



# LEATHER LEATHER GOODS & FOOTWEAR

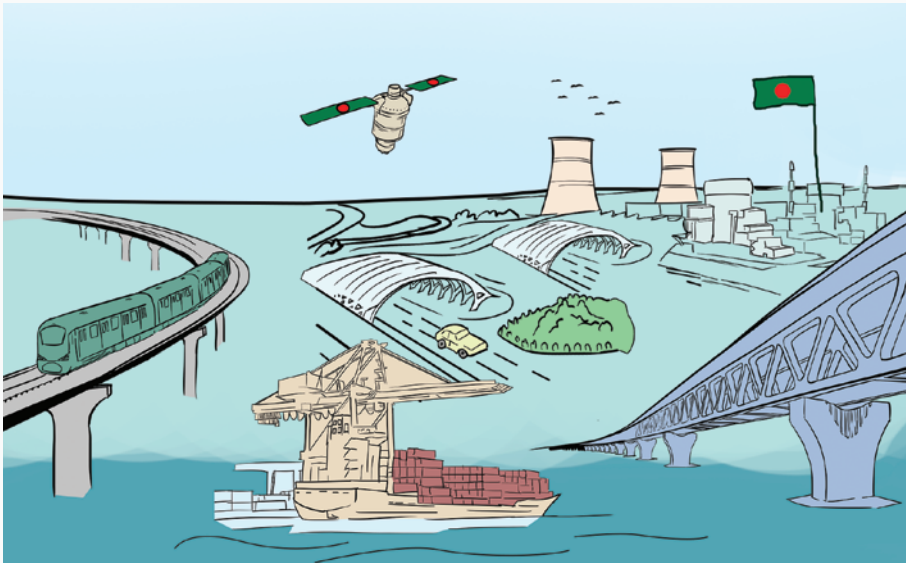
( LEATHER & NON LEATHER )



# MEET BANGLADESH THE RISING TIGER



## 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.



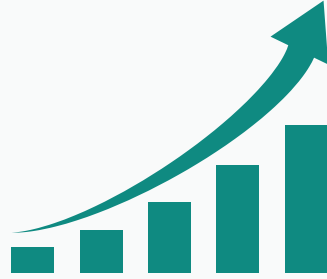
# BOOMING BANGLADESH



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



**“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 increased from **3.61%** to **5.0%** in last 9 years

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



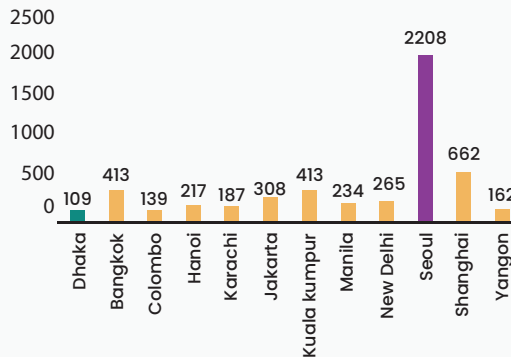


## COMPETITIVE COST OF LABOUR

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)

JETRO

**Bangladesh among top three countries in operating profit forecasts**

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



# 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.



# LEATHER LEATHER GOODS & FOOTWEAR ( LEATHER & NON LEATHER )

The leather and footwear industry is one of the oldest and well established industries in Bangladesh. It has been making significant contributions to the economy. The export value in 2021-22 was USD 1,694.33 million with a growth rate of 32% from the previous year 2020-21 (USD 1,402.17 million). Bangladesh exports leather goods and footwear to 106 countries.

Bangladesh is known for its quality leather goods and footwear. The industry caters to two different markets; domestic and foreign. A large and growing domestic market is supplemented by the export market.





# KEY INDICATORS



## LEATHER ( LEATHER & LEATHER GOODS )



**250+** Tanners,  
**3500+** Small & medium  
manufacturing units &  
**90+** large manufacturers



**5%** Compounded  
Annual Growth



**241** Billion USD  
Global Market Size



**3** Billion USD  
Local Market Size

## FOOTWEAR ( LEATHER & NON LEATHER )



**423** million pairs  
(Yearly production)

**8th**

**8th** largest  
footwear producer  
in the world

**9th**

**9th** largest  
consumer market  
(366 million pairs)



**16th** largest  
exporter of footwear



# PRODUCTS WE OFFER

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1

## LEATHER



2

## LEATHER GOODS & ACCESSORIES



3

## LEATHER FOOTWEAR



4

## NON - LEATHER FOOTWEAR



# EXPORT MARKET

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Leather goods and footwear is the second-largest export sector after RMG with a constant growth rate of more than 10% during the last several years. Understanding its potential, the government has set a target to achieve USD 5.56 billion export earnings by 2030. 44 types of products are currently exported to 106 destinations. About 85% of leather and leather products of Bangladesh are exported abroad. Most of the leather and leather goods are exported to the EU, UK, US, Canada, Russia, Australia, Japan, Singapore, South Korea etc.



MAIN CONSUMER OF LEATHER AND  
LEATHER GOODS MARKET FOR BANGLADESH:

**EU, USA, JAPAN, AUSTRALIA,  
HONG-KONG AND SOUTH KOREA**





**The leather footwear** sector contributes the major portion of the leather goods export of Bangladesh. The leather footwear export value amounted to USD 756.18 million in 2022. It was USD 569.88 million in 2021, with yearly export earnings up by almost 32%. The growth rate was mainly driven by the increase in leather footwear exports to United States. For leather footwear, the most prominent export destinations are United States, Germany, Netherlands etc.



**Non-leather footwear** export is growing rapidly. In terms of only non-leather footwear export in 2022, the total export value amounted to USD 449.15 million. It was USD 344.46 million in 2021, with yearly export earnings up by 30%. In 2021, the export share of non-leather footwear came to 26% of the total sectoral export. Main export destinations of non-leather footwear are Spain, Belgium, France, Netherlands, South Korea, India, Italy and Germany.



# COMPETITIVE ADVANTAGES



## COMPETITIVE WORKFORCE

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 leather goods and footwear industry in a stronger position. Moreover, Bangladesh Government has been arranging skill development programs to train 15000 skilled workers for the leather industry.







## **DUTY-FREE MARKET ACCESS**

Bangladesh has a duty free access to developed countries (generalized 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.



## **ESTABLISHED SOURCING DESTINATION**

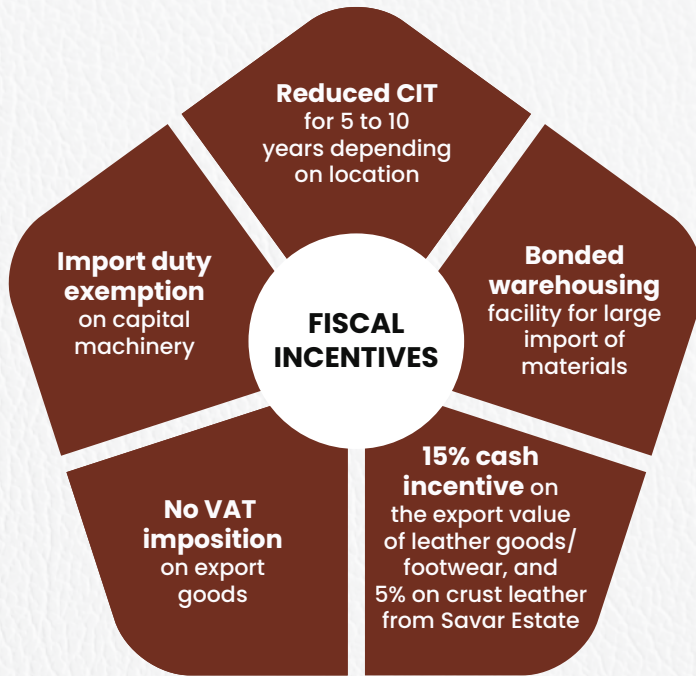
Many renowned brands for leather goods and footwear have experience sourcing ready-made garments from Bangladesh over the years, suggesting familiarity with such brand buyers. The positive experiences with the RMG sector are expected to pave the way to choose Bangladesh as a sourcing location for leather goods.



## **AVAILABILITY OF LINKAGE INDUSTRIES**

As a result of the growth of the local leather industry, Bangladesh has a diverse range of supporting industries, including producers of packaging materials, metal accessories, adhesive and soles, all of which are capable of meeting the needs of top-exporters.

# POLICY SUPPORT



Leather and Leather Products Development Policy 2019 (August 2019) addresses a range of incentives to boost the sector's export earnings.

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

Three industrial estates dedicated to leather and tannery industries, being set up by the government in the areas of Rajshahi, Savar and Chattogram.



# 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



# MEET BANGLADESH

THE RISING TIGER

EXPORT COMPETITIVENESS  
FOR JOBS (EC4J)

Address: Level-6, 116 Kazi Nazrul Islam Ave, Dhaka 1205

Phone: 02-41030362

[www.ec4j.gov.bd](http://www.ec4j.gov.bd)

[WWW.MEETBANGLADESH.NET](http://WWW.MEETBANGLADESH.NET)



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