic activities that have increased incomes, reduced poverty and created jobs & entrepreneurs. Over the past decade, Bangladesh's production of food grains, fish, meat, eggs, milk, fruits and vegetables has multiplied, thanks to huge electrification drives. Domestic cable market has grown six-folds from BDT 20 billion to BDT 120 billion; 120+ companies invested heavily; and 50000+ jobs have been created in the sector. Domestic market of electrical products also grew five-folds, which also spurred the growth of manufacturing units and retail shops again

creating jobs and entrepreneurs to the tune of 0.5 million-mostly from the villages. Increased demand eventually pushed down prices of electrical and electronic home appliances, attracted large scale investments and gave business to support services. At least 14 local and foreign brands have stepped up with investments in the industry and created five lakh direct and indirect jobs.

Achivements in 13 Years

2009	Particulars	2022
27	Power plants	150
4,942	Generation capacity (in MW)	25,514
3,268	Highest generation (in MW)	13,792
8,000	Total transmission lines (in km)	13,213
47	Population with access to power (in %)	100
220	Per capita generation (in kilowatt-hour)	560

Electricity: a game changer in rural lifestyle and economy



Made life faster & easier



Spurred economic activities



Increased incomes & reduced poverty



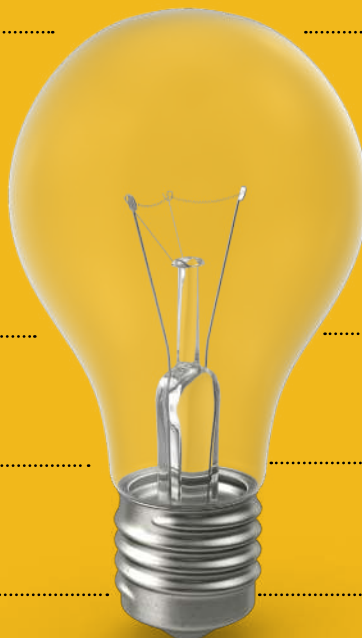
Created jobs & entrepreneurs

Production of food grains, fish, meat, eggs, milk, fruits, vegetables multiplied

Domestic cable market grew six-folds

Domestic market of electrical products grew five-folds

Many manufacturing units and retails shops emerged



Increased demand lowered prices of electrical and electronic home appliances

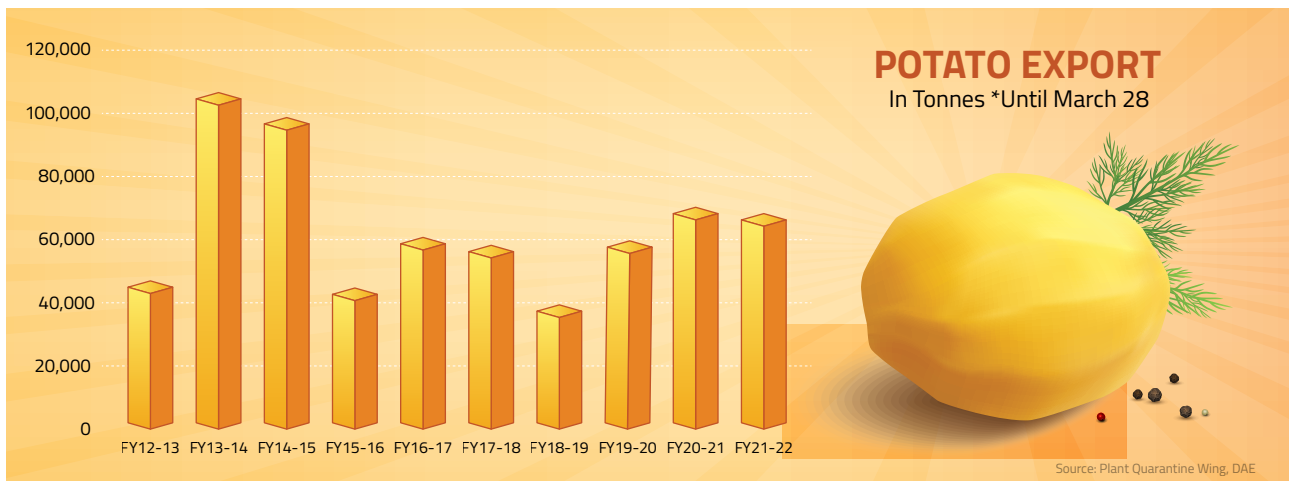
Large scale investments came in

Support services businesses grew

1 million employment generated



Promising trend in potato export



Potato export from Bangladesh is experiencing a steady growth for the last two years. Potato shipments in first nine months of current FY indicate that export will easily cross the total of last fiscal year. 63320 tonnes of potato were shipped in nine months, just 1500 tonnes shy of last year's total export, according to Department of Agricultural Extension. Industry insiders said that local exporters are able to supply potato at more competitive prices than Pakistan and China.

4.77 lakh hectares of land are used for potato cultivation that is expected to yield about 1 crore tonnes. Bangladeshi potatoes go to mainly

Malaysia, Singapore, Sri Lanka, UAE and Saudi Arabia. Nepal also imported 15000 tonnes of potato during the current FY. Bangladesh is currently the seventh biggest potato producer in the world and there is enough potential to turn the product into an important export product. The government has already taken a positive step in this regard by removing restriction on introduction of new varieties of potato seeds, and their production and marketing for three years, which helped the growers introduce some new varieties. The number of exportable variety needs to be increased in order to see desired result.

Bangladesh is the
7th largest potato producer

Potatoes go to
Malaysia, Singapore, Sri Lanka, UAE and Saudi Arabia

Exported **63320 tonnes** in
9 months of FY 21-22

About **65000 tonnes**
exported in FY 20-21



■ Youngone will invest half a billion dollars in textiles and IT

YOUNGONE

Encouraged by the potentials, South Korea's Youngone Corporation is planning to invest up to half a billion dollars at the Korean Export Processing Zone (KEPZ) in the textiles and IT sector in the next few years. The state of the art 100-acres hi-tech park Youngone is going to set up will generate employment for 20000-30000 people and will accommodate a number of software development facilities, high-rise IT buildings, educational institutions and a community complex with serviced apartment. The hi-tech park will provide support in the form of education, technical training and human resource development.

Youngone also plans to expand its activities in the textiles sector. It already boasts 40 state of

the art green factories and has taken up plans to build 35 more factories. KEPZ is working to set up a textiles hub to produce and supply high quality man-made fibre (MMF) that will assist local apparel makers to locally source the fibre. Located in Anwara, the KEPZ is the biggest private EPZ in Bangladesh. Its progress has picked up in the last few years supported by the government. Youngone has grown on the principle of quick delivery of high-quality products from a company with good image. Hence, it is always striving to improve the image of Bangladeshi products in different ways. Youngone's annual turnover is \$3 billion, including its \$500 million North Face Korea business (Youngone holds the rights to run North Face in Korea). One-third of this revenue comes from Bangladesh while the rest from its operations in Vietnam and other countries.

KEPZ BY THE NUMBERS



40 FACTORIES
FULLY EQUIPPED WITH ETPS

ALLOCATED
FOR INDUSTRIES
48%



OVER **26,000**
EMPLOYEES



FEMALE **75%**



\$233 MILLION
KEPZ EXPORTS IN 2021

Area
2,500 ACRES

RESERVED
FOR ENVIRONMENT
52%

KEPZ'S ENVIRONMENT

2.5 MILLION
TREES, 400 SPECIES



137
BIRDS SPECIES



87
MAMMALS



WATER BODIES ON
138 ACRES
RETAIN 500M GALLONS OF
RAINWATER ANNUALLY



Will invest
\$500 Million
in IT and RMG
sectors

100-acre
state of the art
hi-tech park to be
established

Employment
of up to **30000**
people will be
generated

Textile hub
to be set up for
producing and
supplying man-
made fibre

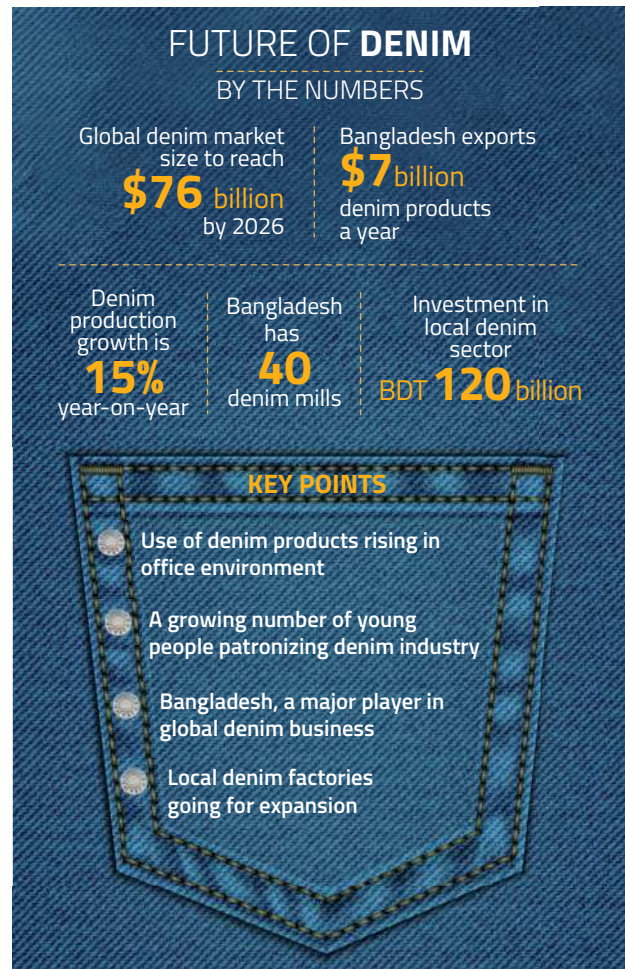
\$3 Billion
Youngone's
annual turnover



■ Denim export- the business to look out for in future

The global denim market has taken a big leap and will continue to grow big. The market size will be \$76.1 billion by 2026, up from \$57.3 billion in 2020. Denim sales grew 10% in 2021 and it rose to 27% in January 2022 year-on-year. Global market is estimated at \$64.5 billion for 2022. The market in the US is estimated at \$15.8 billion this year, holding 24.6% share in the global market. Chinese market will be as big as \$15.5 billion in 2026. Casualization of workplace movement led by young executives has made jeans a commonplace in work environment and it has powered the denim market. Bangladesh is correctly poised to tap this opportunity of the fast-growing global denim market. The country is already a top denim products supplier in the US and European markets. One in every three denim items sold in Europe is made in Bangladesh. Now, Bangladeshi denim makers seek a bigger role in denim jeans production. 40 denim mills are producing 28 million meters of denim fabrics per month in Bangladesh. It is already 40% more than what they produced five years before. Envoy Textiles is a big player in this field producing 4.42 million meters of denim fabrics a month. Amber denim produces about 4 million meters of denim fabric a month. A local denim expert called denim the future of business for Bangladesh. Export of denim products grew

6 times in 7 years, from \$1 billion in FY 2013-14 to \$7 billion in 2020-21. Denim miller have also brought a lot of product variation to meet the demands of international retailers and brands.





■ Massive growth of mobile manufacturing industry in Bangladesh

In a matter of few years, Bangladesh has turned herself into a mobile phone manufacturing hub, completely reversing the picture of being an import-dependent country. With the growth of digital technology spurred by Prime Minister Sheikh Hasina's vision of 'Digital Bangladesh' supported by rapid economic development, mobile phones have become a necessity for the people, which led to a huge demand for phones for a potential market of 180 million people. Based on this massive demand, a huge market worth many millions of dollars has built up that not only caters the demand for phones

in the form of production, sales and after-sales services but also created an astronomically huge market for mobile-based services including financial transaction platforms. These services have completely turned around the lifestyle of millions of people, a large majority in the rural areas, in a positive direction.

Industry experts believe that over BDT 150 billion worth of handsets are sold in Bangladesh annually. This huge market led more than a dozen companies to invest BDT 50 billion+ in manufacturing mobile phones and the

LOCALIZATION OF MOBILE MANUFACTURING


Companies
12


Investment
BDT 50 Billion+


Job creation
100,000

Leading foreign companies that set up factories in Bangladesh

SAMSUNG

NOKIA

vivo

 **xiaomi**

oppo

Local Giants

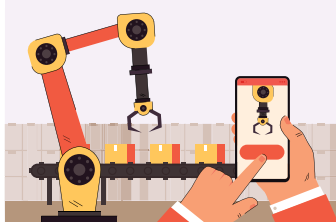

WALTON

SYMPHONY

● In 1990-2021, mobile phone users globally increased from
12.4 Million to 7 Billion

● Mobile phones introduced in Bangladesh in April 1993

● Handset worth over
BDT 150 billion sold yearly



production units have a cumulative capacity of producing 40 million+ units annually. About 100000 people have been employed in this sector. More companies are waiting in the wings to go into production. Global giants like Samsung, Nokia, Vivo, Xiaomi, Lava and Oppo have set up factories in Bangladesh and supply more than 90% of the market demand. Local giant Walton has shown the way for other big local companies like Symphony, Pran-RFL Group, Fair Electronic and Edison to venture into this. Walton-the pioneering brand in local mobile manufacturing industry- started its journey in 2017 and invested more than BDT 10 billion in setting up its factories. Walton has now the capacity to produce 7 million+ units of phone sets including 1.2 million units of smartphones. The company is now exporting mobile sets to a number of countries including the United States. Symphony followed Walton's footsteps.

It is now producing 0.5 million units of phones per month and has recently started exporting to Nepal. Techno is assembling handsets of global brand TRANSSION Holdings, which has 45% market share in 6 major African countries. Samsung set up its assembling factory in 2018 and invested BDT 10 billion aiming to produce 6 million units annually. Vivo set up its plant in July 2019 in Narayanganj and it is their 5th global manufacturing plant. This will produce 1 million smartphones per year. A few months later in the same year, global smartphone brand Oppo launched its manufacturing plant in Gazipur- its 10th global manufacturing plant with the target to assemble 1 million units of smartphones per year. Government's prudent policy to discourage phone set imports and give local manufacturing a boost has helped the growth of this industry in Bangladesh and both investors and common people are reaping the benefits.







Cumilla Economic Zone eyeing \$2 billion in investments

The sprawling 246.3 acre under-construction private Cumilla Economic Zone on the bank of a tributary of Meghna River (Sonarchar in Megha Upazila) being developed by Meghna Group of Industries is expected to go into production by 2023. This EZ having 115 plots, has already been successful in drawing the interest of investors from the US, Japan and Germany as the developer has already had the experience of developing two more zones in Narayanganj- Meghna Industrial Economic Zone and Meghna Economic Zone. Meghna Group expects at least \$2 billion of investment here and create employment opportunities of approximately 50000 people. This economic zone is aimed to set up textile, garment accessories, RMG, chemical, steel and glass factories and the developer promises to keep it completely green. A separate station by Power Grid Company of Bangladesh will be built to meet the high electricity demand; a water treatment plant will be set up and gas

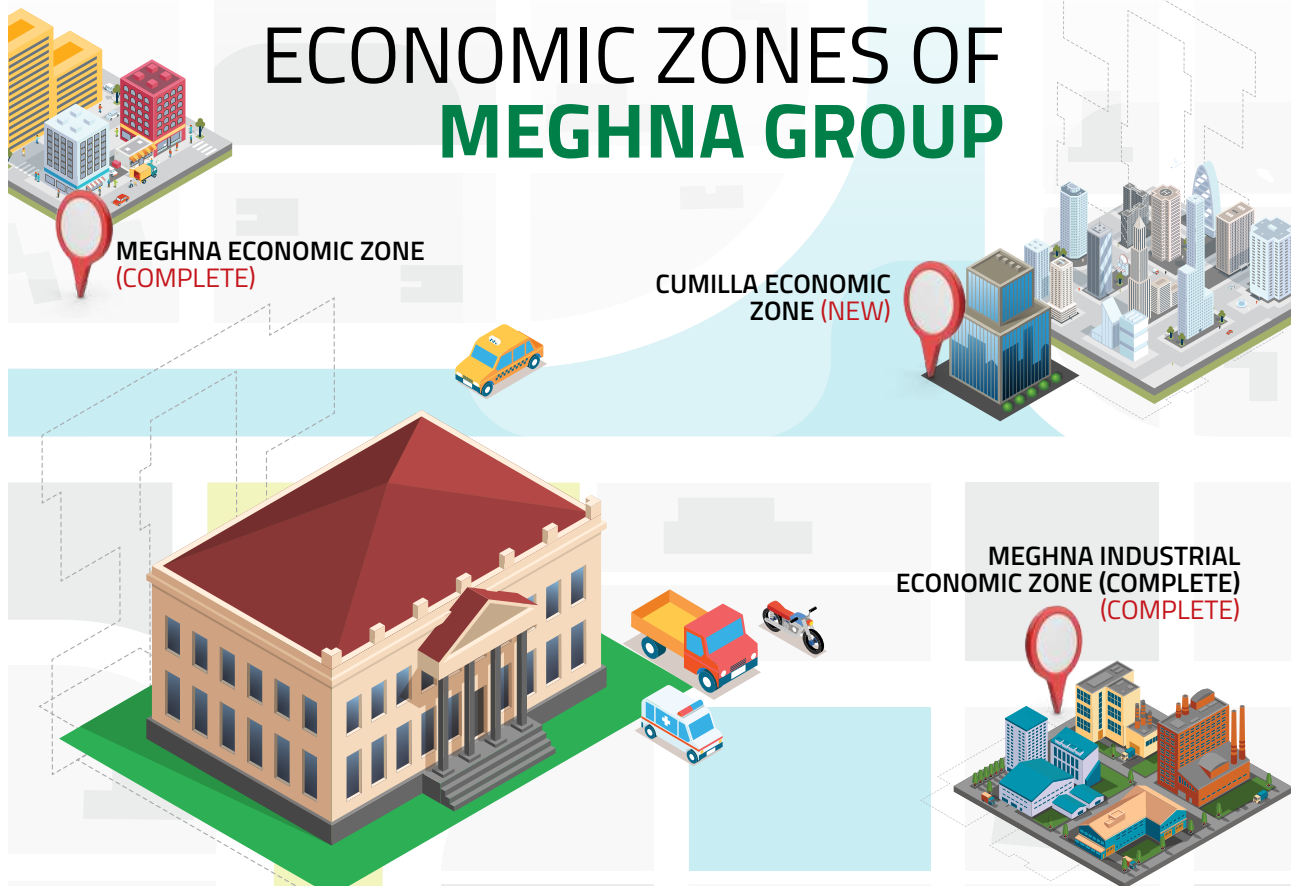
supply would come from Titas Gas. The zone will have solid waste management, investor recreation club, convention hall, medical & childcare centres, helipads, commercial centres, residential buildings and parks. Like all other economic zones, investors can avail tax holidays, dutyfree imports of raw materials and machinery, exemption of dividends tax, VAT-free utility supplies and other fiscal facilities plus, non-fiscal advantages like bond facility, One-Stop Service (OSS), repatriation of disinvestment, unlimited telephonic transfers and separate customs procedures. Cumilla Economic Zone is part of Government's plan to establish 100 Economic Zones by 2030 and generate employment of 1 million people and export worth \$40 billion annually. CEZ is the 12th private economic zone permitted by BEZA. MGI's developed economic zones in Narayanganj already has 33 factories and 12 are fully foreign owned.



FOCUS ON SETTING UP TEXTILE, GARMENT ACCESSORIES, RMG, CHEMICAL, STEEL AND GLASS FACTORIES



ECONOMIC ZONES OF MEGHNA GROUP






WALTON



■ Bangladeshi giant buys 3 major European brands

Local giant Walton has expanded its global footprint and has recently bought 3 major European brands that manufacture compressors for refrigerators and freezers. Walton- the leading brand in local refrigerator market- after starting production in 2008 by importing compressors from famous Italian brand ACC- now exports to many countries including the USA, Russia and some Middle Eastern countries. In March 2022, Walton bought the machinery, trademarks and patents of 50-year old ACC having businesses in 57 countries that will also give Walton a major foothold in Europe. Walton has also bought two more brands- Zanussi Elettromeccanica (ZEM) and Verdichter (VOE) – from Italia Wanbao-ACC. Walton also plans to buy a fully automated

compressor line with a capacity of 3.2 million units per year enabling it a significant market share in Europe and other markets around the world. This is the first time in Bangladesh's history that a local electronic products manufacturer has bought a foreign brand. Italian Wanbao-ACC got sold to Walton due to the latter's reputation and aim of becoming a top-5 global brand by 2030. The purchase will help Walton expand as in Europe, about 27 million units of refrigerators are manufactured annually and China holds 72% of the European compressor market. Walton is the pioneer in Bangladesh, 8th country in Asia and 15th in the world to start manufacturing compressors.

WALTON'S VENTURE WITH EUROPE

ITALIA WANBAO-ACC



Producing compressors for over **50 years**



Manufactures compressors for European refrigerators industry in the Italian plant



Has business in **57 countries**



started manufacturing refrigerators in **2008** by importing ACC compressors



bought Wanbao-ACC in **March 2022**



will acquire machinery, trademarks and patents and patents of ACC



First Bangladeshi company featured in National Geographic's popular show '**Super Factories**'

First Bangladeshi brand to procure a major European brand

Bangladeshi product will get a foothold in **European market**



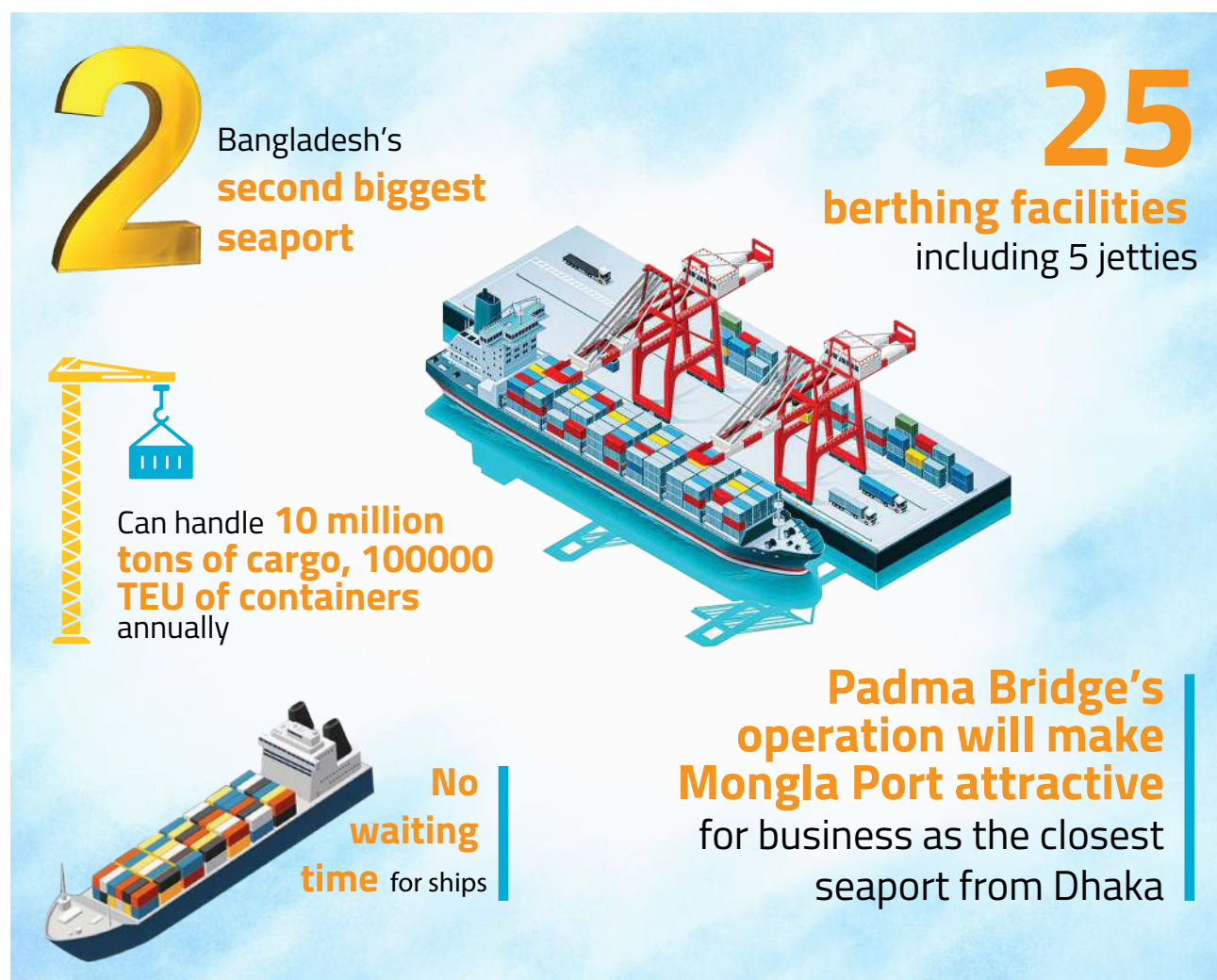
Will establish fully automated compressor line with capacity of **3.2 million** units annually



■ Mongla port gets busier in handling cargo

Bangladesh's second biggest seaport-Mongla-has become busier and is experiencing an increased arrival of ships. Mongla Port Authorities (MPA) have completed dredging at the outer bar of a nearly 140-kms channel to improve navigability and enable the movement of vessels that require a higher draft in December 2020 resulting arrival of 75 vessels/month on average in 2021, up from 46/month five years back. MPA is enhancing its handling capacity with improved equipment and machinery, which is encouraging businesses to use at the port at an increasing rate. Mongla is a suitable alternative to much busier Chattogram Port. It can handle one crore tonnes of cargo, 100000 TEU of containers, and

20000 cars annually. In 2020-21, cargo handling stood at 1.19 crore tonnes, just double the volume five years ago. There is no waiting time for ships. The port has 25 berthing facilities, including five jetties. Opening of the Padma Bridge along with the establishment of the railway link will make the port more attractive to businesses as the distance between Dhaka and Khulna will be reduced and it will be the closest sea port from Dhaka. It also has the potential to become a regional port offering opportunities to landlocked Nepal and Bhutan. Development of backup facilities and establishment of off-doc will facilitate export containers.



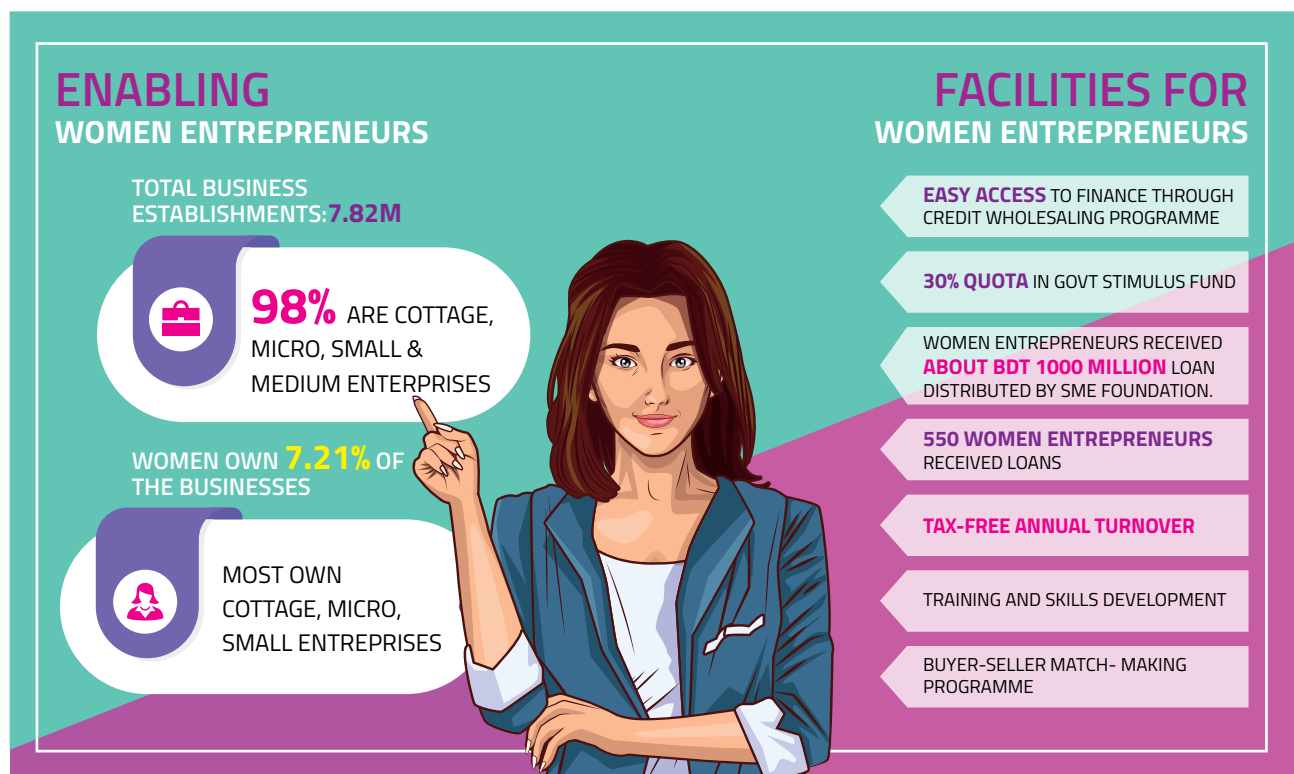


■ Government supports women entrepreneurs

Women entrepreneurs in Bangladesh are gradually making their way into the mainstream business. Their progress is facilitated by the Government through various policy support enabling their easy access to finance, facilitating exploration of new markets, extending tax-free income limits, rendering training and reserving quotas at fairs. The SME Foundation, the Bangladesh Small and Cottage Industries Corporation (BSCIC) and other government agencies have taken up a number of measures to promote and empower the women entrepreneurs in Bangladesh. Due to the supporting working environment and various government initiatives emphasizing on creating and sustaining women entrepreneurs, the number of women entrepreneurs have been rising quickly in recent years. BSCIC is reserving a special quota for allotting industrial plots to women entrepreneurs in industrial cities. The SME Foundation is providing training, access to new markets, and one-third quota facility at

various fairs to encourage women.

The SME Foundation has removed a major barrier for women entrepreneurs- access to finance- by ensuring easy loans for them by involving them with the banks under its Credit-Wholesaling-Programme. About 550 women entrepreneurs received loans under this program till 31 December 2021. Women entrepreneurs received 30% of BDT 3000 million distributed by SME Foundation. Many of them are from rural areas. SME Foundation also addressed another major issue-marketing of products-through matchmaking summits between entrepreneurs and buyers for the past six years. The government has increased the tax-free income limit for women entrepreneurs to ensure their economic and social empowerment by increasing their participation in the economy. Opportunities are also created for women entrepreneurs to showcase their products overseas. With these supports, women entrepreneurs are finding Bangladesh an excellent place to do business.





■ Introducing the cultural heritage of Bangladesh: Baul songs

Baul Song is the mystical song performed by the members of the Baul community, which is based on the belief that the human body is the seat of all truths (dehotattwa) and on the knowledge about God. This belief of the Bauls is expressed in a few forms but the most popular form has become the music, which is known as Baul song, deeply ingrained into their lives. Bauls believe that God inhabits in the human body and hence,

organized the Baul community. Lalon Shah composed Baul songs for himself and for his disciples. Later on, his songs were collected from his disciples and disciples' disciples. Lalon composed between 2000 and 2500 songs and his disciples also composed hundreds. Nobel laureate Rabindranath Tagore collected and published the songs of Lalon and Gagan Harkara. Tagore highly praised the way of life of the Bauls,



by celebrating the body, the meeting of human soul with God can be facilitated. Bauls belong to an unorthodox devotional tradition, influenced by Hinduism, Buddhism, Bengali, Vaisnavism and Sufi Islam, yet distinctly different from them. The body-centric practice of the Bauls is

which is free from discrimination driven by caste, religion and communal denominations, and called it human religion.

The main musical instrument of the Baul songs is Ektara (one stringed musical instrument).

INSCRIBED IN 2008 ON UNESCO'S REPRESENTATIVE LIST OF THE INTANGIBLE CULTURAL HERITAGE OF HUMANITY
1ST OF BANGLADESH'S 4 INTANGIBLE CULTURAL HERITAGE IN UNESCO'S LIST

reliant on a guru. The Bauls have to be initiated by a Guru and perform many rites and rituals to acquire spiritual attainments/salvation/spiritual liberation. Hence, Baul music is largely concerned with body, spirit, God, guru, love and devotion, the mystery of creation and other similar issues. Their devotional songs can be traced back to the 15th century when they first appeared in Bengali literature. The language of the songs is continuously modernized thus endowing it with contemporary relevance.

Lalon Shah (1774-1890) is the main author of Baul songs. He initiated many disciples and

Some Bauls bind the banya (a small semicircular musical instrument of percussion played along with the drum known as Dubki) in the waist. Baul song creates a unique emotion and beauty through a combination of music, dance and musical instruments. In Bangladesh, Kushtia is the center of Baul songs, which later also spread to neighboring districts like Jashore, Faridpur, Pabna, Dhaka, Mymensingh and Sylhet. It has also spread to Nadia, Bardhaman and Birbhum district of West Bengal. Baul song is regarded as an important element of the cultural tradition of Bangladesh.



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Acknowledgment	Pranab Kumar Bhattacharjee, Director (Media)
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Contact	Phone: +880-2-9562952, Fax: +880-2-9562163, Email: publicdiplomacy@mofa.gov.bd

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