

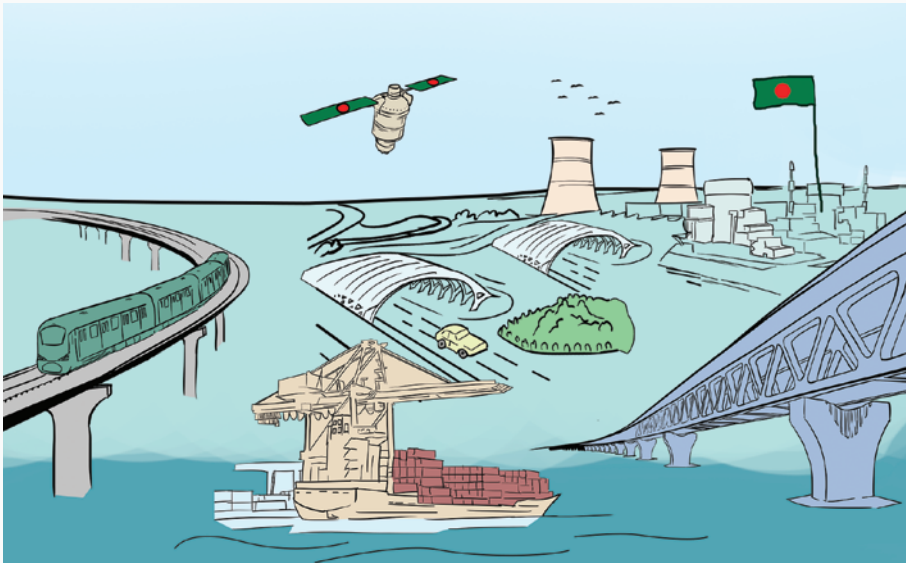
MEET
BANGLADESH
THE RISING TIGER

PLASTICS





THE RISING TIGER



Only 50 years old, Bangladesh is one of the youngest countries in the world with an unparalleled success story. In particular, its growth and development over the last decade have meant that this Rising Tiger's roar has been heard across the world. A booming economy with remarkable improvements in almost all human development indicators are now coupled with major infrastructural developments, digitisation, climate change resilience building, ensuring food security and much more.



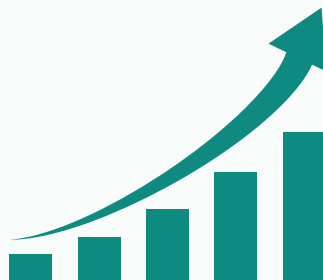
BOOMING BANGLADESH



Bangladesh has been growing rapidly for more than a decade. According to nominal GDP, it is the 41st largest economy in the world. The size of its GDP was USD 6.288 billion in 1972 which rose to USD 423.028 billion in 2022. For the last couple of decades, Bangladesh has been recognised as one of the most attractive hubs in Asia. It received record USD 21.031 billion remittance in 2021-22 and aspires to become a developed nation by 2041.



BANGLADESH ONE OF THE FASTEST- GROWING ECONOMIES



**"Fastest growing economy
in the Asia-Pacific region"**

Source: Asian Development
Outlook 2019, ADB



THE WORLD BANK

**"Bangladesh among world's
five fastest-
growing economies"**

Source: Bangladesh
Development Update
2019: Towards Regulatory
Predictability, WB



**"Bangladesh among the
Next 11"**

Source: Goldman Sachs



**"FDI in Bangladesh
jumps 68% in 2018"**

Source: World Investment
Report 2019, UNCTAD



**"Govt expected to
transform Bangladesh
into upper-middle-
income economy by 2021"**

Source: Economist
Intelligence Unit, 2019



**"Bangladesh holds hidden
gems for investors"**

Source: HSBC projects
Bangladesh to be the
26th largest economy by
2030



7% average GDP
growth in last 5 years
(Pre-Covid 19) and
more than 5.5%
average GDP growth
Post-Covid 19 to till now



USD **2,824** per
capita **GNI** in
FY 2021-22

source: Bangladesh Bank



USD **21.031** billion
remittances,
3% of GDP
in FY 2021-22

source: Bangladesh Bank



USD **41.83** billion
forex reserve in
2022

source: Bangladesh Bank



6.15% inflation
in FY 2021-22

source: Bangladesh Bank



90% businesses
express high
confidence during
COVID-19: survey

source: Bangladesh Bank

DECADE OF DEVELOPMENT

PHYSICAL INFRASTRUCTURE

Massive investments in infrastructure development over the last decade have underpinned Bangladesh's successes. The country's electricity coverage has increased nationwide from 57% in 2009 to 100% in 2022. World class port infrastructure, airports, thousands of kilometers of rail networks, waterways, roads, and highways are being built, expanded or upgraded. To continue these investments in the future, in 2021 the Government launched Bangladesh Infrastructure Development Fund (BIDF), with an initial funding of USD 2 billion across the length and breadth of the nation.

SKILL DEVELOPMENT

Bangladesh has successfully created skilled human resources and achieving qualitative excellence in development sector since the last decade. The government has formulated the National Skill Development Policy 2011 and a 30-member Skill Development Authority (NSDA) governing body has been formed in 2020, headed by the Prime Minister to coordinate more skill development activities, training and employment. Moreover, a National Human Resource Development Fund (NHRDF) has been established for skill development activities and programs.

25.8% of total government development allocation for the development of transport and communication sector in FY 2021-22



Investment to GDP ratio to increase from **3.61%** to **5.0%** in last 9 year

Power Capacity **22,348 MW** in 2022 from **4,942 MW** in 2009



By 2040, **half of Bangladesh's** population will be living in urban areas



INFRASTRUCTURES

TO ACCELERATE THE GROWTH OF INDUSTRIES AND TO TAKE FULL **ADVANTAGE** OF ITS STRATEGIC LOCATION

580 km coastline with 90% international trade done via Chittagong and Mongla ports



10 active land ports linking various states of India

Deep-sea ports - Matarbari and Payra ports to be completed by 2025



3 international and 5 domestic airports

22,418 km of highways and extensive network of quality roads



2,955 km of railways connecting all-over Bangladesh extensively

3 asian highways AH1, AH2 and AH41 and regional corridors like BRI, SASEC, BIMSTEC



93 economic zones have been approved so far



DIGITAL BANGLADESH

Since 2009, the national initiative 'Digital Bangladesh' has been substantial for Bangladesh's transformative growth. It aims to deliver citizen-centric services through technology, increase digital literacy, ensure e-governance and encourage e-commerce while protecting peoples' rights and ensuring accountability. A major achievement of the digital advancements in Bangladesh was the launch of the first satellite 'Bangabandhu satellite -1' – into space in 2018.



181.02

MILLION MOBILE
PHONE SUBSCRIBERS



123.82

MILLION ACCESS
THE INTERNET



45

MILLION ACTIVELY
USE SOCIAL MEDIA



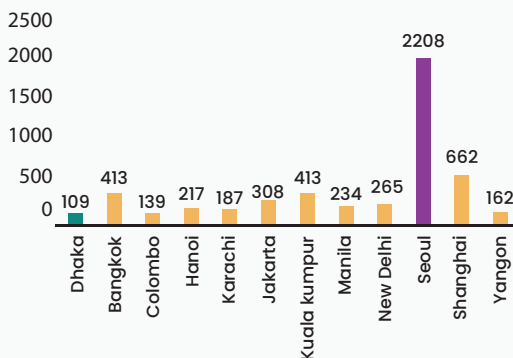


COMPETITIVE COST OF LABOUR

Bangladesh has the most competitive cost of labour compared to its competitors. The average monthly wage rate in Bangladesh is less than half compared to India, and less than one-third of the cost in China or Indonesia.

Bangladesh holds a bright prospect of becoming the “next China” due to the availability of skilled and abundant young workforce. By utilising this advantage, Bangladesh has been successful in growing export-oriented labour intensive manufacturing industries. Following the success of the apparel industry, the country is now poised to achieve a speedy growth in other export sectors such as plastics, footwear, leather goods, light engineering products and IT services.

MONTHLY WORKER WAGES IN USD



Source: JETRO Survey 2019

Monthly average wage rate in Bangladesh is less than half compared to India, and less than one-third of the cost in China or Indonesia.

Bangladesh, low cost and high return Manufacturing destination in Asia

Source: Japan External Trade Organization (JETRO)

Bangladesh among top three countries in operating profit forecasts

Source: 2018 JETRO Survey on Business Conditions of Japanese Companies in Asia and Oceania

JETRO

DEMOGRAPHIC DIVIDEND



Bangladesh's demographic dividend holds a working-age population of more than 60%. Each year, 2.3 million young, tech-savvy and adaptive youths join an ever-growing workforce.



Bangladesh literacy rate reaches all time high of 74.70%

Source: UNESCO
Institute for
Statistics



Female literacy rose remarkably from 43.74% in 2007 to 71.18% in 2021

Source: UNESCO
Institute for
Statistics



45% of its population is aged below 24 years

Source: UNESCO
Institute for
Statistics



70% is aged below 40

Source: UNESCO
Institute for
Statistics



2.3 million young professionals enter workforce every year

Source: UNESCO
Institute for
Statistics

MANUFACTURING PEDIGREE

Bangladesh has been a global manufacturing hub for more than a decade. It is the world's second-largest clothing manufacturer. "Made in Bangladesh" clothing is sold in practically every country on the planet. Bangladesh's sophisticated manufacturing infrastructure is now expanding to a new generation of world-class export industries like automobiles, bicycles, plastic products, electronics goods, footwear, leather goods, etc. Already manufacturing and exporting to varying degrees, these industries are set to receive big boosts from targeted government incentives and interventions to transform them into world-class sourcing destinations.



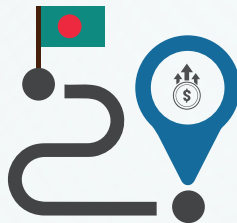
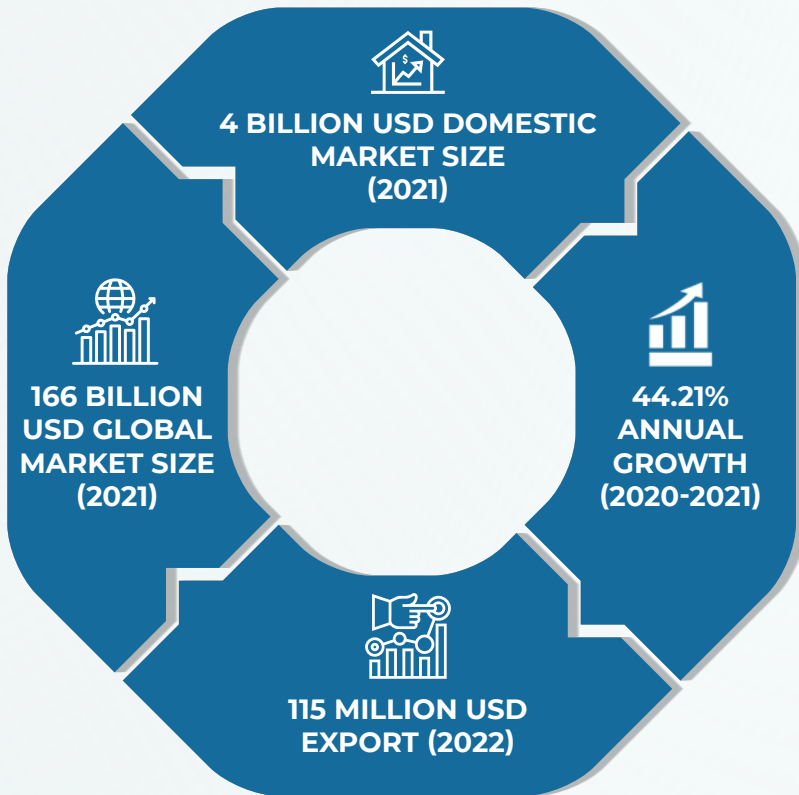
PLASTICS

The Plastics sector is one of the key industrial sectors in Bangladesh making a significant contribution to the country's economy. There are around 5,000 plastics enterprises in Bangladesh, employing about 1.2 million people and producing a variety of products for the domestic as well as the export market.

Plastic is a key component of many products in other sectors of the economy like textile, healthcare, construction, electronics, energy generation, automotive etc. Bangladesh produces household goods and packaging products for food processing, pharmaceutical & the FMCG industry, packaging & accessories, toys, sanitary items and construction products including PVC pipes. In 2021-22, goods amounting to USD 166.25 million were exported with a growth rate of 144.21.



KEY INDICATORS



EXPORT TARGET ROADMAP

**USD 7 billion by 2024-25 and
USD 22 billion by 2029-30**

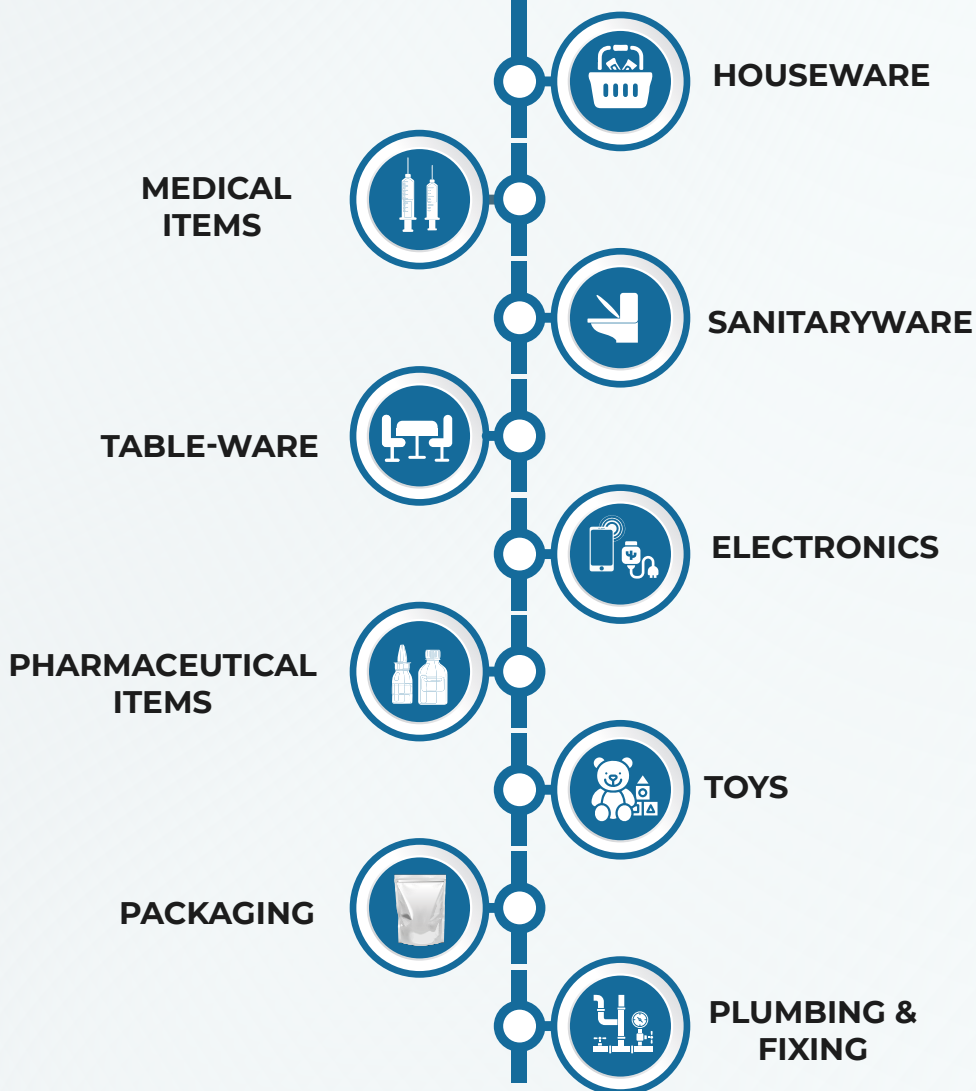
**Government adopted Roadmap to
achieve 43rd position of the
largest exporting countries in
plastic sector by 2030**

PRODUCTS WE OFFER

Packaging items make up the largest share of the product spectrum produced in Bangladesh followed by consumer products such as tableware and kitchenware. The export of household items has been particularly promising with a growth rate of 25% per year since 2014. Other export products include PVC pipes, polythene sheets, recycled plastics & chips, garment accessories items such as bags, plastic hangers, PET/PE bottles.

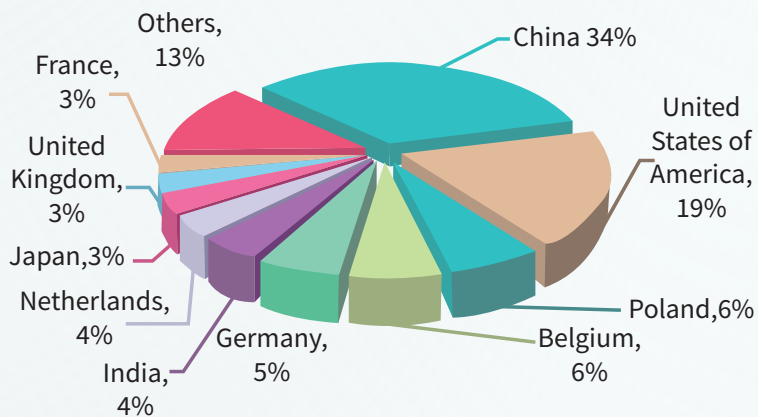


CATEGORY OF PRODUCTS



EXPORT MARKET

EXPORT MARKETS OF BANGLADESH



Source: BPGMEA yearly report 2021

Plastics is the 12th largest export earning sector in Bangladesh. It has been expanding at a rate of 4.5% per annum since 2014. In 2021-22, the growth rate came to 44.21% and the export sum amounted to USD 166.25 million.

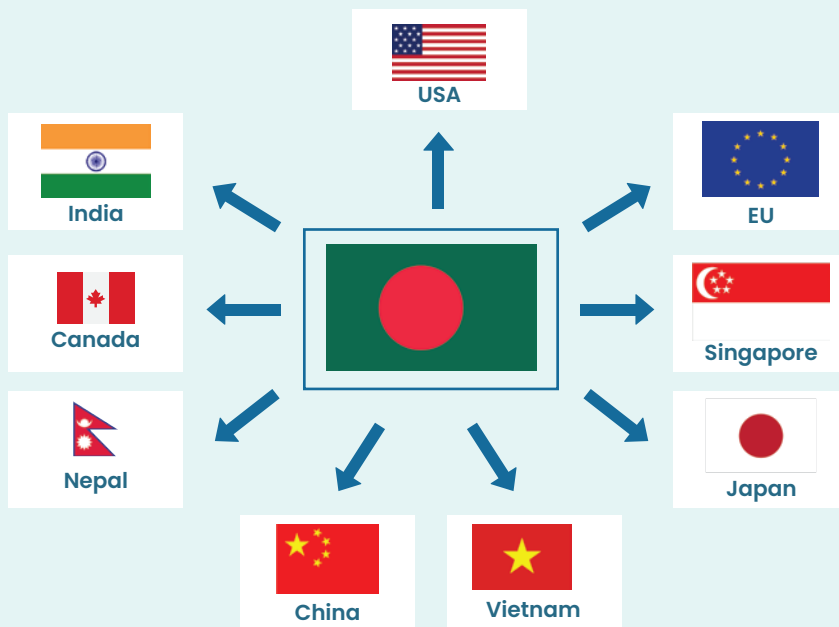


EXPORT DESTINATION

There are around 250 units of plastics manufacturers who are producing for the export market. Bangladesh currently exports plastic products to over 70 countries. The primary destinations include the USA, Canada, EU, China, India, and Nepal.

Export from Bangladesh consists of both direct and indirect (deemed) exports. Direct export shares around 10% of total export value, where household plastics items like houseware, kitchenware account for the largest share, followed by toys, polythene sheet, PVC pipe, PET bottles.

MAJOR EXPORT DESTINATIONS



COMPETITIVE ADVANTAGES



Bangladesh has duty free access to developed countries (generalised system of preferences) such as the EU, UK, Japan, Canada, Russia, and Australia. Only a few exporting nations are beneficiaries of duty free access, thus indicating the industry's potential to gain export competitiveness.



Competitive labor cost serves as a strong competitive advantage for all the export-oriented industries of Bangladesh. Although China and ASEAN countries continue to be amongst the major competitors in the overseas market, competitive labor cost has and will continue to put the Bangladeshi plastics industry in a stronger position.



China's gradual shift from labor-intensive manufacturing to high-tech is expected to reduce its share in the global plastic products market and accelerate the relocation of its existing producers to cost-competitive locations. This shift may be further driven by the need to diversify supply-chain in response to the post COVID-19 period. Accordingly, there is a strong opportunity for Bangladesh to grab the global market share.

POLICY SUPPORT

FISCAL INCENTIVES



Plastic recycling industry is entitled to reduced taxation under Income Tax Ordinance 1984, section 46BB



Reduced import duty on raw materials



Import duty exemption on capital machineries



10% cash incentive on export value of plastics products, PET bottles



No VAT imposition on export goods

NON FISCAL (SUPPORTIVE TRADE POLICY)



Duty free access to 52 countries including EU



Bangladesh avails trade preference and concession under ABA, SAFTA, APTA, BIMSTEC trade frameworks



Quota free duty free access to 8,256 products to China



Recognized as one of the highest priority sectors in the Export Policy 2021-24

EXPORT COMPETITIVENESS FOR JOBS (EC4J) PROJECT

The Government of Bangladesh has made trade, investment, and sustainable development a top priority. Export diversification is a key agenda to continue to deliver on large-scale job creation in the tradable sectors. In line with this objective, the Ministry of Commerce is implementing the Export Competitiveness for Jobs (EC4J) project with support from the World Bank.

EC4J Project is supporting companies in four targeted sectors: (i) Leather and Leather Goods; (ii) Footwear; (iii) Light Engineering; and (iv) Plastics to address some of the key constraints they face in accessing export markets. Companies, especially SMEs that are in the export market or have the potential and are aspiring to access export markets will benefit from the Project.

LEADING COMPLIANCE AND COMPETITIVENESS ENHANCEMENT

1

Programs to create ENVIRONMENTAL, SOCIAL, AND QUALITY (ESQ) AWARENESS

2

Establish MARKET LINKAGE, and conduct SECTOR BRANDING initiatives

3

Sector-specific SPECIALIZED TRAINING on compliance, sustainability, and green growth transformation

4

EXPORT READINESS FUND (ERF) – a matching grant to directly assist firms to improve and upgrade ESQ standards

5

FOUR STATE-OF-THE-ART TECHNOLOGY CENTERS to enable to access modern technologies, advanced skills, and relevant business development services

6

COVID-19 ENTERPRISE RESPONSE FUND (CERF) – supporting rapid repurposing of capacity to produce Medical & Personal Protective Equipment (MPPE) products on a sustainable basis



EXPORT COMPETITIVENESS
FOR JOBS (EC4J) PROJECT



Ministry of Commerce



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