



ISSUE 3, DECEMBER 2021

BANGLADESH RISING



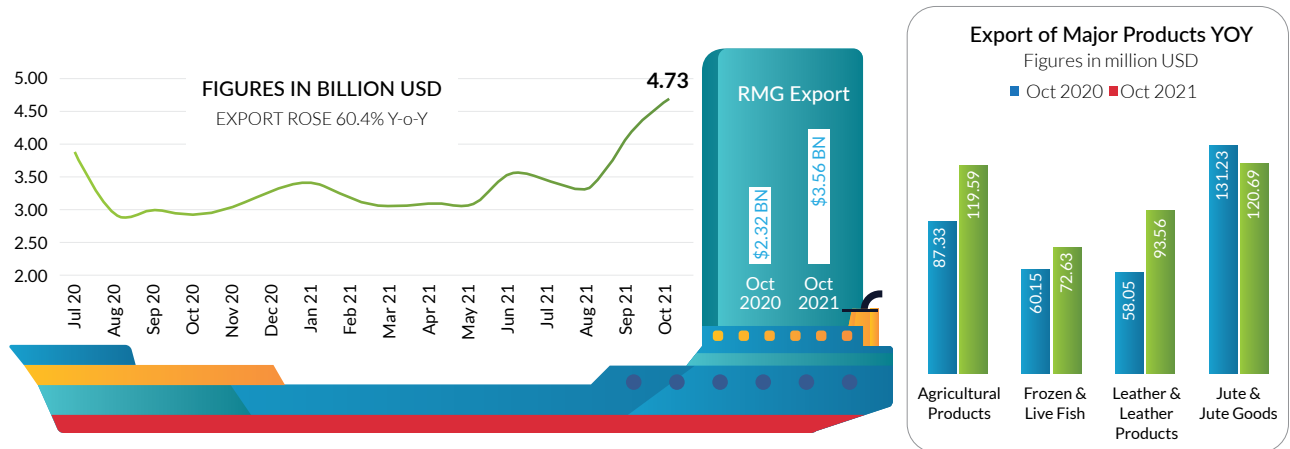
THE SUCCESS STORIES
OF BANGLADESH





BANGLADESH REGISTERS STRONG EXPORT EARNING

BANGLADESH'S OVERALL EXPORT TREND



With the easing of lockdowns and travel restrictions, Bangladesh has recorded its highest ever single-month export earnings in October 2021 despite global pandemic induced economic downturn. Export receipts surpassed \$3.46 billion target and registered 60.37% year-on-year growth and stood at \$4.73 billion.







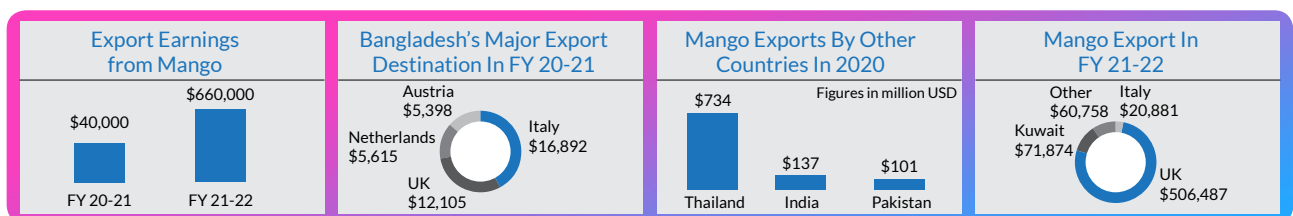
MANGO EXPORT SEES HUGE GROWTH



In Bangladesh’s efforts to diversify export basket, Mango can play an important role. The first quarter of FY 2021-22 suggests a promising trend, earning \$0.66 million from mango export, a huge jump from \$40,000 in FY 2020-21. At present Bangladeshi mangoes are going to 13 countries in Asia and Europe (UK, Kuwait, UAE, Canada, Germany, Italy, Saudi Arabia, Sweden, India, Switzerland, the Netherlands, Nepal and Singapore), compared to only 4 European countries in FY 2020-21. Bangladesh’s global standing in mango production (7th in the world) was not reflected in the export earnings. But the export is gaining momentum. Meanwhile, the media gave wide coverage of the gifts of mangoes the Hon’ble

Prime Minister Sheikh Hasina sent to different Heads of Governments and States in the region and beyond.

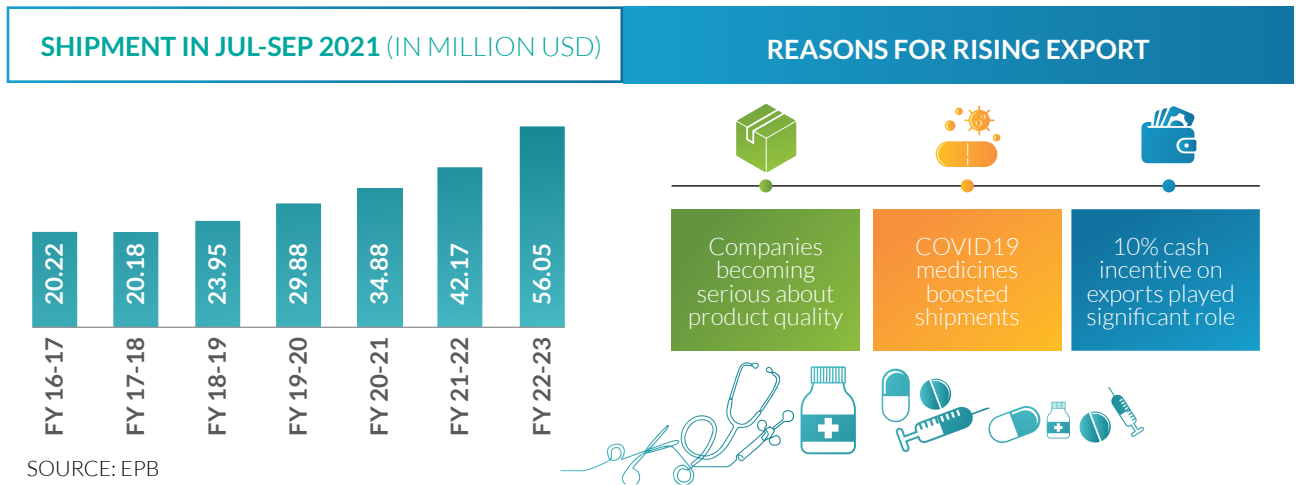
Bangladesh produces around 1.5 million tonnes of mangoes with a market value of Tk. 10,000 crore (\$1.16 billion) every year and there is scope to further increase its exports. In 2020, Thailand exported mangoes worth USD 734 million which was the highest in the world. In the same year, India and Pakistan exported mangoes worth US\$137 million and US\$101 million respectively. For Bangladesh also, there is a great potential to grab a larger share of international mango market. Consequently, the government has set an export target of 100,000 tonnes of mangoes over the next three years.







PHARMACEUTICAL PRODUCTS EXPORT SURGE BY 33%



The wide presence of Bangladeshi pharmaceutical products worldwide is getting stronger as shipment from Bangladesh grew by 33% in the first quarter of FY 2021-22 buoyed by anti-COVID drugs and cash incentives by the government to the relevant exporters. The export went up to \$56 million in July-September period, which was \$42.17 million in the same three-month period in the last fiscal year. Bangladesh mainly exports medicines related to malaria, tuberculosis, cancer, leprosy, anti-hepatic, penicillin, streptomycin, kidney dialysis, homeopathic, biochemical, Ayurveda and hydrocele. The recent growth is led by export of the generic version of anti-COVID drugs such as Remdesivir. An

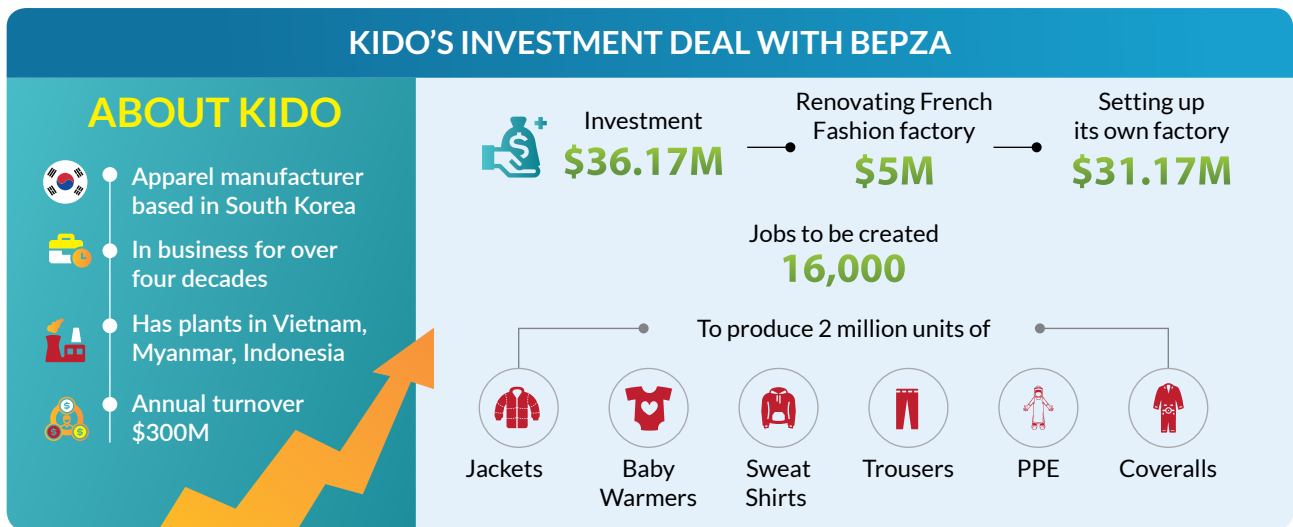
additional \$10 million worth of the drugs are being exported every quarter and at least 10 companies, including Eskayef, Square, Beacon, Acme and Incepta are exporting anti-COVID drugs. Bangladesh exports pharma products to 151 countries and meets 98% of the domestic demand. Bangladeshi companies have exported at least Tk 30 crore (\$3.50 million) worth of anti-COVID drugs to Latin American, African, CIS and ASEAN countries. Recently, one pharmaceutical company received approval from Syria to export anti-cancer drugs worth \$5 million. Export is expected to grow in the coming years with introduction of new drugs and due to enjoying patent waiver on manufacturing the generic version of medicines.





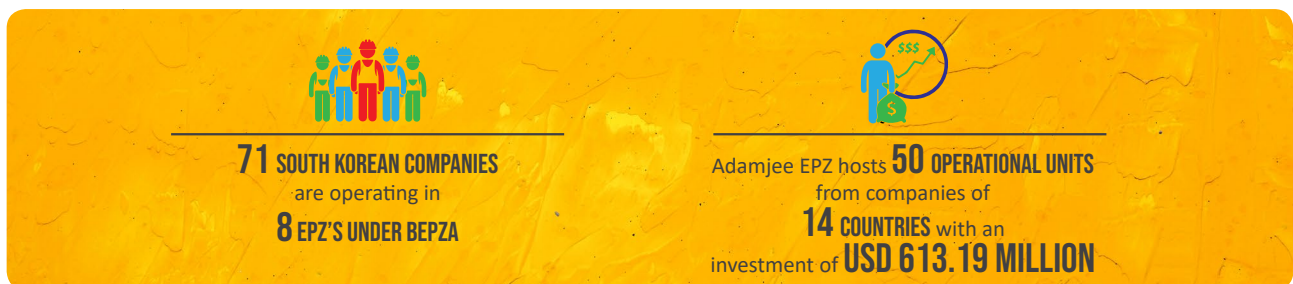


SOUTH KOREA'S INCREASED INVESTMENT IN BANGLADESH



South Korean investment in Bangladesh is gradually increasing. In line with the trend, another renowned South Korean apparel manufacturer, Kido Industrial Company, has recently signed an agreement with BEPZA to invest \$36.17 million in the Adamjee EPZ. The company will make a fresh investment of \$31.17 million for establishing a new company whereas \$5 million will be spent in the renovation of another factory that it recently acquired. Kido, which has investments in Vietnam, Myanmar and Indonesia with annual turnover of USD 300 million, is expected to create about 16,000 employment opportunities in phases. The company will annually produce around 2 million pieces of cloth jackets, motorcycle safety

jackets, leather jackets, fiber jackets, work jacket, sports jackets, baby warmers, soft shells, sweatshirts, vests, work-wear, coveralls, hospital gowns, protective clothes, PPE, pants, trousers, shirts, polo shirts, T-shirts, swim suits, shorts and school dresses. Currently 71 South Korean companies are operating in 8 EPZ's under BEPZA, which is the highest number of investors from a foreign country. Adamjee EPZ hosts 50 operational units from companies of 14 countries including the USA, Japan, the UK, South Korea, China, Taiwan, Germany, Spain and India with a total of \$613.19 million investment. Fresh investments like this by Kido indicate that foreign investors are confident in the investment climate in Bangladesh.







BANGLADESH ATTRACTS \$1.16 BILLION WORTH FOREIGN INVESTMENT

In the recently concluded Bangladesh Trade and Investment Summit 2021, foreign companies have shown a keen interest to invest \$1.16 billion in Bangladesh mainly in the infrastructure sector. The Trade and Investment Summit was attended by over 550 investors and top executives from 38 countries. 20 companies from 13 countries expressed interest to form joint ventures and 26 products were identified as having export potentials. Infrastructure, pharmaceuticals, agro and food processing and information technology

received the most attention from the potential investors. Power, energy, renewable energy, dairy products, fast-moving consumer goods, ready-made garment, leather, automobile, and jute are among the other sectors that were eyed by the investors. The government's efforts to ease doing business and extending benefits like exemption of import duties and tax holidays plus digitization of land registration and mutation have generated further interest in investing in Bangladesh.

Foreign companies to invest **\$1.16 BILLION** in Bangladesh mainly in the infrastructure sector

Trade and Investment Summit was attended by over **550 INVESTORS** and top executives from **38 COUNTRIES**

20 COMPANIES from **13 COUNTRIES** expressed interest to form joint ventures and **26 PRODUCTS** were identified as having export potentials

SECTORS RECEIVING THE MOST ATTENTION

- Infrastructure
- Pharmaceuticals
- Agro
- Food processing
- Information technology

GOVERNMENT INCENTIVES FOR INVESTING IN BANGLADESH

- Exemption of import duties
- Tax holidays
- Digitization of land registration and mutation





BANGLADESH WILL BECOME THE 24TH LARGEST ECONOMY IN THE WORLD BY 2030

Bangladesh is expected to be the 24th largest economy in the world by 2030 despite the adverse impacts of Covid-19 pandemic, according to the National Human Development Report (NHDR) prepared by the Economic Relations Division (ERD). Due to high GDP growth rate for the past decade, a mere \$35 billion economy of the mid-1990s has grown to a sizeable one of almost \$330 billion. During the same period, the per capita gross national income has registered a more than seven-fold rise from just \$300 to above \$2,064. The Centre for Economics and Business Research (CEBR) in its annual World Economic League Table (WELT 2022) predicted the same position for Bangladesh although suggesting a bit longer time than the Government's prediction. However, CEBR report says the upward move will be powered by its ability to attract large foreign investments, the rising RMG demand, and macroeconomic stability. The stellar economic performance signifies an economic boom during the ongoing, as well as, the next decade. This projection indicates an upward trend in economic performance and consistency

in growth under the current government which is markedly different than before (58th in 2006). According to WELT 2022, Bangladesh is currently the second largest economy in the region behind India and will continue to keep its position till 2036 with a GDP size of \$884 billion at constant prices (currently \$325 billion). According to the report, the strong points of Bangladesh are:

- Government's efforts to maintain a low debt-to-GDP ratio
- Comparatively lower COVID19 mortality rate
- Vaccination drive was in line with global standards
- Ability to meet the rising international demand for RMG
- Large foreign investment driven by a competent workforce skilled in information and communication technology
- Despite COVID19, economy expanded by 3.5%, a rare achievement by international standards



Upward economy move powered by

- ABILITY TO ATTRACT LARGE FOREIGN INVESTMENTS
- RISING RMG DEMAND
- MACROECONOMIC STABILITY

CEBR projection indicates

- AN UPWARD TREND IN ECONOMIC PERFORMANCE
- CONSISTENCY IN GROWTH

GDP size expected in 2036

\$884 BILLION

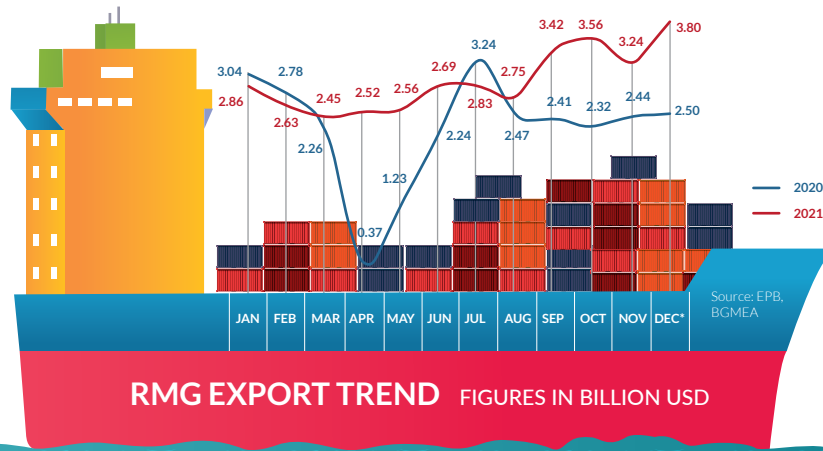




APPAREL EXPORT GROWS BY 30% IN 2021

TOTAL RMG EXPORTS

2021: \$36.57BN
 2020: \$27.32BN
 ↑ 30.2%



RMG EXPORT TREND FIGURES IN BILLION USD

Bangladesh’s apparel export witnessed about 30% growth to \$35.57 billion in the calendar year 2021. In 2020, the same was \$27.32 billion. In the process, the sector overcame lockdowns, factory closures and some other barriers. In December 2021 alone, RMG shipment grew 52% to \$3.8 billion compared to the corresponding period in the previous year.

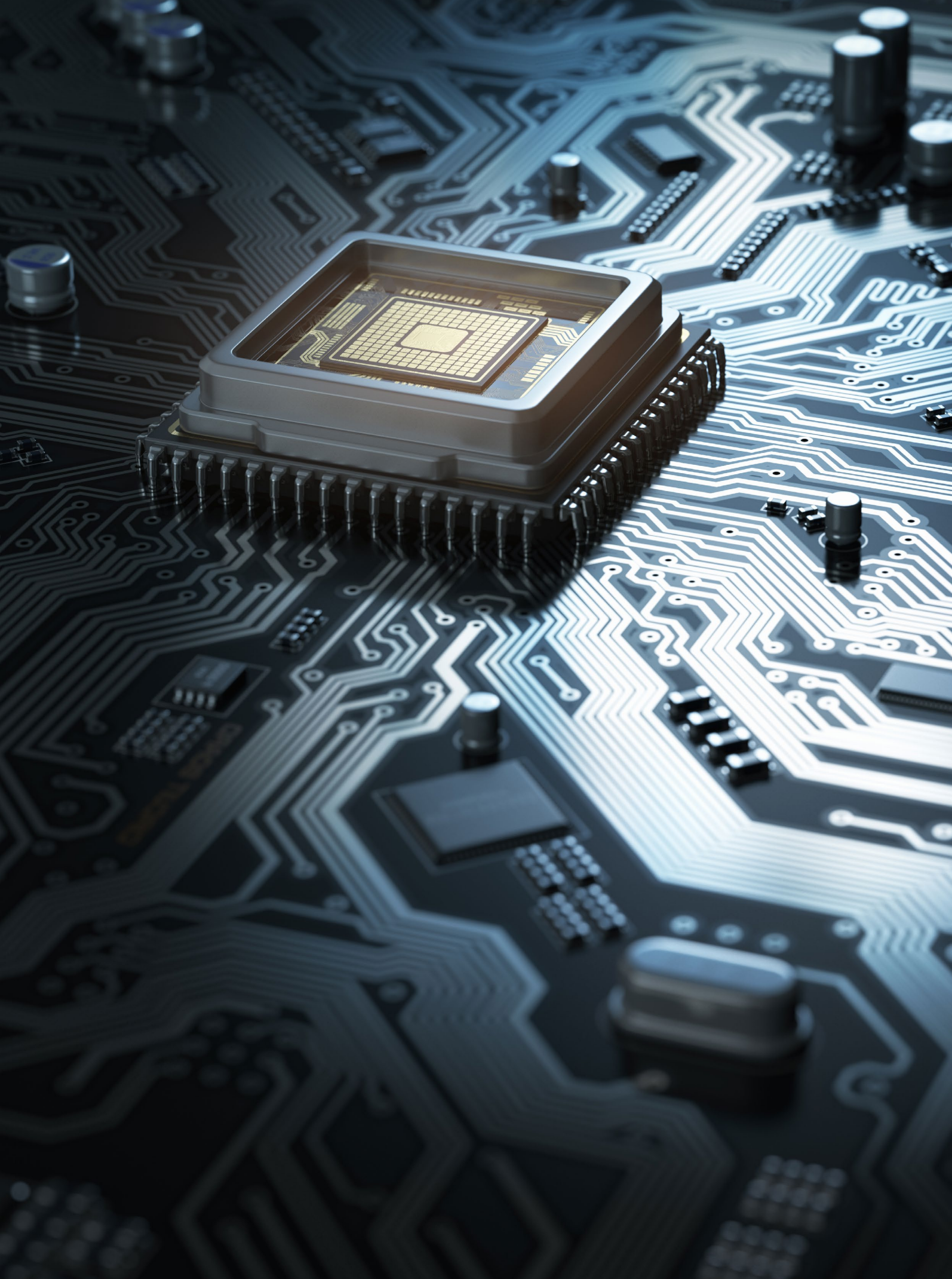
December apparel export earning was \$2.5 billion in 2020 and \$2.8 billion in 2019, according to the BGMEA. The growth can be attributed to the improving COVID situation globally. Industry experts hope to keep the momentum going even amid the COVID19 new variant Omicron and expect to fetch an additional 7-8 billion dollars by June 2022.

RMG shipment grew
52% to \$3.8 BILLION
 December 2021

Apparel Export earnings in last three year on year

Year	Earnings (Billion USD)
Dec 2019	\$2.8
Dec 2020	\$2.5
Dec 2021	\$3.8

Additional expected earning by June 2022:
\$7-8 BILLION





BANGLADESH CAN BECOME THE NEXT CHIP-MAKING HUB

The 500 billion-dollar global semiconductor industry dominated by companies from the US, Taiwan, South Korea, Japan and the Netherlands is waving to Bangladesh. There is a great possibility for Bangladesh to tap into this huge industry through production of very-large-scale integration (VLSI) chips which are used in millions of products including mobile phones, laptops, computers, washing machines, smartphones and even cars. At the moment, three companies (Ulkasemi Limited, PrimeSilicon Limited and Neural Semiconductors Limited) are leading the nascent VLSI design industry in Bangladesh. Some of these are making part of the semiconductors for companies that are among the world's top five chipmakers. Industry insiders believe that Bangladesh is currently earning up to \$5

million a year from the industry but can fare much better as India is earning around \$60 billion annually. Bangladesh can earn as much as \$40 billion a year if a trained workforce can be created supported by an enterprising group of entrepreneurs and retained in the country, which will generate interests from chip giants to open offices in Bangladesh to access relatively cheaper labor. It will require to encourage engineering students to enter into VLSI industry and change of curriculum in the universities to integrate VLSI-related topics. There are signs that people are getting more interested in this area, which is very encouraging for VLSI industry in Bangladesh. This knowledge-based industry can fetch far more foreign currency out of a smaller unit of people unlike the RMG industry which is very much labor-intensive.



BANGABANDHU SHEIKH MUJIB SHILPANAGAR

Mirsarai-Sitakundu-Sonagazi





BANGABANDHU SHEIKH MUJIB SHILPANAGAR: THE FUTURE ECONOMIC HUB OF BANGLADESH

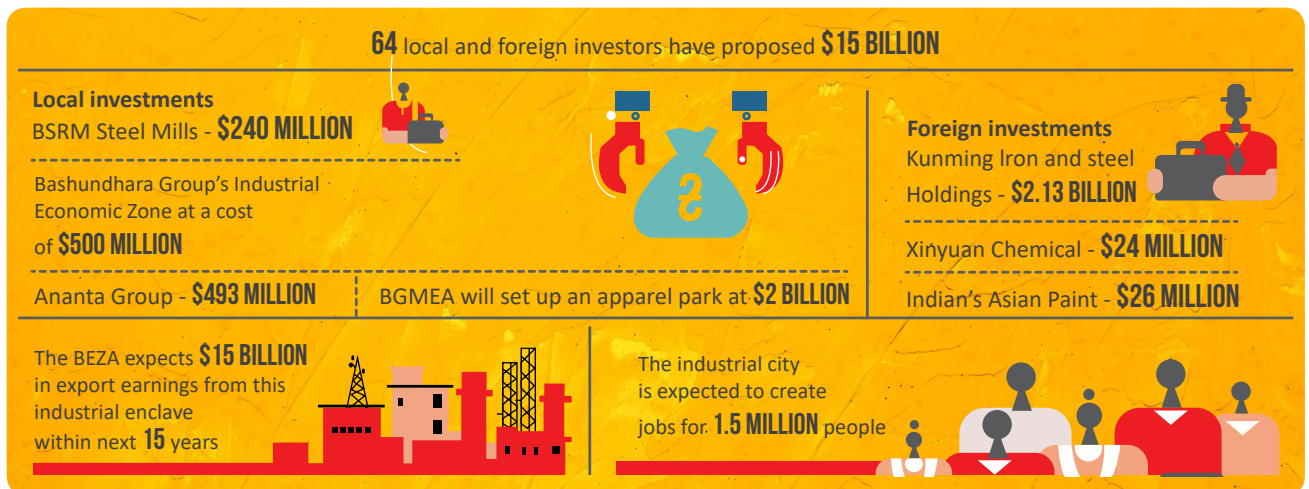
Bangabandhu Sheikh Mujib Shilpanagar (BSMSN), located 10 km away from Mirsarai on the Dhaka-Chattogram Highway and 60 km from Chattogram is going to be the future economic hub of Bangladesh. The sprawling 33,000 acres BSMSN is fast becoming a great junction of domestic and foreign investment, industrialisation and economy. One of the largest economic and industrial zones in South Asia and the government's one of the priority projects, BSMSN will be a state-of-the-art industrial city where at least half a million people will be employed in the initial stage and employment opportunities for 1.5 million people will be created within the next 15 years.

The industrial city will facilitate both import and export. A container port will be constructed using the facilities of the Bay of Bengal coast. There will be a seaport for berthing ships with a capacity of 40,000 tonnes. A medium-sized port will be built between Mirsarai and Sitakunda to serve the industrial area. There are also plans to build

a small airport. Suburbs and world-class tourist centres will be developed. It will be connected with the Bangabandhu Tunnel (Karnaphuli Tunnel) through the super dyke-cum-Marine Driveway to Cox's Bazar. BSMSN will be the first "green" or eco-industrial city in Bangladesh in terms of nature, energy system and waste management.

Entrepreneurs in BSMSN are engaged in a single or joint venture on various types of industries such as garments and its supporting industries, agro-products and agro-processing products, integrated textiles, leather and leather goods, shipbuilding, motorbike assembly, food and beverage, paint and chemical, paper and products, plastics, light engineering (including auto-parts and bicycles), pharmaceutical products, power, and solar parks.

The Bangabandhu Sheikh Mujib Shilpanagar will pave the way for establishing a truly world-class business and industrial centre and is expected to shape the future of the country.





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