

CHAPTER EIGHT

INDUSTRY

The economy of Bangladesh has experienced noteworthy basic change amid last decades. The cumulative contribution of Industry Sector to GDP is incrementally expanding in Bangladesh. As stated in BBS, the contribution of the broad industry sector to GDP has been estimated at 37.07 percent in FY 2021-22 which was 36.01 percent in FY 2020-21. In addition, the government is persistently taking synchronized and inclusive initiatives for ameliorating and flourishing of all industrial sectors of the country such as manufacturing industry and fuel industry for energy security, agriculture and forestry, mineral extraction and processing industry, tourism and service industry, construction industry and ICT based industry. Moreover, in order to accelerate the celerity of industrialisation of the country the government promulgated the 'National Industrial Policy-2016'. The underlying objectives of the Industrial Policy 2016 include sustainable and inclusive industrial growth through generation of productive employment in order to expanding the horizon of new entrepreneurs, mainstreaming women in the industrialisation process and international market linkage. The government is relentlessly continuing its all sorts of initiatives to achieve this goal by extending loans and other ancillary supports through banks and other financial institutions. As a consequence, the volume of both distribution and recovery of industrial loan are drifting to the increase. During ongoing COVID-19 epidemic, the government took appropriate numerous initiatives through stimulus packages, including providing low-interest working capital loan facilities to affected industries and service sector enterprises and small and medium enterprises. Besides all these initiatives the EPZs are playing pivotal role in the context of promoting as well as enhancing rapid industrialisation and attracting foreign direct investment substantially.

Industry sector of Bangladesh economy has been gradually and consistently expanding over the few years. Bangladesh Bureau of Statistics (BBS) estimates, the contribution of the broad industry sector to GDP stood at 36.01 percent in FY 2020-21 which increased to 37.07 percent in FY 2021-22. Among the fifteen sectors of GDP, the broad industry sector includes five sectors namely mining and quarrying, manufacturing, electricity

gas, steam and air condition, water supply and construction. The contribution of the manufacturing sector is the highest in GDP. In FY 2021-22 the contribution of manufacturing sector to GDP was 23.36 percent which increased to 24.45 percent in FY 2021-22. The volume and growth performance of the manufacturing sector from FY 2015-16 to FY 2021-22 is shown in Table 8.1.

Table 8.1: Volume and Growth Rate of Manufacturing Sector

(At constant prices of 2015-16)

(In Crore Tk.)

Type of Industry	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*
Cottage Industry	72127 (-)	78829 (9.29)	84700 (7.45)	96704 (14.17)	100257 (3.67)	110557 (10.27)	123543 (11.75)
Small, Medium and Micro Industry	129108 (-)	142102 (10.06)	157882 (11.10)	174632 (10.61)	179325 (2.69)	204241 (13.89)	228164 (11.71)
Large Industry	221152 (-)	231388 (11.08)	257016 (12.79)	289885 (0.41)	291072 (10.61)	321967 (10.61)	363416 (12.87)
Total	422387 (-)	452319 (7.09)	499598 (10.45)	561220 (12.33)	570654 (1.68)	636765 (11.59)	715123 (12.31)

Source: Bangladesh Bureau of Statistics. Note: Figures in parentheses indicate rate of growth.* Provisional.

National Industrial Policy 2016

Considering industrialisation or industrial sector as the most important sectors, industrial policy, 2016, was announced to speed up the pace of industrialisation in the country and inclusive industrial growth through generation of productive employment to create new entrepreneurs, mainstreaming women in the industrialisation process and international market linkage creation. In order to implement these goals and objectives, proper strategies are outlined in the industrial policy. The necessary initiatives have been taken in consultation with the concerned ministries and other beneficiaries in the integrated initiatives in the implementation of the industrial policy and in the protection of consumer interest. To secure a sustainable development through economic, social and environmental protection, the government declares small and medium enterprises as the key sector for the growth of industrialisation. In addition to that, the government also lays emphasize on heavy industry and few selected service sectors. Short, medium and long-term activities will be taken to achieve the targets of National Industrial Policy 2016.

For planned industrial development in the country and to realise a sustainable industrial growth in relation to continuous technology related innovation, followings issues have been included in the National Industrial policy 2016:

For example, creating high priority sector, defining various sectors (handicrafts, creative industry, high priority industry); (protection of intellectual property rights, management of industrial pollution, creation of effective skill development programme, provision of pragmatic policy and strategic benefit to develop a strong private sector). For the effective implementation of this Policy, a time bound Action Plan has been incorporated in the Industrial Policy 2016. Practical, implementable and theoretical knowledge and experiences of the experts and stakeholders of the industry sectors have been reflected in the Industrial Policy 2016. It is expected, with implementation of this policy, industrial sector would be revitalised by bringing noticeable advancement of the country as a whole.

Quantum Index of Production of Manufacturing Industries

The Quantum Index of Production is an important indicator of the measurement of product production in the manufacturing industry. According to the data of Bangladesh Bureau of Statistics (BBS), the production index of medium to large scale industries increased from 213.22 in FY 2013-14 to 545.79 in FY 2021-22 at the base price of FY 2005-06. Table 8.2 shows the index during FY 2013-14 to FY 2021-22.

Table 8.2: Quantum Index of Production for Medium to Large Scale Manufacturing Industries
(Base: 2005-06)

Fiscal Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*
Medium to Large Scale Industries	213.22	236.11	267.88	297.89	342.47	392.82	398.35	456.39	545.79
Percentage change	9.24	10.74	13.46	11.20	14.97	14.70	1.41	14.57	6.60

Source: Bangladesh Bureau of Statistics *up to December 2021 *(compared to the same period of previous fiscal year).

A Small and Medium Enterprises (SMEs)

Small and Medium Enterprises (SMEs) are considered as a potential sector for solving unemployment problem through new

employment generation. This sector has been playing a significant role in achieving economic growth and earning foreign currency by encouraging and expanding the business

activities. For the expansion and development of the sector to enhance the standard of lifestyle of the mass people and ensure women empowerment to diminish gender discrimination, Bangladesh Bank has been continuing its refinancing facilities in the year 2021 for Banks and Non-Bank Financial Institutions (NBFIs) against their financing to SMEs. Steps have been undertaken for the development of SMEs are given in annexure 8.1.

Disbursement of SME Loan

A self-determined year-wise lending target (calendar year basis) in SMEs sector for banks and

NBFIs was first introduced in 2010. The success in SME loan disbursement is considered as yardstick for the approval of opening new branches and a criterion to determine CAMELS ratings of banks. Total net outstanding loans & advances in SME sector at the end of December, 2021 is Tk. 2,15,786.30 crore. In year 2021 (up to December), Banks and NBFIs altogether have disbursed an amount of Tk. 1,85,428.48 crore against 9,39,131 SMEs. On the other hand, 83,268 women led SME enterprises received financing of Tk. 6,802.09 crore during the same time period. Table-8.3 reveals the disbursement of category-wise SME credit from the year 2010 to 2021.

Table 8.3: Disbursement of SME Credit by Banks and NBFIs

(TK. in Crores)

Period	Target	Actual Disbursement				Women Ent.	Achievement (%)
		Trading	Manufacturing	Service	Total		
2010	38858.12	35040.53	15147.72	3355.68	53543.93	1804.98	138
2011	56940.13	34382.64	15805.95	3530.85	53719.44	2048.45	95
2012	59012.78	44225.19	21897.33	3630.90	69753.42	2224.01	118
2013	74186.87	56703.72	24016.64	4602.89	85323.25	3351.17	115
2014	89030.95	62767.18	30246.20	7896.77	100910.15	3938.75	113
2015	104586.49	73551.78	30462.02	11856.68	115870.48	4226.99	112
2016	113503.43	90547.57	35168.63	16219.19	141935.39	5345.66	125
2017	133853.59	96934.79	42334.87	22507.66	161777.32	4772.99	121
2018	161031.89	66936.21	55739.61	36834.25	159510.07	5517.09	99.05
2019	176902.00	72522.37	58715.31	36723.99	167970.67	6108.99	94.95
2020	229153.21	83455.61	80843.34	42504.68	206803.63	8244.46	90.25
2021*	252760.64	87934.45	83007.29	44844.56	215786.30	8801.54	85.37

Source: Bangladesh Bank. *Up to December 2021. A target based lending to cottage, micro, small and medium enterprises has been initiated since 2010. Until 2019, lending target calculation process was disbursement based. From 2020, lending target is being determined using Net Outstanding based calculation process which is initiated by SMESPD Circular No. 02: dated September 05, 2019.

Refinance Schemes

In addition to regular financing to SME enterprises, Banks and NBFIs are also making short to long term financing to SMEs through refinance and pre-finance schemes of Bangladesh Bank. Presently, Bangladesh Bank is running 8 funds and projects with the help of JICA, various European development partners and its own funds in the SME sector. A total amount of

Tk.15,408.17 crore has been provided to different Banks and NBFIs under different refinance/pre-finance schemes up to February 2022 against 1,96,817 enterprises. These refinancing facilities have been helping for benefitting SMEs to expand their business; and thereby, creating new employment opportunities. The overall status of these funds as on February, 2022 has been presented in Table-8.4.

Table 8.4: Summary Information on SME Refinance Schemes

SL. No	Name of the Fund	Amount of Refinance (Tk. in Crore)	Financed Enterprises
1	Refinance Scheme for Agro-based Industries in Rural Areas	2400.99	3531
2	Small Ent. Refinance Scheme: (i+ii)	5205.52	44027
	i) Small enterprise Refinance Scheme	4842.67	41589
	iii) Small enterprise Refinance Scheme-Extension 2014	362.85	2438
3	New Ent. Refinance Fund for CMSEs	109.72	1647
4	Islamic Shariah-based Refinance Fund	610.53	903
5	JICA FSPDSME	1185.19	1888
6	JICA UBSP	84.87	6
7	COVID-19 Refinance Scheme	5535.49	143789
8	SREUP	126.26	14
9	COVID-19 related CECRFB Project	149.60	1012
	Grand Total	15408.17	196817

Source: Bangladesh Bank

Policy response to support SMEs affected by COVID-19 pandemic:

- A stimulus package worth Tk. 20,000 crore has been announced to meet-up the working capital need of COVID-19 affected SMEs. Under this package, Banks and FIs will disburse working capital loans from their own fund to the entrepreneurs at 9% interest rate. The Government will provide 5% to Banks and FIs as an interest subsidy. So, credit will be disbursed at lower rate of 4% at the borrower level.
- Disbursement will be made at least 8% to women enterprise under the stimulus package.
- Bangladesh Bank has created a Revolving Refinance Fund worth Tk. 10,000 crore to support the liquidity requirement of Banks and FIs for successful implementation of the stimulus package as well as introduced a Credit Guarantee Scheme for Cottage, Micro & Small Enterprises to overcome the collateral problem.

- Bangladesh Bank has instructed all the Banks and FIs to establish Help Desk in each of their branches.
- Bangladesh Bank has increased the fund sizes of three existing refinance schemes to meet up the term loan (including working capital) requirement of the entrepreneurs. At the same time, the interest rates of those schemes have been reduced to 3% at Banks/FIs level and 7% at borrower level.
- The repayment of working capital loans on EMI (Equal Monthly Installment) basis has been allowed. Banks are instructed in a way that effective interest rate won't be more than 9% while type of loans, tenure and sanction limit remain unchanged.
- District-based Lead Bank Calendar has been formulated to address the adverse impact of COVID-19 pandemic.

Small and Medium Enterprise Foundation (SMEF)

In line with the SME Policy 2019, Industrial Policy 2016, 8th Five Year Plan, Vision 2021, SDG 2030 and Vision 2041, SMEF has been

implementing multifaceted activities. Some key activities of SMEF are given in annexure 8.2.

Bangladesh Small and Cottage Industries Corporation (BSCIC)

Development of small and cottage industries in the private sector, Bangladesh Small and Cottage industries in the private sector, Bangladesh Small and Cottage Industries Corporation (BSCIC) has given a brief description of the contributions made to the national economy by providing support, services and facilities to entrepreneurs in FY 2021-22 (up to February 2022) are given below:

Investment and employment generation in Small and Cottage Industries sector

During FY 2021-22, up to February 2022, the number of medium, small and cottage industrial units established with direct and indirect assistance of BSCIC are 36, 1,269 and 2,766 respectively. Total investment in these industrial units is Tk. 1,588.93 crore. Among these investment, the amount of debt distributed by

banks, BSCIC and other financial institutions is Tk. 155.01 crore, entrepreneurs' equity of 701.30 crore and remaining 732.62 crore has been invested entrepreneurs setting up industries in their own initiative. Through the above investment, there are a total employment of 37,498 persons has been created in the small and cottage industries sector.

Contribution of BSCIC Industrial Estates

Up to February 2022, 10,607 industrial plots had been allotted in favour of 5,998 industrial units in 79 Industrial Estates of BSCIC throughout the country. Among them 4,769 units are presently under production. Total investment in these 79 industrial estates up to June 2021 is Tk. 41,217.20 crore. These units had produced goods worth of Tk. 60,944.95 crore in the FY 2020-21, out of which product worth of Tk. 33,144.03 crore had been exported. Most of the exported items were hosiery products. The contribution made by the industrial estates is summarised below:

Table 8.5: Investment, Production and Employment of BSCIC Industrial Estates

1.	Total no. of Industrial Estates	79
2.	Total no. of Industrial plots	11636
3.	Total no. of plots allotted (Up to February 2020)	10607
4.	Total no. of Industrial units allotted (Up to February 2020)	5998
5.	Total no. of units under production (Up to February 2020)	44769
6.	No. of export oriented units (Up to June 2019)	958
7.	Total Investment (Up to June 2019)	Tk. 41217.20 crore
8.	Employment (Up to June 2019)	8.25 Lakh Persons
9.	Total sales price of the products produced (FY2018-2019.)	Tk. 60944.95 crore
10.	Total sales price of exported products (FY2018-2019.)	Tk. 33144.03crore

Source: MoI, BSCIC

Table 8.6: Yearly Investment, Production and Employment of BSCIC Industrial Estates

Financial Year	Investment (Cumulative) (Taka in Crore)	Annual production (Taka in Crore)	Employment (from the beginning) (In Lakhs)
2012-13	17411	36097	5.04
2013-14	18897	42509	5.26
2014-15	19380	43858	5.50
2015-16	20178	45879	5.63
2016-17	20178	55262	5.64
2017-18	25418	59107	5.79
2018-19	27689	50682	8.24
2019-20	39217	136998	8.25
2020-21	41217	60944.95	8.25
2021-22*	41217	-	-

Source: MOI, BSCIC.* UP to February 2022

- Training Programme**

During FY 2020-21 BSCIC had imparted training to 16,553 and in the FY 2021-22 up to February 2022, BSCIC had imparted training to 10,303 entrepreneurs, technicians, managers and others through its Small & Cottage Industries Training Institute (SCITI), Design Centre, 15 Skill Development Training Centres, 64 Industries Service Centres and other offices/projects.

- BSCIC's loan assistance activities**

Through BSCIC's Own Fund (BINIT) programme for poverty alleviation, Tk. 128.16 crore has been disbursed in favor of 10,180 entrepreneurs in 64 districts under the Loan assistance activities of BSCIC from the beginning (2015-16) to February 2022.

- Incentive package to help affected entrepreneurs in COVID-19**

Under the first phase (2020-21) of CMSME Twenty Thousand Crore Stimulus Package announced by Hon'ble Prime Minister as on June 30, 2021, according to the data of Bangladesh Bank, a total of Tk. 15,079 crore has been disbursed by different banks among 98,148 entrepreneurs which is 75.40% of the total package. Besides, Under the second phase of CMSME stimulus package, from 1st July 2021 to 28th February 2022, according to the data of Bangladesh Bank, a total of Tk. 6,842.14 crore has been disbursed by different banks among 43,849 affected industrial units which is 34.41% of the total package.

- Other activities**

A part from the activities mentioned above, few more services were delivered by BSCIC, which is presented below in comparison to previous few years:

Table 8.7: Delivery of Services of BSCIC

Sl. no	Are a of Assistance		Achievement (in number)								
			2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*
1.	Registration of Industrial Unit	Medium	-	-	-	-	14	14	21	43	62
		Small	604	251	647	869	647	617	625	1912	1270
		Cottage	1363	494	1329	2041	1838	1706	1619	5404	3548
2.	Distribution of Design		2409	2409	2326	2448	2833	2939	2783	3571	1890

Sl. no	Area of Assistance	Achievement (in number)								
		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*
3.	Preparation of Project Profile	421	422	476	486	504	565	461	520	333
4.	Marketing Study	381	411	396	423	436	416	387	423	217
5.	Sub-Contracting Linkage	43	60	61	61	60	53	63	66	48
6.	Arrangement of Fair	12	11	14	18	18	15	14	21	64

Source: BSCIC, Up to February 2022.

Bangladesh Chemical Industries Corporation (BCIC)

Bangladesh Chemical Industries Corporation (BCIC) has made its highest effort ensure food security of its people by producing more food grains through scientific application of agricultural inputs like fertiliser. It is the largest public-sector corporation of the country. BCIC is now being run with 10 large and medium size enterprises under its management including 4 urea fertiliser factories, 1 DAP fertiliser factory, 1 TSP fertiliser factory, 1 paper mill, 1 cement factory, 1 glass sheet factory and 1 insulator and sanitary ware factory. 80% of BCIC's products are chemical fertilisers, of which 70 percent is urea fertiliser and 10% is others fertiliser. There are 10 organisations operating under local/foreign joint venture partners with BCIC.

During FY 2021-22 (Till February 2022) the running factories under BCIC produced 5,51,097 MT of urea fertiliser, 46,788 MT TSP, 59,290 MT DAP fertiliser, 1,789.01 MT of paper, 102.80 MT cement, 613.45 MT of sanitary ware, 547.01 MT of insulator and 103.33 MT refractories. Until December 2021 in FY2021-22, the actual production has been Tk 668.81 crore against the target of Tk. 2147.81 crore in 10 factories of BCIC, which is 31.14% of the target. At the same time the sales volume of the BCIC's factories Tk. 872.68 crores, which is 40.63% of the target. At the time the revenue (duties and taxes) of the national exchequer was Tk. 74.35 crores.

Name of the Running Factories in BCIC:

1. Chattogram Urea Fertiliser Ltd.
2. *Shahjalal* Fertiliser Company Ltd.
3. *Jamuna* Fertiliser Company Ltd .
4. *Ashuganj* Fertiliser & Chemical Company Ltd (AFCCL).
5. TSP Complex Ltd.
6. DAP Fertiliser Co. Ltd.
7. *Karnaphuli* Paper Mills Ltd.
8. *Chhatak* Cement Company Ltd.
9. *Usmania* Glass Sheet Factory Ltd.
10. Bangladesh Insulator and Sanitary ware Factory Ltd.

Name of joint venture factories in partnership with BCIC:

1. Karnaphuli Fertiliser Co. Ltd. (KAFCO)
2. Sanofis (Bangladesh) Ltd.
3. Bayer Crop Science Bangladesh Ltd.
4. Novartis (Bangladesh) Ltd.
5. Syngenta (Bangladesh) Ltd.
6. Dhaka Match Industries Co. Ltd.
7. Bulk Management (BD) Ltd.
8. Miracle Industries Ltd.
9. Bangladesh Fertiliser and agro chemicals Ltd.
10. Soudi Bangla Integrated Cement Co. Ltd.

The production, demand, sales and import statistics of urea fertiliser from FY 2012-13 to FY 2021-22 (up to February 2022) are given below In Table 8.8:

Table 8.8: The Production, Demand, Sales and Import Statistics of Urea Fertiliser

(in MT)

Fiscal year	Targets	Actual production	Target Achieved (%)	Demand	Actual sales	Sales rate against demand (%)	Import
2012-13	1115000	1026999	92	2500000	2247116	90	1314703
2013-14	1012500	838628	83	2450000	2461681	100	1731057
2014-15	786056	878360	112	2700000	2638533	98	1880964
2015-16	1095000	1007498	92	2800000	2291452	82	1676165
2016-17	928000	922717	99	2500000	2365737	95	1153324
2017-18	943974	764006	81	2500000	2427467	97	1419149
2018-19	810000	788435	97	2550000	2594093	102	2045715
2019-20	900000	796598	89	2650000	2509726	95	1699764
2020-21	1160000	1033913	89	2550000	2463419	96.60	1307727
2021-22*	1220000	551097	45	2669700	2148167	97.11	1403000

Source: Bangladesh Chemical Industries Corporation * up to February 2022

Bangladesh Sugar and Food Industries Corporation (BSFIC)

Bangladesh Sugar and Food Industries Corporation operates activities of its 15 sugar mills, 1 distillery unit, 1 engineering factory, 1 organic Bio-fertiliser and 3 commercial establishments. Annual production capacity of 15 sugar mills under the corporation is 2.10 lakh MT. At present the annual demand of sugar is about 18 lakh MT in our country. Sugar production is insufficient in sugar mills based on sugarcane, compared to the actual demand of sugar in the country. As a result, the deficiency of sugar is fulfilled by imported sugar and sugar produced in the 5/6 sugar refinery, established in the private sector. In the Financial Year 2021-22, BSFIC had set a target for the rest nine sugar mills to produce 50,000.00 M. Ton of sugar against which up to February 24,509.75 M. Ton. of Sugar has been produced.

In the FY 2021-22 the production target of distillery unit had set a target to produce 52.00 lakh proof liter Sprit & Alcohol against which 36.23 lac proof liter has been produced up to February 2022. The target of Hand-sanitizer was 15 thousand liter against which 4,470 liter has been produced up to February 2022, the target of Bio-fertilizer was 2200 M. Ton against which 787.00 M. Ton has been produced and the target of Vinegar was 22,000 M. Ton against which 12,900 M. Ton has been produced up to February

2022. The annual production targets of engineering products have been determined as 660 M.Ton but up to February, 2022 about 364.69 M. Ton products have been produced.

Keeping in view the conviction of building a Digital Bangladesh declared by the present democratic government and brings the ICT facilities to the doorsteps of farmers of sugar mills under Bangladesh Sugar and Food Industries Corporation, E-Purji, Online Purji, E-Gazette and E-Payment systems have been running successfully with the help of Access to Information (A2I). CCTV monitoring system has been running to monitor the production activities at sugar mills of BSFIC in the crushing season. There are also Websites, Mobile apps, access to services through Facebook, E-filing activities, Grievance Redress System (GRS) activities have been running.

Bangladesh Steel and Engineering Corporation (BSEC)

Bangladesh Steel & Engineering Corporation Initially started functioning with 62 enterprises. Enterprises under Bangladesh Steel & Engineering Corporation have been playing important role in the economic development of the country as they produce Electric Cables, Transformers, Tube Light, CFL Bulb, LED Bulb, LED Tube Light and Super Enameled Copper Wire etc. and thereby contribute a lot to electrification of the country. BSEC has also a

share in the road transport sector since it has been assembling Bus, Truck, Jeep, Motorcycle etc. Enterprises of BSEC also produce MS/GI/API Pipe, MS Rod and Safety Razor Blade.

From July 2021 to February 2022, products worth Tk. 116.15 crore were produced in BSEC's enterprises. According to the budget target for the FY 2021-22, it is expected that the manufacturing companies will produce goods worth Tk. 820.16 crore. From July 2021 to

February 2022, products worth Tk. 208.80 crore were sold in BSEC's enterprises. According to the budget target for the FY 2021-22, it is expected that the manufacturing companies will sales goods worth Tk. 966.63 crore. BSEC has been able to achieve an overall profit of Tk. 4.61 crore (Before-Tax) in the FY 2020-21. According to the provisional estimates, the overall net profit target for July 2021-February 2022 is Tk. 105.43 crore.

Table 8.9: Net Profit/Loss of BSEC Enterprises

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*
Profit	98.88	84.54	95.41	96.68	102.87	104.59	85.81	33.76	6.39
Loss	(9.30)	(12.96)	(9.19)	(19.60)	(23.91)	(36.69)	-31.66	-29.15	-17.26
Net Profit/ (Loss)	89.57	86.22	86.22	77.08	78.96	67.9	54.15	4.61	(10.87)

Source: BSEC. Up to Feb. 2022

Table 8.10: Statement of Revenue Deposited by BSEC

Particulars	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*
Duties and Taxes:	256.98	330.06	256.24	239.61	359.4	614.26	309.00	144.52	40.18

Source: BSEC. Up to Feb 2022

Bangladesh Forest Industries Development Corporation (BFIDC)

Bangladesh Forest Industries Development Corporation (BFIDC) is a profit-making state-owned enterprise. The activities of the Corporation are divided into two sectors. The sectors are Industrial sector and Rubber (agriculture) sector.

A. Industrial Sector:

The Industrial sector consists of 8 industrial units. Among them 3 units are engaged in collection of woods from Chattogram hill tracts and economically life cycle lost rubber trees from rubber garden of BFIDC, seasoning and treatment of woods. The rest 5 units are engaged in manufacturing door, window, *chowkat*, dunnage, chair, table, bench, sofa-set and high-quality

furniture commercially. In FY 2020-21 the Industrial unit earned profit Tk. 87.50 crore.

B. Rubber Sector:

Since its inception, the BFIDC has planted rubber plants in its 33,129 acres of land. BFIDC has been playing an important role in the carbon sequestration, reducing degradation and erosion of land as well as creating employment opportunity, saving foreign currency and generating economic activities in the remote rural areas. The quantity of exported rubber in FY 2020-21 is 834 MT. In the past 10 years the quantity of exported rubber is 20,314 MT and earned 247.93 lakh taka. BFIDC is playing a vital role in extension of rubber cultivation/plantation in both public and private sector. BFIDC produced raw rubber which is used in producing sandal, tire-tube of light vehicle and rickshaw;

hosepipe, bucket, gasket, oil seal, textile and jute spare parts etc.

The amount of revenue deposited in the government treasury in the last ten years is presented in the Table 8.11.

Table 8.11: The amount of Revenue Deposited in the Government Treasury in the last 10 years
(in Lakh Tk.)

S L	Item of deposited	Financial Year									
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1.	VAT	1812.59	1783.66	770.94	633.49	528.15	716.00	946.28	827.30	1047.70	1898.25
2.	Salse IT	473.45	442.03	180.30	33.21	56.77	47.49	96.40	6.22	4.75	10.74
3.	Income Tax(Salary)	0.82	-	0.11	-	-	-	5.95	8.92	10.89	7.70
4.	Royaltie	64.85	150.00	42.84	46.15	-	-	-	-	138.93	-
5.	Income tax (corporation)	4166.28	4312.55	3966.56	1564.47	1117.6 8	315.00	94.00	270.00	522.84	-
6.	Other Taxes	184.96	150.00	305.02	136.66	233.22	441.40	123.07	300.00	-	855.26
7.	Dividends	100.00	184.62	-	25.00	-	-	-	-	-	-
Sub Total		6808.95	7022.68	5265.77	2438.98	1935.82	1649.89	1265.70	1408.44	-	-
8	DSL (Main loan)	Paid	Paid	-	-	-	-	-	-	-	-
Total		6808.95	7022.68	5265.77	2438.98	1935.82	1649.89	1265.70	1408.44	1725.11	1772.56

Source: BFIDC

Textile Industry

The Department of Textiles was established in 1978 as an attached department of Ministry of Textiles. In FY 2020-21, Bangladesh Approximately earned 31.456 billion US\$ from readymade garments sector which is approximately 83% of the total export of the country.

Bangladesh Textiles Mills Corporation (BTMC)

From FY 1972-73 to FY 2017-18 (October 2017) BTMC produced 8,265.50 lakh kg. yarn, out of which BTMC's own production 7,282.92 lakh kg and 982.58 lakh kg produced under service charge system. BTMC had also produced 8149.98 lakh meter fabrics. After closing the weaving section of the composite mill under BTMC, the

production of fabrics had been also closed since FY 1996-97. From FY 1996-97 to FY 2017-18 (October'17) BTMC has earned revenue Tk. 484.63 crore as service charge.

At present BTMC has 25 mills. Out of which 02 mills are in operation under the rental system from November 2017. With the approval of the Prime Minister's attempt to develop small and medium-size textile industries, 01 mill is under process of setting up 'Textile Polli'. Two mills have handed over to the private partners for operation under PPP. In the 2nd phase of PPP International tender will take place for 4 mills. They have already started their work regarding these 4 mills. A comparative statement is provided below showing the installed capacity, utilisation capacity and production performances for the period of FY 2009-10 to FY 2017-18.

Table 8.12: Year-wise Yarn Production

Financial Year	Installed Capacity	Capacity Utilisation (%)	Production (Lakh Kg.)
	Spindles	Spindles	Yarn
2009-10	176512	11	11.46
2010-11	176512	43	24.05
2011-12	176512	20	9.36
2012-13	168968	16	16.68
2013-14	186264	20	19.80
2014-15	199608	20	20.48
2015-16	198792	23	22.37
2016-17	169472	29	20.47
2017-18*	152176	22	4.98

Source: BTMC, up to October 2017.

Handloom Sector

The handloom industry is the astringent of the tradition of Bangladesh. The industry directly and indirectly employs about 15 lakh people throughout the year. According to the Weaving Census, 2018, the total number of looms in the country is 2,90,282 and the annual production of weaving is about 47.474 crore meters. The weaving industry is supplying more than 28 percent of the country's domestic textile demand. The annual value added of this industry is about Tk. 2,269.70 crore. In the last 10 years, the amount of foreign exchange earned through textile exports has been US\$ 9.14 crore.

Bangladesh Handloom Board

Bangladesh Handloom Board (BHB) has been implemented a number of development projects/programs for the overall development of the handloom sector. These projects/programmes have been contributing much to the promotion and development of handloom sector in general and the weavers in particular. A project titled 'Micro Credit Programme for the Weavers' was undertaken to provide working capital to the weavers owning 1-5 looms by organising them in groups as per rules of Tanti Samity, 1991. There is a provision that the loan amount will be refunded to the Government after 5 years of implementation period. Up to February, 2022 an

amount of Tk. 7,815.52 lakh has been disbursed among 44981 weavers against 67,599 looms.

To find out Muslin cotton and the technology of Muslin yarn through extensive research, to revive and produce the Muslin yarn and Muslin fabrics eventually and to bring back the lost glory, 'the golden heritage of Bangladesh' project was approved by The Honorable Planning Minister at an investment cost of Tk. 12.10 crore. The research works for rejuvenating Muslin are going on. The cotton for making Muslin 'Phuti Carpus' has been revived from this research. Already The department of Patents Designs And Trademarks has published 'Dhakai Muslin' as Geographical Indication (GI) product in journal no-9 in favor of Bangladesh Handloom Board.

Sericulture and Silk Industry

Bangladesh Sericulture Development Board (BSDB) has been formed in 2013 to integrate the Bangladesh Sericulture Board, Bangladesh Sericulture Research and Training Institute and Bangladesh Silk Foundation for the integrated development of sericulture. Under the direction given by the Hon'ble Prime Minister, silk farming has been included in the 'Amar Bari, Amar Khamar' project.

Bangladesh Sericulture Development Board

This industry has been playing an important role in improving the living standards of the

hard core poor people of the villages. Presently around 6.50 lakh people are directly and indirectly associated with silk industry across the country. Most of them are women. The sericulture activities are half agricultural land and half industrial. In Bangladesh it is now 4 times cropped high value agriculture in a year. If we can make mulberry leaves available over the year the cropping frequency may be multiplied up to 12 times in a single year. Overall activities of Bangladesh Sericulture Development Board are project dependent. During the tenure of the present government, 6 development projects have been approved at

a cost of Taka 178.95 crore. Out of which 3 projects have been implemented at a cost of Taka 73.84 crore and 3 projects at a cost of Taka 98.67 crore are in progress. After implementation of the two projects, employment opportunities will be created for 25,000 people and it will be possible to produce 30 metric tons of yarn per year. Information on production of Disease Free Laying's (DFLs), Cocoon, Silk Yarn, Imparting training and Small Loan Disbursement in public sector from FY 2011-12 to FY 2021-22 (up to January 2022) is given in Table 8.13.

Table 8.13: Production of Disease Free Laying (DFLs) Cocoon, Silk Yarn and Microcredit Disbursement

Fiscal Years	Production of DFLs (Million Nos.)	Production of Cocoon (MT)	Production of Silk Yarn in govt. sector (MT)	Small Loan disburse (In Lakh)	
				Silk Farmer	Silk Weaver
2011-12	4.43	1.80	2.67	-	-
2012-13	4.43	1.22	1.64	-	-
2013-14	4.17	98.00	0.66	Disburse: 231.30 Recovery: 205.40	Disburse: 41.27 Recovery: 36.18
2014-15	2.65	56.00	0.64	Disburse: 231.30 Recovery: 206.07	Disburse: 41.27 Recovery: 36.48
2015-16	3.80	146.00	0.95	Disburse: 231.30 Recovery: 210.20	Disburse: 41.27 Recovery: 36.82
2016-17	4.39	130.00	0.79	Disburse: 231.30 Recovery: 222.13	Disburse: 41.27 Recovery: 37.09
2017-18	4.16	99.00	0.93	Disburse: 231.30 Recovery: 222.37	Disburse: 41.27 Recovery: 37.10
2018-19	4.31	183.00	1.02	Disburse: 231.30 Recovery: 222.37	Disburse: 41.27 Recovery: 37.10
2019-20	4.51	200.02	1.21	disburse: 231.30 Recovery: 222.37	disburse: 41.27 Recovery: 37.10
2020-21	4.00	145.00	1.099	disburse: 231.30 Recovery: 222.37	disburse: 41.27 Recovery: 37.10
2021-22*	2.04	68.19	0.30	disburse: 231.30 Recovery: 222.37	disburse: 41.27 Recovery: 37.10

Source: Bangladesh Sericulture Development Board *Up to January 2022.

Research and Training Progress

In 2021-2022 Bangladesh Sericulture Research and Training Institute (BSRTI) has been conducting research for developing high yielding

mulberry, High yielding silkworm races and silk reeling technologies. The research activities will be completed June 2022. Now the total number of high yielding mulberry variety is 16 and silkworm developed race 49. At present in

germplasm bank 84 mulberry varieties and 114 silkworm races are maintaining. Due to development of high yield mulberry and silkworm race leaf production has been increased to 40.00-47.00 mt/ha/yr in place of 37.00-40.00 mt/ha/yr and cocoon production to 70-75 kg/100dfls in place of 60-70 kg/100dfls respectively. Now it is possible to produce 1 kg raw silk from 8-9 kg of cocoon in place of 10-12 kg. In the FY 2021-2022, till now 250 personnel in short-term course on sericulture have been trained up. These skill manpower are working in the Bangladesh Sericulture Development Board, NGOs and other private enterprises.

Jute Industry

Bangladesh Jute Mills Corporation (BJMC)

In order to revive and modernize the jute sector as well as to pay the long accumulated arrears of the workers and retired employees, the production activities including the termination of labour of 25 state-owned jute mills were declared closed from 1 July 2020. All the dues of the workers of 4 out of 25 mills were paid by August 2020 with BJMC's own funds. Rest of the 21 mills, out of total 34,757 retired and terminated workers, 30,343 workers were paid Taka 1,595.42 crore as 50% of the total amount by their bank account and rest of the 50% is being repaid in the form of 3 months profit based savings certificates (Sanchaypatra) through the bank under social security. Besides, According to the government-approved policy and work plan, BJMC has started modernization and re-opening of 'declared off production' mills, under private management lease system. EOI was initially called upon to lease 17 mills of BJMC. In the meantime, 2 mills have been handed over. Leasing activities are going on for rest of the mills. In FY 2020-21 BJMC exported 40,710 MT. (delivered) of jute goods valued at Tk. 310.17 crore, which was 35,000 MT. (delivered) and valued at Tk. 300.46 crore in FY 2019-20.

Jute Diversification Promotion Centre (JDPC)

JDPC has been established under the ministry of Textiles & Jute in 2002 for accelerating and extending uses of high value added diversified jute products along with the conventional jute products. The objectives of JDPC also include revival of the past glory of jute with the idea of multifaceted and multidimensional uses of jute-through creating entrepreneurs, providing training, supplying raw materials, design development and helping marketing of jute products in domestic and international market. Major activities of JDPC is given below:

- To create awareness of JDPs through fair, exhibition, buyer-seller meetings, workshops, seminar, and other marketing programme.
- To provide entrepreneurship development training for new and existing entrepreneurs.
- To explore and promote new technologies for production of high value added diversified jute product.
- To explore potential markets for diversified products both in home and abroad.
- To provide raw materials through Raw Materials Bank (RMB).

Department of Jute

The overall activities of the Jute Department are being conducted to control the trade of jute and jute products in the domestic and international markets and to prevent irregularities in trade. Revenue is collected through production of jute and jute products and licensing of various classes of jute products. In addition, as per the decision taken by the government, since July 1, 1995, the revenue fee at the rate of Tk. 2.00 per bale in case of raw jute export and Tk. 0.10 (ten paisa) per 100.00 in case of jute goods export value. The production of jute and jute goods mainly depend on internal and international demand and market price. For this reason, production of jute and jute goods, export and prices thereof fluctuate widely.

The export of raw jute and jute products has earned 850.06 million US dollars. In FY 2020-21, the country has produced 84.13 lakh bales of raw and 8.37 MT of jute products. The export of raw jute and jute products has earned 1,048.21 million US dollars. In FY 2021-22, the country has a potential target of 93.18 lakh bales of raw jute and 8.10 lakh MT of jute products. In the FY 2021-22 up to January 2022 the export of raw jute and jute products has earned 341.34 million US dollars.

Investment Status in the Export Processing Zones

Bangladesh Export Processing Zones Authority (BEPZA) has been engaged in attracting and facilitating foreign and local investment in the Export Processing Zones of the country. At present, there are 8 EPZs in the country, namely- *Chattogram, Dhaka, Mongla, Cumilla, Ishwardi, Uttara (Nilphamari), Adamjee* and *Karnaphuli* EPZ. Apart from that, the work of setting up an economic zone called BEPZA Economic Zone on 1,138 acres of land in *Mirsarai upazila* of Chattogram district is in the final stage. 539 industrial plots will be constructed under the project. Initially 160 industrial plots have been prepared for allotment. Among those 154 industrial plots have already been allotted to 19 investing industry, out of which 123 industrial plots have been allotted provisionally and 31 industrial plots have been allotted finally. Expected 350 industrial units in the Economic Zone may generate US\$ 4.5 billion investment and create employment for 5 lakh Bangladeshi nationals. Apart from this, establishment of an EPZ on 450 acres land of *Rangpur* Sugar Mills in *Sapmara Union of Gobindganj Upazila* of *Gaibandha* District, an EPZ on 503.40 acres land in *Prembagh Union of Abhaynagar Upazila* of *Jessore* District and an EPZ on 413.03 acres land in *Auliapur Union of Patuakhali Sadar Upazila* near *Payra* Seaport are under process. As on February, 2022, 454 enterprises are in operation and 77 enterprises are under implementation.

Among the enterprises in operation, 154 industrial units are in *Chattogram* EPZ, 92 industrial units are in *Dhaka* EPZ, 31 industrial units in *Mongla* EPZ, 20 industrial units are in *Ishwardi* EPZ, 46 industrial units are in *Cumilla* EPZ, 24 industrial units in *Uttara* EPZ, 47 industrial units are in *Adamjee* EPZ and 40 industrial units are in *Karnaphuli* EPZ. As on 15 February, 2022, the amount of cumulative investment in the EPZs is US\$ 5,858.02 million. As per Annual Performance Agreement, the target of investment for FY 2021-22 has been fixed at US\$ 300 million. In the first 07(seven) months of FY 2021-22 the amount of actual investment stands at US\$ 231.72 million. As on 15 February, 2022, the amount of cumulative export from the EPZs is US\$ 92.05 billion. As per Annual Performance Agreement, the target of export for FY 2021-22 has been fixed at US\$ 6,700 million. In the first 07 months of FY 2021-22 the amount of export from the EPZs stands at US\$ 4,792 million. It may be mentioned here that the export made from EPZ during the FY 2020-21 contributed about 17.14% of national export.

As of 15 February, 2022, 4,80,140 Bangladeshis have been employed in the industrial establishments of EPZs under BEPZA. According to the Annual Performance Agreement, the employment target for the FY 2021-22 has been set at 15,000. In the first 07(seven) months of the current FY 2021-22, 48,805 Bangladeshis have already been recruited. This is mentionable that 66% of Bangladeshi citizens working in EPZ are women, which is playing an important role in women's empowerment.

Information regarding EPZ-wise number of operating industries, investment, export and employment up to 15 February 2022 are shown in the Table 8.14. Up to February 2022, information regarding Product-wise number of operating industries, investment and employment are shown in the Table 8.15 and information regarding actual investment and export of different EPZs are shown in Table 8.16.

Table 8.14: Zone-wise Statistics of Industries Investment Export and Employment of EPZs.

Name of EPZs	Number of Industry		Investment (Million US\$)	Export (Million US\$)	Employment (No.)
	In Operation	Under Implementation			
Chattogram EPZ	154	12	1907.84	36989.67	170247
Dhaka EPZ	92	7	1648.84	31645.29	74374
Adamjee EPZ	47	14	634.63	6452.42	57705
Cumilla EPZ	46	9	491.83	4409.78	44255
Karnaphuli EPZ	40	5	664.66	8660.51	77879
Ishwardi EPZ	20	17	190.89	1224.12	14948
Mongla EPZ	31	8	100.19	902.14	8373
Uttara EPZ	24	5	219.14	1768.03	32359
Total	454	77	5858.02	92051.96	480140

Source: BEPZA. *Up to February 2022

Table 8.15: Product wise Enterprises Investment and Employment in EPZs

Sl	Product	Enterprise (Nos.)	Investment (Million US\$)	Employment (Nos.)
1	Garments	138	2461.08	312341
2	Garment Accessories	89	763.41	16615
3	Textile	33	750.64	22788
4	Knitting and other Textile pdt.	24	326.87	15041
5	Footwear & Leather goods	24	329.67	37048
6	Electronics & Electrical goods	19	174.87	3856
7	Tent	14	168.88	20773
8	Plastic goods	14	100.27	4611
9	Service Oriented Industries	10	56.11	1089
10	Metal Products	9	42.55	1338
11	Terry towel	8	28.96	2260
12	Agro Products	5	4.10	7
13	Chemical & Fertilizer	5	14.23	107
14	Caps	5	71.28	7275
15	Jute Products	5	33.60	917
16	Luggage/Bag	5	15.91	4630
17	Furniture	2	33.75	1669
18	Paper Products	3	5.08	144
19	Power Industry	2	139.19	188
20	Toys	2	57.74	4658
21	Yarn	2	11.43	270
22	Fishing Reel & Golf Equipment	1	43.81	1284
23	Miscellaneous	35	224.61	22231
Gr. Total		454	5858.02	480140

Source: BEPZA, *Up to February 2022.

Table 8.16: EPZ wise Investment and Export

(In Million US\$)

Name of EPZ		2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22*
Dhaka	Investment	68.45	125.79	84.02	80.63	70.72	68.69	76.14	88.50	80.26	43.13
	Export	1780.70	1937.50	1,997.50	2183.9	2091.3	2200.3	2206.31	1814.56	1659.82	1188.94
Chattogram	Investment	133.84	109.46	152.02	100.71	90.57	86.19	75.69	53.37	88.53	47.24
	Export	2095.12	2261.61	2383.76	2419.71	2254.16	2442.20	2391.69	2092.44	2119.46	1466.90
Mongla	Investment	3.52	5.10	8.27	18.98	6.15	11.78	10.14	16.15	3.74	11.16
	Export	74.10	77.28	84.26	74.657	45.79	52.55	89.44	91.86	93.65	89.77
Cumilla	Investment	21.06	23.39	23.41	30.18	29.32	31.51	31.08	38.43	61.02	45.79
	Export	176.93	209.41	274.63	308.33	337.39	408.26	490.76	464.40	565.86	461.52
Uttara	Investment	20.62	17.27	19.89	33.53	24.56	20.42	31.02	14.01	12.56	2.55
	Export	20.38	33.22	87.99	188.8	227.07	224.93	293.76	230.94	237.21	198.61
Ishwardi	Investment	5.12	3.15	5.42	15.11	20.07	20.17	8.18	7.85	12.44	25.65
	Export	55.71	93.16	108.26	114.74	96.55	131.39	150.22	125.46	159.72	106.02
Adamjee	Investment	29.99	73.75	48.51	54.70	50.36	50.16	50.22	31.73	45.25	35.73
	Export	274.10	386.20	467.40	562.90	644	762.06	826.40	741.83	704.86	522.05
Karnaphuli	Investment	45.93	44.67	64.81	60.51	51.32	50.67	50.90	25.61	36.97	16.15
	Export	379.61	526.85	709.74	823.28	853.08	976.85	1075.52	927.62	1096.49	802.45

Source: BEPZA. *Up to February 2022.

So far, investors of 38 countries including Japan, S. Korea, China, Malaysia, Indonesia, Singapore, U.S.A, U.K, Germany, France, Italy, Sweden, Netherlands, India, Pakistan, Australia, Ireland, Turkey, Ukraine, Kuwait, Rumania, Marshal Island, Sri Lanka, Belgium, British Virgin Island, and Bangladesh have already invested in the EPZs of Bangladesh.

The EPZ enterprises have contributed significantly in terms of export diversification of the country. The list of diversified export items from EPZs includes:- Electrical equipment and components, Automobile Parts, Mobile Parts, Camera & camera lens, Engineering products, Bi-cycle, Battery, Golf shaft, Leather products

and Footwear, Textile, Energy saving bulbs, Furniture, Tent, Bullet Proof Jacket, Cosmetic and Hollywood mask, PPE Products, Face Mask, Isolation Gown, Medical Gown, Eye -glass and Frame, Toys, Garments, Garments Accessories, Wedding Dress, Wig, etc. 2 private Power Plants with the capacity of supplying of 200 MW electricity have been set up in Dhaka EPZ and Chattogram EPZ and setting up of Power Plants in other EPZs is under process. As per the power supply agreements, the Power Plants are allowed to supply and sale their extra power to the national power grid after meeting the demand of the EPZ enterprises. Thus, the Power Plants in the EPZs are contributing to the national economy by

meeting up the demand of electricity outside the EPZ areas.

BEPZA has installed Solar Panels with the capacity of supplying 229 kilowatt electricity in the EPZs and also set up 800 Solar Lights for the streets inside the EPZs. Environmental Labs have been set up in Dhaka EPZ and Chattogram EPZ. For ensuring supply of treated water in the EPZs, Water Treatment Plants (WTPs) have been set up in *Adamjee, Karnaphuli, Chattogram* and *Cumilla* EPZs through private initiatives. Setting up of Water Treatment Plants in other EPZs is under process. Apart from that, Central Effluent Treatment Plants (CETPs) have been established in *Chattogram, Dhaka* and *Cumilla* EPZs through Private initiatives. BEPZA has deployed 30 Environmental Counselors for regularly monitoring of the waste management system of the enterprises in the EPZs.

BEPZA has deployed 60 social counselors to protect the rights of the workers and also to ensure improvement of working environment in the EPZs. To resolve the disputes between the owner and the worker, 3 Conciliators and 3 Arbitrators have been employed for 8 EPZs. The Government has enacted a complete and separate “Bangladesh EPZ Labour Act, 2019” to ensure the rights and welfare of the workers of the industries in the EPZ. To create a Digital Bangladesh, BEPZA has started process automation system (online import permits & export permits, bill collection, work permit, Pay Roll Management etc.) for all EPZs. BEPZA has set up Video Conferencing between the zones, inter-active website, Wi-Fi facility in the EPZs, Remote Communication Electrical Metering System in all EPZs. CCTV Surveillance System, Automated Access Control Gate, Metal Archway etc. have been introduced in the EPZs for security of the foreign nationals and overall safety of the EPZs.

In order to prevent EPZ's industries from becoming sick as a result of lack of export orders

due to global economic stagnation during the Corona period, industries with higher export orders have been encouraged to award sub-contracts to industries which do not have export orders. Due to the high demand for PPE, isolation gowns and masks in the wake of the Corona pandemic, EPZ's factories were given permission to add PPEs, isolation gowns and masks to the existing export products list on an urgent basis, subject to export orders.

For the interest of continuing the flow of investment, the lease agreement has been signed through zoom conference by sending the original copy of the lease agreement through official post to the Bangladesh Embassy in the country of the concerned investor as the investor was not able to come physically Corona situation. Among them are German company UBF Bridal Limited signed through Bangladesh Embassy in Germany and Sun A Oral care Products Co. Ltd. signed through Bangladesh Embassy in China. In the first 07(seven) months of the current FY (2021-22), project proposals of 10 companies have been approved and lease agreements have been signed with the companies with a proposed investment of US\$ 91.58 million and proposed employment of 21,902 people.

Other Industries

Pharmaceutical Industry

After the liberation, Bangladesh was totally dependent on import for medicine. People had to buy medicine at a very high price. Now we are producing medicine 98 percent of our national need. Very few high-tech products like bio similar products, anti-cancer medicines, vaccines etc. are now imported for our country. Already Bangladesh has become an exporter country from an importer country and Bangladeshi medicines achieve goodwill in the whole world. At present, pharmaceuticals companies are exporting in 157 countries. A short picture of Bangladesh export condition is shown in Table 8.17.

Table 8.17: Export of Drugs and Raw Materials.

(In Crore Taka)

Year	Medicine production	Export of Raw Materials	Total Export	Countries
2011	421.22	4.93	426.15	87
2012	539.62	11.60	551.22	87
2013	603.87	16.06	619.93	87
2014	714.20	19.07	733.27	92
2015	812.50	195.58	1008.08	113
2016	2245.60	1.40	2247.05	127
2017	3192.46	3.86	3196.32	145
2018	3508.17	6.12	3514.28	146
2019	4067.95	22.14	4090.09	147
2020	4069.28	86.19	4155.47	151
2021	6548.30	160.77	6709.07	157

Source: Directorate General of Drug Administration

Industrial Credit

Rapid industrialisation is required to achieve a desired level of economic growth of an agro-based developing country like Bangladesh. In this context, the role of industrial sector is very crucial. To promote SMEs along with the large-scale industries, the Government of Bangladesh

has been providing industrial loans and other ancillary supports through banks and financial institutions in the last few years. As a result, the volume of industrial loan disbursement and recovery has been increasing gradually. Year-wise disbursement and recovery of industrial loans from FY 2011-12 to FY 2021-22 (up to December 2021) is presented in Table 8.18.

Table 8.18: Disbursement and Recovery of Industrial Loans

(Tk in crore)

Fiscal Year	Disbursement			Recovery		
	Working Capital	Term Loan	Total	Working Capital	Term Loan	Total
2011-12	76674.98	35278.10	111953.08	64400.27	30236.74	94637.01
2012-13	103165.56	42528.31	145693.87	85496.14	36549.41	122045.55
2013-14	126102.59	42311.32	168413.91	113291.25	41806.69	155097.94
2014-15	159546.42	59783.70	215260.42	121853.99	47540.81	169394.80
2015-16	199349.21	65538.69	264887.90	149762.72	48225.29	197988.01
2016-17	238517.05	62155.08	300672.13	185532.77	52094.57	237627.34
2017-18	275629.05	70768.17	346397.22	202980.48	70193.08	273173.56
2018-19	319006.98	80850.08	399857.05	243194.05	76568.81	319762.87
2019-20	312134.01	74257.02	386391.03	256605.77	69723.89	326329.66
2020-21	324826.11	68765.26	393591.37	285477.80	58488.70	343966.50
2021-22*	197855.17	33606.82	231461.99	153153.04	31456.89	184609.93

Source: Bangladesh Bank. Up to December 2021

It has been observed that credit disbursement and recovery saw upward trends from FY 2010-11 to FY 2021-22. Credit disbursement fall sharply in FY 2019-20 but recovery increased in this period. In FY 2020-21, the amount of credit disbursement and recovery (July to December, 2021) stood at Tk. 2,31461.99 crore and Tk.

1,84,609.93 respectively. It is expected that the incremental disbursement of industrial credit will contribute significantly towards maintaining the growth of the industrial sector of the country and will ensure a sustainable economic development as well.

Industry Related Activities

Bangladesh Standards and Testing Institution (BSTI)

An autonomous body governed by the Bangladesh Standards and Testing Institution Act, 2018. As the only national standards body in the country, Bangladesh Standards and Testing Institution (BSTI) has the following key responsibilities:

- Formulation and publication of national standards for goods and services.
- Preserving the national standards of Bangladesh in terms of weights and measures and establishing consistency with the International Unit i.e. SI system.
- On the spot inspection of factories and collection of samples for conducting test activities in compliance with Bangladesh standards in the production of industrial and agricultural products.
- Approval, renewal, disallow, withdrawal or suspension of Certification Marks (CM) license.
- Conduct mobile court and surveillance activities to ensure quality of local products as well as imported products and ensure accurate of weights and measure equipment used by trade bodies.

Significant ongoing activities

- Establishment and accreditation of National Metrology Laboratory (NML) in BSTI.
- BSTI office-cum-laboratory has been set up in 3 districts (*Faridpur, Comilla and Cox's Bazar*) including *Rangpur* and *Mymensingh* divisions. At present steps have been taken for upward expansion of *Mymensingh, Comilla, Cox's Bazar* and *Faridpur* office buildings.
- Establishment of laboratory building at BSTI head office with funding from JDCF and Government of Bangladesh.
- Establishment of Chemical Metrology Laboratory (CML) for quality testing of gold and food products.

- Launched one stop service center.
- With the addition of 48 more products to the BSTI's mandatory list, a total of 229 products have been included in the BSTI's compulsory certification marks. It is mandatory to obtain license from BSTI for sale, distribution and marketing of these products.
- Gold testing activities have been introduced for certification of imported gold.

Department of Patents Designs and Trademarks (DPDT)

The Department of Patent, Design & Trademarks is a specialized department under the purview of Ministry of Industries has been administering Intellectual Property related activities in Bangladesh since 2003. Like all other member countries of WIPO, Department of Patent, Design & Trademarks observes April 26 as World Intellectual Property Day. Envisaging setting up a framework for broader mobilization and awareness, opening up access to the promotional aspect of innovation and recognizing the achievements of promoters of Intellectual property, DPDT administers IP awareness programme throughout the country. Considering the importance of Intellectual Property & the world current scenerio, It has been taken steps to formulate new Patent & Design acts instead of century years old patent & Industrial Design Act -1911. Bangladesh Patent Act-2022 has already been received final approval from the Cabinet division & Bangladesh Industrial Design Act-2021 has also primarility been approved by Cabinet division.

From July 2021 to February 2022, the total number of Patent, Design, Trademark & GI applications filed with DPDT 301, 1077, 11656 & 2 respectively and the total number of applications disposed off 177, 1093, 10314 & 2 respectively.

Total amount of non-tax revenue collected in FY 2021-22 (July-Feb) is about 17.14 crore, which was 12.05 crore and 11.09 crore in the same

period of FY 2020-21 and FY 2019-20 respectively.

Office of the Chief Inspector of Boilers Bangladesh

Office of the Chief Inspector of Boilers is a service-oriented technical department under the Ministry of Industries. To facilitate the service for stakeholders 07 new zonal offices have been established in *Khulna, Rangpur, Mymensingh, Sylhet, Gazipur, Narayanganj* and *Narsingdi* districts along with the number of inspectors have been increased. At present boiler related services are delivering from total 10 zonal offices. Activities have been taken to update boiler act and rules for standard boiler manufacturing, import and use. In order to prevent boiler accidents standard, safe, fuel efficient and environmental friendly boiler design has been invented for using at rice mill (*Chatal*) instead of low quality boiler. Activities have been taken for boiler registration and renewal in online. Moreover, boiler users are getting information about the expiry period of Boiler and boiler using certificate through e-file. In FY 2021-22 up to February'22 total 493 Boilers were registered; 90 numbers of locally manufactured Boilers were certified and 151 Boiler attendant certificates were issued. At that time Tk. 4.30 crore has been collected as revenue.

Bangladesh Accreditation Board (BAB)

BAB is contributing to the economic development of the country by increasing consumer confidence, helps in the protection of consumer right and trade facilitation through enhancing the quality of products and services. BAB, since its first accreditation in 2012, has accredited 95 local and multinational organisations by 2022. BAB by February 2022 has arranged 28 Assessor Courses and 39 other technical courses on different international standards such as ISO/IEC 17025, ISO15189, ISO/IEC 17021, ISO/IEC 17020, ISO/IEC 17043 etc. A total of 2000 persons from different technical

disciplines have been trained by BAB who, becoming skilled and competent manpower are contributing to developing national quality infrastructure.

In FY 2021-22, BAB has earned Tk. 1.14 crore from its accreditation and training services. In future, through increasing the work portfolios and activities, BAB will be able to have significant contribution to the national economic advancement.

Bangladesh Industrial Technical Assistance Centre (BITAC)

Since its establishment, BITAC has been working to provide skilled manpower for industrial sector, enhance productivity and render technical knowledge, introduce modern technical training to maintain machinery of the factory and to manufacture world-class sophisticate spare parts. it is possible to alleviate poverty by creating skilled manpower through the technical training to the poor, unemployed and unprivileged youth and women in the backward areas of society. BITAC has been playing a vital role by providing skilled manpower by providing demand-based technical training on various technical professions and provide the necessary technical support to the local industry. The headquartered of BITAC is in Dhaka. At present, BITAC has five local centers located at Dhaka, Chittagong, *Chandpur, Khulna* and *Bogura*. BITAC imparts a total number of 28 training courses in the short and long term, aimed at improving the skills of the trainees through technical training. In addition to the 28 trades, BITAC conducts various short-term specialised training courses on specific technology or machine operations to fulfill the needs of entrepreneurs.

National Productivity Organisation (NPO)

In this age of national economic development and industrialization, the National Productivity Organisation (NPO) is efficiently implementing various public welfare programs undertaken by the present government to create skilled

manpower in industrial factories/service establishments as well as to transform them into profitable enterprises. it is necessary to create new industrial factories for the development of industry, increasing productivity is also essential for the transformation of these factories into profitable enterprises by increasing their efficiency and profitability. In order to accelerate the national economic development of Bangladesh, NPO has been implementing activities such as training, seminars / workshops, consultancy services, technical assistance etc. in various sectors, sub-sectors and cottage industries including SMEs and industrial / service establishments. NPO provides international quality consultancy services as the focal point of the Asian Productivity Organization (APO) in Japan. Also, as per the announcement of Hon'ble Prime Minister, "National Productivity and Quality Excellence Award" is being given every year in recognition of the best entrepreneurs of industry / service organization to turn productivity into national movement, to observe "National Productivity Day" on 2nd October every year and above all to strengthen this activity.

To accelerate national economic development, NPO performed the following activities during FY 2021-22 NPO arranged 22 training courses where 690 participants were trained, 8 workshops with 300 participants. 2 Productivity Seminar held in deferent entropies and 4 Consultancy Service organised deferent organisation. Data has been collected from 48 enterprises for prepared of research report and around 1,090,00 awareness materials have been distributed. Moreover 04 Technical expert service (TES) held by APO assistance.

Bangladesh National Productivity Master Plan FY 2021-30 has been prepared to enhance productivity, quality, competitiveness and innovation in various sectors of Bangladesh. Where the productivity growth rate for the next ten years is set at 5.6 percent. It has 5 goals in

order to increase the export of innovative and proactive enterprises, production of high value added products and services increase the export of modern products and services of international standard and create easy environment for business management and growth, necessary reforms in the field of education and health have been mentioned. According to the Asian Productivity Organization (APO), Japan, Bangladesh's current productivity growth rate is 3.8 percent which is lower than other countries. As such, our country has many opportunities to increase productivity. An action plan has been prepared by the concerned departments / agencies for the implementation of the master plan.

Bangladesh Institute of Management (BIM)

BIM conducts short training programmes of various types, 1-year long post graduate diploma courses and 6-month long diploma programmes along with its specialized training and consultancy projects. Since its inception in 1961 to February 2021, BIM has trained about 75,564 people in different disciplines of management. In FY 2020-21, BIM has imparted training to 1,595 people in 70 short training programmes and up to February 2022 of FY 2021-22 BIM has imparted training to 1,089 people in 51 short training programmes. In addition to that 555 participants were graduated from 2020 session of 5 diploma courses of one-year duration. Apart from that 711 participants enrolled in 2021 and 561 in 2022 academic sessions. Apart from that a significant number of tailor-made courses were held at the request of client organizations up to February 2022.

BIM has launched 3 new trainings in this regard titled "Online based Digital Transformation in Government offices, Data Analytics and Data Driven Decision Making, Digital Office Solution with Google Tools" in the mentioned period. Sessions of short courses, PGD courses, admission of PGD courses, exams, term paper activities are running online through Zoom in collaboration with BdREN (Bangladesh Research and Education Network) under the Bangladesh University Grants Commission.

Annex:8.1**Annexure****Steps have been undertaken for the development of SMEs**

- Net outstanding based target for SME loans of Banks & FIs has been introduced instead of previously used distribution based target. Banks & FIs are instructed to achieve at least 25 percent as SME out of their net outstanding amount of all loans & advances by 2024 while maintaining a minimum 1 percent enhancement in each year.
- In order to encourage women entrepreneurs for taking SME loans and recover that in due time BB has taken incentive programs for both Bank/Financial institutes and SME Women entrepreneurs. Under this program both Bank/Financial institutes and entrepreneurs will get 2 percent (1 percent + 1 percent incentive respectively) on the principle amount after the loan fully recovered within expiry date. This facility will be applicable for the loans disbursed within 1 July 2021 to 31 December 2024.
- Banks and FIs are instructed to disburse 50 percent of the total SME loan to Cottage, Micro and Small sector by 2024.
- Banks and FIs are instructed to provide 3 to 6 months grace period for 1 to 5 year medium to long term loan based on banker-customer relationship.
- To enhance SME activities, quarterly monitoring meeting is being held with SME heads of Banks and FIs regularly. Also, SME monitoring cell has been established in all branches of Bangladesh Bank including SME and Special Programmes Department. Banks and FIs are also performing 3 tiers SME monitoring for better outcome.
- New Entrepreneurs Refinance Scheme allows collateral security free financing more than Tk. 1.00 million on case to case basis and collateral security supported financing up to Tk. 2.5 million for New Entrepreneurs.
- To expedite cluster-based financing to SME Sector, Banks & FIs are advised to formulate a cluster development policy for strengthening existing clusters and developing new clusters.
- Banks & FIs have been instructed to maintain at least 15 percent of the net outstanding of total loans and advances for women entrepreneurs and to establish separate 'Women Entrepreneurs Dedicated Help Desk' in each branch to ensure loan facility for women entrepreneurs. If possible, they are also advised to employ a female official in the desk to provide suggestions and services towards women entrepreneurs regarding project preparation, loan application process etc.
- Instructions were given to Banks & FIs to consider sanctioning loan up to Tk. 2.5 million to women entrepreneurs without collateral security but against personal guarantee under the refinance facilities provided by Bangladesh Bank.
- With the successful implementation of pilot project named Local Support to Initiatives (LFI), Bangladesh Bank has established a credit guarantee scheme unit in 2019. For providing credit guarantee in the cottage, micro and small enterprises sector, this unit has introduced 'Credit Guarantee Scheme' and issued 'Manual of Credit Guarantee Scheme' to implement and follow up with the banks and financial institutions.
- All Banks and FIs are advised to find out and train at least 3 prospective SME Women entrepreneurs who have not received any financing yet per branch and finance at least 1 of them in each year.
- The Government of Bangladesh (GoB) has taken a project titled 'Skills for Employment Investment Program (SEIP)' with the assistance of Asian Development Bank (ADB) and Swiss Agency for Development and Cooperation (SDC). Under this project, as of February 2022, total 11,484 trainees received market demanded training and 11,246 are certified. Among them, 2,310 has become entrepreneurs in SME sector and 6,149 got job placement in different companies.

Annex: 8.2

Annexure

Some key activities of SMEF

- SME Foundation has identified 177 SME cluster across the country. Among them, needs assessments of 75 SME clusters have been conducted to design intervention program. Foundation has been arranged 93 capacity building training programs in 35 clusters to improve skill of the cluster based SME entrepreneurs.
- In order to create new SME entrepreneurs and make SMEs more competitive, SME Foundation is organizing training programs. 1,153 training programs has been organized for 39,430 entrepreneurs & workers of whom about 60 percent are women. A training institute has been established to provide trainings to SME entrepreneurs.
- SME Foundation has disbursed credit worth Tk. 3.0 billion among 3,106 entrepreneurs at 4.0 percent interest rate under the government' stimulus package, aiming to help them sustain their ventures amid the pandemic.
- To provide easy credit support, SMEF is operating Credit Wholesaling Program through banks and non-bank financial institutions. Under the program, Foundation has been distributed Tk. 1.2 billion collateral free loan at single digit (9%) interest rate among 2,186 SMEs (524 women) at 31 SME clusters and cliental group.
- To make national budgets SME-friendly, a total of 417 SME-friendly recommendations were send to National Board of Revenue (NBR) & other related govt. agencies and 71 recommendations were accepted partially/fully.
- SMEF has established an incubation center to develop new entrepreneurs and startups.
- To improve quality and enhance productivity, 4,400 SMEs have been supported through technology promotion, up-gradation and different related awareness building programs.
- In order to positioning women entrepreneurs into the mainstream business 9,150 women entrepreneurs have been supported directly through 300 special programs like capacity building, skill development and new business creation programs. Foundation also organized buyer-seller matchmaking programs and workshop for the women entrepreneurs, where about 5,100 women SMEs participated.
- To create and develop 3,000 women ICT freelancer in 64 districts, a 3-year project titled 'Women ICT Freelancer and Entrepreneur Development Program' has been implemented.
- SME Foundation has already conducted 08 sectors studies on Electrical & Electronics, Light Engineering, Plastics, Leather, Agro-processing, Fashion Design, Software Development and Furniture sector. SMEF has also conducted studies on SME Development, SME Cluster Mapping, SME Cluster Development, Women Entrepreneurship in SMEs: Bangladesh Perspective etc.
- To disseminate information and research findings, 35 research based books, business directories including Business Manual, Product Directory of 3 sectors (Jute, Leather and Light Engineering), Stock Taking of existing technology (Agro-processing, Plastics, Light Engineering, leather sector), 'SME Women Directory' incorporating basic information of more than 7,000 women entrepreneurs have been published.
- To encourage SMEs, National SME Entrepreneur Award has been given every year. 38 SME entrepreneurs have been awarded of whom 25 entrepreneurs are women.
- To expand market of SME products, SMEF has been organizing SME Fairs since 2012. Nine (09) National SME Fairs in Dhaka and eighty four (84) regional (district level) SME product fairs have

been organized with participation of 6,736 entrepreneurs, out of which 67 percent are women. SME Entrepreneurs sold products worth of Tk. 75 crore in cash and Tk. 88 crore as order. Apart from this, SMEF has been assisted 149 SME entrepreneurs to participate in Dhaka International Trade Fair as well as different international product fairs (Germany, India, Japan and China).

- Aiming to promote local handloom products and connect the handloom weavers and designers with local and foreign buyers, SMEF has been organized four (04) Heritage Handloom Festivals in Dhaka.
- SMEF Advisory Service Center assisted 7,300 entrepreneurs/potential entrepreneurs to provide business information. A digital display center has been set up to showcase products of SME entrepreneurs.
- SME related 190 seminars and workshops have been organized to promote & encourage SMEs as well as to aware the related stakeholders. About 13,200 SME entrepreneurs and SME stakeholders participated in the programs.
- To promote and expand the country's SME products abroad, SMEF has signed 04 Memorandum of Understanding (1 Multilateral & 3 Bilateral) with the similar SME development Agency of D-8 Countries, Bulgaria, South Korea and Turkey respectively.
- The Digital Service of the Foundation was launched in 2013 for the training related information and registration of various trainings organized by the Foundation. As of February 2022, about 16,000 people have received services through this digital training service.