

Chapter-33

Ministry of Industries

1.0 Introduction

- 1.1 Ministry of Industries is formulating policies and strategies as well as providing necessary facilities and assistance to establish and expand industries in the country for growth, employment generation and improvement in people's living standard. The contribution of this important industrial sector to Bangladesh economy is immense. The contribution of the broad industry sector to the Gross Domestic Product (GDP) has increased from 17.31 percent in 1980-81 to 31.54 percent in 2015-16.
- 1.2 Ministry of Industries conducting its duty to build a vibrant industrial sector and to enhance the contribution of this sector in GDP from existing 30 percent to 40 percent by 2021. The main responsibility of this ministry is to formulate upto-date policies and also determine the strategy to implement these policies. Ministry of Industries has formulated the National Industrial Policy-2016 to accelerate the pace of domestic industrialization. In this policy, necessary reforms and modernization activities of state own enterprises have been incorporated. Besides, this policy maintains the continuation of industrial loan and other assistance activities through banks and financial institutions to encourage the expansion of medium and small industries. State own enterprises are now producing fertilizer, sugar and paper; assembling vehicles and promoting small, medium and cottage industries.
- 1.3 Recently, a fertilizer factory of 5.80 lakh metric ton/year production capacity has been set up. Bi-lateral capital investment agreements with four countries have been signed. The Geographical Indication (Registration & Safety) Act-2013, Edible Oil Fortification with Vitamin-A, Act-2013 and Trademarks Rule-2013 has been formulated. In FY 2015-16 12 entrepreneurs are awarded the President Awarded and 58 entrepreneurs have been selected as the Commercially Important Person (CIP Industry). The Act of Bangladesh Ship Recycling-2015 has been drafted and the Handicraft Rule-2015 has been approved in principle. In addition, "Small, Micro and Cottage Industries Foundation (SMCIF)" has been formed as the outcome of four BSCIC poverty elimination projects.

2.0 Major Functions of the Ministry:

- ❖ Formulation of time tested Industrial Policy and ensuring environment-friendly industrialization;

- ❖ Promoting and protecting investment through International capital investment agreement;
- ❖ Improvement of labours' skill and productivity through entrepreneurship and industrial management training;
- ❖ Product patents, designs and trademarks registration program and strengthening intellectual property protection;
- ❖ Development of cottage, small and medium enterprises and production of fertilizer, sugar and salt under government management.
- ❖ Determining and harmonizing national standards in consistent with the international standards of commodities and services:
- ❖ Production of fertilizer, sugar and salt under government management.
- ❖ Shipbuilding and ship recycled industrial management;
- ❖ Investigating the reasons of profitlessness of the state-owned industries and taking necessary actions accordingly.

3.0 Strategic Objectives of the Ministry and their Relevance with Women's Advancement and Rights

- 3.1 **Rapid industrial growth and development:** A healthy and safe working environment will be established through strengthening the industrial policy and legal framework. This, in turn, is expected to ensure participation of women as workers as well as entrepreneurs for industrial production and thus empower and further develop them.
- 3.2 **Improved quality of Bangladesh products consistent with international standards:** Half of the poor are women. Increasing purchasing power will empower women and enhance their social security and improve their economic conditions.
- 3.3 **Environment-friendly industrial development:** These activities will reduce health risks for women workers. Thus it will ensure good health for mothers and their family members.
- 3.4 **Industrial growth in high priority sectors:** This will have a positive impact on women engaged in agricultural activities through access to affordable fertilizer inputs.
- 3.5 **Develop Entrepreneurship and skilled labor force:** By ensuring women's participation in various training programmes and through proportional allocations of industrial plots to women entrepreneurs, the economic and social status of women will be improved.

- 3.6 **Employment generation:** Growth of small and cottage industries will enhance opportunities for employment of women and this will empower women and improve their economic conditions.
- 4.0 Roles and Responsibilities of the Ministry for Women's Advancement and Rights**
- 4.1 To achieve the Vision 2021 "Extension of BITAC for Self employment and poverty alleviation through hands on technical training highlighting women" with hands-on technical training and the importance of women Bangladesh Industrial Technical Assistance Center (BITAC) - to enter the expansion of self-employment create poverty alleviation project titled 2013-14 to 2015-16 from the fiscal year 3376 were women vocational training. 1255 women were employed. Many of the rest are self-reliant small and cottage industries. 2016-17 women in the development of the fiscal year BITAC Skill for Employment Investment Program (SEIP) project Machine shop, welding and electrical trades 120 women are being imparted. About 70 percent of women received training in a variety of industries will be employed. To provide technical training to the trainees in Chittagong, Khulna and Bogra is in the process of taking the project to build the center of the female hostel. 2016-17 fiscal year is also different engineering university, polytechnic and vocational training for about 200 students were provided with it.
- 4.2 Bangladesh Small and Cottage Industries Corporation (BSCIC) have been playing a vital role for the development of the private sector and the development of small businesses. For this purpose, a variety of helpful services and entrepreneurs by industrial facilities are being provided. By BSCIC small and cottage industrial estates/parks implementation the project is to establish that all of the nearly 2,45,819 projects will create employment opportunities women.
- 4.3 The project "Development of Bee-keeping through Modern Technology" is being implemented by the BSCIC aimed at training 3000 bee-keepers in a modern and scientific methods, of which 2000 are women. After the completion of training, one bee-box will be given to each trained women will be given loan up to Tk. 25000. As a result, women are trained to be self-sufficient, as well as create employment opportunities.
- 4.4 It is assessed that pre-school children and pregnant women are at severe risk of Vitamin A deficiency especially in village and urban slum areas. Besides, teenage girls also suffer from diseases due to lack of Vitamin A. Vitamin A deficiency may cause children and women to suffer from complication during pregnancy and depression and it also reduces work capabilities. The UNICEF supported project titled 'Fortification of Edible Oil Bangladesh' is being implemented under this ministry to

address problems stemming from Vitamin A deficiency. After completion oil fortification programme, women of reproductive age, neonates and school-age children will benefit from the supplementation of Vitamin A.

- 4.5 In order to expand CMSME banking and access to finance of CMSMEs, a target based CMSME lending programme has been instigated first time in 2010. During 2016, all banks and NBFIs disbursed altogether BDT 141,935 crore which was 125 percent of the annual target of BDT 113,503 crore. Accordingly, a target of disbursing BDT 133,854 crore as CMSME credit was set for 2017. In FY 2015-16 all banks and NBFIs disbursed BDT 129,068 crore as CMSME credit which was higher by 17.17 percent than in FY 2014-15. In the first half year of FY 2016-17, all banks and NBFIs disbursed BDT 72,344 crore as CMSME credit; of which BDT 46,603 crore disbursed to trading sector, BDT 17,526 crore disbursed to manufacturing sector and BDT 8,215 crore disbursed to service sector.
- 4.6 For the development of CMSME sector, Bangladesh Bank has been providing refinance facilities to banks and NBFIs against their disbursed CMSME credit from its own fund and with assistance of ADB, IDA, and JICA. As of 28 February 2017, BDT 6,259 crore has been refinanced to banks and NBFIs against their financing to 53,919 cottage, micro, small and medium enterprises. Financing support to CMSMEs, especially to women entrepreneurs in the form of refinance/per-finance will be continued in FY 2017-18. In FY 2015-16, BDT 5,488 crore was financed to women led CMSMEs which was higher by 1,520 crore than in FY 2014-15. In the first half of FY 2016-17, amount of credit to women led CMSMEs is BDT 2,263 crore. The share of credit disbursement to women led CMSMEs to total CMSME credit has been increased from 3.63 percent in 2010-11 to 4.25 percent in 2015-16.
- 4.7 Bangladesh Bank is preparing a credit guarantee scheme for women entrepreneurs on pilot basis with finance from United Nations Capital Development Fund (UNCDF). Initiatives will be taken to launch a full credit guarantee scheme for women entrepreneurs. Bangladesh Bank is implementing Asian Development Bank (ADB) and Swiss Agency for Development and Cooperation (SDC) funded project titled "Skill for Employment Investment Program (SEIP)" taken by the Government of Bangladesh. Under this project job oriented market based training is being provided to 10,200 people through ten training institutions, where in 40 percent of the trainees will be women. Training will be continued in FY 2017-18 for skill development of women entrepreneurs under this project.
- 4.8 Office of the Chief Inspector of Boilers ensures the safety and security of lives and goods by implementing the rules and regulation regarding Boilers. Thus people at

large are getting security in the workplace and it also helps for the advancement of women by ensuring save operation of boilers installed in different establishment. In this department has separate toilet and place of prayer for women employees.

- 4.9 NPO (National productivity Organization) will organize 45 training programs on productivity related issue in the fiscal years 2017-18 to create new opportunity of employment and expedite the speed of rapid industrialization. In the proposed training programs 10 percent women participation will be insured. It is expected that 120 participants will be able to improve their efficiency level which will ultimately increase the productivity of the industry.

5.0 Priority Spending Areas and Benefits for Women's Advancement

Serial No.	Priority Spending Area/Programs	Benefits for Women's Advancement (Direct and Indirect)
1	2	3
1.	Ensuing pollution free industrial production	It is necessary to shift tanneries, garment and pharmaceutical industries out of Dhaka ensuing infrastructure facilities to reduce pollution in Dhaka city. This will create a work environment which will increase the safety of women. In turn, this will increase women's participation in entrepreneurial activities and industrial production which will accelerate women's development and empowerment.
2.	Reviving the defunct state owned industries and establishment of new industries according to demands and prospects	There is potential for rapid industrial development in order to meet demand for goods. This in turn, is expected to improve employment opportunities and thus enhance the income of women, advance women's development and empowerment.
3.	Strengthening and expanding the BSCIC industrial Estate/ Economic Zone programmes	Expansion of industrial zones will create jobs especially for the women, which will increase women's income and purchasing power. Women's increased capacity will ensure social security and improve the lives of women.
4.	Training and provide assistance to industrial entrepreneurs	Imparting training to the entrepreneurs by BSCIC helps increasing the number of entrepreneurs and will productivity. This is why this sector was given priority.

6.0 Women's Share in Ministry's Total Expenditure

(Taka in Crore)

Description	Budget 2017-18			Revised 2016-17			Budget 2016-17		
	Budget	Women Share Women percent		Revised	Women Share Women percent		Budget	Women Share Women percent	
Total Budget	400266	112019	27.99	317174	86586	27.3	340605	92781	27.24
Ministry Budget	1825	957	52.45	820	310	37.81	1713	551	32.16
Development	1520	863	56.79	564	268	47.51	1472	524	35.61
Non-Development	305	94	30.8	256	42	16.43	242	27	11.17

Source: RCGP database

7.0 Success in Promoting Women's Advancement

7.1 Development would not be sustainable without empowering women. Financial benefits with simplified conditions for women entrepreneurs to bring them into the mainstream of the economy are being provided by the Bangladesh Bank. They are as follows:

- ❖ To ensure loan facility for the women entrepreneurs, at least 15 percent of total Bangladesh Bank refinance fund for SME sector has been allocated for them at a capped interest rate of bank rate+4 percent (currently 9 percent).
- ❖ Instructions have been given for establishing separate ' Women Entrepreneurs' Dedicated Desk' in each bank and NBFIs. If possible, they are also advised to employ a women official in the desk, and to provide suggestions and services towards women entrepreneurs regarding project preparation, loan application process etc.
- ❖ Instructions were given to all banks and NBFIs to consider sanctioning loan up to BDT 25 lakh to women entrepreneurs without collateral but against personal guarantee under the refinance facilities provided by Bangladesh Bank.
- ❖ In order to expedite the process of women entrepreneurship development, recently BB has opened a separate "Women Entrepreneurs Development Unit" in its head office and branch offices. All banks and NBFIs are also advised to open such unit.
- ❖ In order to include a large number of micro women entrepreneurs in the SME credit facilities, a policy of group-based lending of BDT 50 thousand or above has been initiated.

8.0 Recommendations for Future Activities:

- ❖ Transportation, housing, rest rooms, separate wash rooms and day care centers should be provided for, if a minimum number of female workers are employed in an organization. Ensure safe housing facilities for single women, family headed by women, professional women, interns and trainees;
- ❖ Train women entrepreneurs in all of the government technical institutes. Organize and train poor women workers to create new and alternative economic and social opportunities. Put emphasis on hands-on training program to improve the efficiency of women for self-employment;

- ❖ Provide incentives and financial assistance to establish women entrepreneurs in small, medium and cottage industries. Evaluate and simplify existing policies of the government banks to encourage women entrepreneurs;
- ❖ Ministry of Industries will build women friendly banking services in coordination with the financial and banking institutions which will grant access to women entrepreneurs in industrial credit, equity, capital, venture capital etc.;
- ❖ Take initiatives to coordinate between national and international agencies so that they can share information and experiences. Give priority to women entrepreneurs in service sectors like ICT, laundry, tourism, beauty parlors, ad-farms and also in fisheries, livestock, handicrafts and processing sectors;
- ❖ Identify and remove legal obstacles for economic and business empowerment of women especially in the participation of women in industries.