



NON-LEATHER GOODS

STEP IT UP



DISCOVER
LIMITLESS
OPPORTUNITIES



ABOUT BANGLADESH

- Strategic hub in South Asia linking India, China, and ASEAN countries
- 5-year GDP growth at a CAGR of 7%, one of the fastest growing economies in the world
- 41st largest economy, poised to become the world's 25th largest economy by 2035
- 10.5% annual growth in country's middle & affluent class population, projected to reach 34 million by 2025

ACCOLADES & CREDENTIALS

- A 'Next-11' country, Bangladesh is poised to become one of the largest economies of the 21st century, according to Goldman Sachs
- Credit rating of BB- by Standard & Poor in 2021 indicates long-term stability
- As per JETRO survey on Business Conditions of Japanese Companies, 70% of surveyed firms present in Bangladesh want further 'expansion'

ROBUST AND GROWING INFRASTRUCTURE

- **3 international airports** (Dhaka, Chattogram and Sylhet) and **5 domestic airports** provide seamless aerial connectivity. The 3rd terminal at Dhaka's Hazrat Shahjalal International Airport will become operational by 2024.
- 580-km coastline facilitates 90% of Bangladesh's international trade via ports of Chattogram and Mongla.
- Part of Trans-Asian railway network stretching from Europe to South-East Asia.
- Extensive network of good quality roads (Asian Highways, National Highways, and regional highway corridors like SASEC, BIMSTEC and SAARC).
- 25,000+ MW power generation capacity; target to reach 40,000 MW by 2030.

NON-LEATHER GOODS SECTOR AT A GLANCE



Exports stand at USD 382 million and is projected to reach USD 930 million by 2025



Used in industries like footwear, fashion accessory, sportswear, handbags and automotive interior



Key products include artificial leather bags, purses, jute-based espadrilles, canvas or rubber shoes, sneakers, molded polyurethane and PVC shoes, and fashion accessories

Footwear products have a market size of USD 550 million and created employment for 165,000 people. It has largest share in non-leather goods segment



Main export destinations are Spain, France, Netherlands, South Korea, India, Italy, and Germany



Brands and buyers like H&M, Puma, Decathlon, Fila and Kappa source products such as belts, bags, purses, sportswear, sandals, flip-flops, boots and fashion accessories from Bangladesh

DEMAND DRIVERS



Demographic dividend:

Young population (70% aged below 40 years) coupled with rising disposable income (per capita GNI of USD 2,227 in FY21) is a key growth driver for domestic consumption

Rising environmental and ethical consciousness:

Due to the increasing global preference for environment and animal-friendly products, consumers across the world are switching to products like jute, plastics, textile and polyurethane (PU) leather

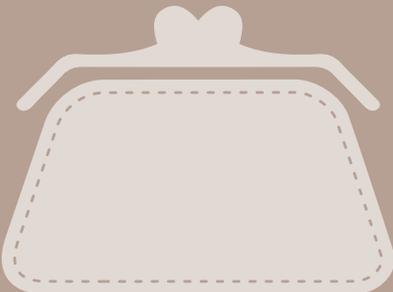


GROWTH DRIVERS

- With 1 million tonnes of average annual production, Bangladesh is the world's second-largest producer of jute and has a robust ecosystem for manufacturing synthetic textiles
- Availability of skilled and economical human capital
- Planned development of 100 economic zones across the country would create a readymade infrastructure for non-leather goods industries
- Designated as a highest priority sector in Export Policy 2018-2021

SECTOR-SPECIFIC INCENTIVES

- Cash incentive of 15%-20 % on export of jute products, carbon and jute particle boards, synthetic and mixed fabric footwear and bags.
- Corporate Income Tax (CIT) exemption of up to 10% on production of jute and jute products.
- Reduced Corporate Income Tax (CIT) for 5 to 10 years for industries undertaking production of artificial fibre.
- Duty-free access to 52 countries, including the European Union (EU), under the Generalized System of Preference (GSP) framework for suppliers of non-leather goods.





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