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Press Release

Attn: News Editor/ Chief Reporter/ Assignment Editor /Business Page-in-Charge:

Export Sector Roadmaps for Plastic & Light Engineering Growth Projections Needs Alignment with Upcoming Export Policy

Business Initiative Leading Development (BUILD) and Ministry of Commerce jointly organized a validation workshop to finalize the Export Roadmaps on Plastic and Light Engineering Sectors on January 18, 2022. Mr. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce attended the meeting as the Chief Guest.

Held in Export Competitiveness for Jobs (EC4J) Project office, BUILD shared two presentations on Export Roadmaps on Plastic and Light Engineering Sectors respectively.

Senior Secretary, Ministry of Commerce endorsed the projection of BUILD for the plastic sector roadmap to be the 40th largest exporter by 2030. In order to meet the target, he asked the stakeholders regarding the needs to support since the Government is keen to see higher export growth through relevant policy interventions. He also directed relevant agencies to accomplish their tasks outlined in the action plan ahead of the deadline.

Tapan Kanti Ghosh, Senior Secretary of Commerce mentioned that Viet Nam could enhance its light engineering and bicycle export because they secured significant FDI. After 2026 when Bangladesh will graduate from LDC status, the government will not extend cash subsidy but provide support in the forms of research, knowledge, logistics, and so on. Bangladesh needs to shift its product concentration to sectors like light engineering so that it can gradually move upwards in its industrialization pathway. As Bangladesh will upgrade from being the 43rd largest economy to 25-26th economy in 2030, greater FDI may be attracted and the ease of doing business may be gradually improved. With proper factor analysis, the projected target for 2030 can be upgraded.

He informed that MOF has commissioned a study to seek alternatives of subsidies considering the changed situation after LDC graduation, stakeholders can also suggest in these aspects.

Refering different projections of the light engineering sector, Commerce Senior Secretary told that considering the global export of 700 trillion, economic situation, supportive policies extended by the Govt and the target of perspective plan to be a developed country, there is a need for alternative projections. He suggested BUILD to revisit the target considering the global issues and economic development.

 BUILD CEO Ferdaus Ara Begum informed that plastic toy has got huge potential to be a significant export product along with automobile components, provided that the sector is supported with policies such bonded warehouse facilities and reduced lead time. She also urged to officiate the deemed export figures for calculating total export of the sector.

Mr. Hafizur Rahman, Additional Secretary(Export), MOC said, we have target to reach export of 80 billion dollars by the marginal year of Export Policy 2021-2024, sectoral targets in the roadmaps should be aligned with export policy target.

Mr. Md. Monsurul Alam, Project Director, EC4J Project; told that we have roughly 300 plastic recycling factories across the country producing plastic flakes from scraps and exporting around 40,000 tonnes of flakes annually for making yearns. We need to stop it and figure out how we can produce yarns from flakes in Bangladesh.

President BPGMEA Mr Shamim Ahmed also spoke and put emphasis on the need for ease of doing business in import of raw materials and imposed duties and tax in that respect as the sector is heaviliy dependent on import of raw materials.

Light Engineering sector representatives mentioned that the main product for export is machinery and spare parts, toys, bicycle, battery and so on. He stressed that the global market for light engineering goods is more than USD seven trillion. A key consideration for Bangladesh is ensuring land availability through creation of industrial parks and offering proper land use support for entrepreneurs, emulating best practices of countries like India or Viet Nam.

BSCIC representative mentioned that the industrial park at Munshiganj (50 acre) is almost ready. Similar parks will also be established in Jashore, Narayanganj, Bogra and then at Dhamrai. BSCIC’s activities are being expanded to Upazila levels.

BUILD CEO mentioned that BSTI standards are often outdated or not updated. Standards have to be updated every six years. BSTI representative responded that the standards for bicycle and motorcycle are updated. Motorcycle sector representative mentioned that emission norms issue is not addressed.

The meeting primarily validated the export projection target, mission and vision and time –bound action plans for the roadmap.

Mohammad Arafat Ali, Joint Director, Bangladesh Bank, etc. put valuable data driven insights to finalize draft export roadmaps. Besides, representatives from Ministry of Industries, Ministry of Labour and Employment,  EPB, BSCIC, BITAC, BBPMEA, BSTI, BBS, DOE, BEIOA, etc. joined the including sectoral representatives joined the discussion.

Sincerely

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**Ferdaus Ara Begum**∣ CEO ∣ BUILD ∣ Mob: 01714102994∣ Email: ceo@buildbd.org∣www.buildbd.org