

CHAPTER EIGHT

INDUSTRY

The cumulative contribution of Industry Sector to GDP is increasing in the economy of Bangladesh over the last decades. As stated in BBS, the contribution of the broad industry sector to GDP has been estimated at 37.56 percent in FY 2022-23 which was 36.92 percent in FY 2021-22. The government is persistently taking synchronized and inclusive initiatives for flourishing of all industrial sectors of the country such as manufacturing industry and fuel industry, agriculture and forestry industry, mineral extraction and processing industry, tourism and service industry, construction industry and ICT based industry through ensuring expansion of labor-intensive and export-oriented industries, fertilizer production for food security, generation of skill manpower and employment with a view to becoming an industrially developed middle income country. National Industrial Policy 2022 has been formulated for economically enriching Bangladesh, increasing sector-wise productivity and achieving excellence in the quality of manufactured products by embracing the technological advances of the fourth industrial revolution along with labor-intensive industrialization through utilizing the domestic raw materials and resources. Strengthening the infrastructure of the industrial sectors, building a social security system and removing infrastructural barriers to accelerate private investment and economic growth, developing human resources, making public institutions profitable, etc. have been prioritized by the government in order to ensure the desired growth rate in the industrial sector. 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 is drifting to the increasement. 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. Bangladesh Government has enacted "One Stop Service Act-2018" to facilitate investment in Bangladesh, provide faster service and improve service quality.

Industry sector of Bangladesh economy has been gradually and consistently expanding over the few years. According to Bangladesh Bureau of Statistics (BBS) estimate, the contribution of the broad industry sector to GDP stood at 36.92 percent in FY 2021-22 which increased to 37.56 percent in FY 2022-23. 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 2022-23 the contribution of manufacturing sector to GDP is 24.95 percent which decreased to 24.29 percent in FY 2021-22. The volume and growth performance of the manufacturing sector from FY 2015-16 to FY 2022-23 is shown in Table 8.1.

Table 8.1: Volume and Growth Rate of Manufacturing Sector
(At constant prices of 2015-16)

Type of Industry	(Tk. In Crore)							
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23*
Cottage Industry	72127 (-)	78829 (9.29)	84700 (7.45)	96704 (14.17)	100257 (3.67)	110557 (10.27)	122847 (11.12)	135985 (10.69)
Small, Medium and Micro Industry	129108 (-)	142102 (10.06)	157882 (11.10)	174632 (10.61)	179325 (2.69)	204241 (13.89)	214126 (4.84)	234970 (9.73)
Large Industry	221152 (-)	231388 (11.08)	257016 (12.79)	289885 (0.41)	291072 (10.61)	321967 (10.61)	372452 (15.68)	403948 (8.46)
Total	422387 (-)	452319 (7.09)	499598 (10.45)	561220 (12.33)	570654 (1.68)	636765 (11.59)	709425 (11.41)	774903 (9.23)

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

National Industrial Policy

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. 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 emphasis on heavy industry and few selected service sectors.

The main objective of the National Industrial Policy 2022 is to economically enrich Bangladesh, increase sector-wise productivity and achieve excellence in the quality of manufactured products by embracing the technological advantages of the fourth industrial revolution along with labor-intensive industrialization using domestic raw materials and resources. The main basis for successful implementation of this policy is to accelerate domestic and foreign investment in private sectors and for this reason the government will play role to create an investment-friendly environment. Strengthening the infrastructure of

the industrial sector, building a social security system and removing infrastructural barriers to accelerate private investment and economic growth, developing human resources, making government institutions profitable, etc. have been prioritized in this policy. The government has formulated the National Industrial Policy 2022 to ensure the desired growth in the industrial sector.

Leather and Leather Goods Industry is the second largest foreign exchange earner sector of Bangladesh. The government has set a target of exporting 5 billion US dollar from this sector by 2024. Government has formulated Leather and Leather Goods Industry Development Policy 2019 to achieve this goal as well as to attain desired sustainable growth of this sector. As the second largest export sector, if we provide the necessary facilities it will also be able to contribute significantly to our economy.

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 500.28 in FY 2022-23 considering base price of FY 2005-06. Table 8.2 shows the index during FY 2013-14 to FY 2022-23.

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	2022-23*
Medium to Large Scale Industries	213.22	236.11	267.88	297.89	342.47	392.82	398.35	447.60	501.68	500.28
Percentage change	9.24	10.74	13.46	11.20	14.97	14.70	1.41	12.36	12.08	7.42

Source: Bangladesh Bureau of Statistics * July- September 2022

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 reduce gender discrimination, Bangladesh Bank has been continuing its refinancing facilities in the year 2022 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. Banks and NBFIs have come forward for financing and the development of SMEs sector under close monitoring and supervision of Bangladesh Bank. Total net outstanding loans and advances in SME sector at the end of December, 2022 is Tk. 2,85,565.69 crore. In year 2022 (up to December), Banks and NBFIs altogether have disbursed an amount of Tk. 2,20,489.37 crore against 11,24,193 SMEs. On the other hand, 1,47,102 women led SME enterprises received financing of Tk. 10,355.80 crore from January to December 2022. Table-8.3 reveals the disbursement of category-wise SME credit from the year 2010 to 2022.

Table 8.3: Disbursement of SME Credit by Banks and NBFIs

(Tk. in Crore)

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	2244.01	118
2013	74186.87	56703.72	24016.64	4602.89	85323.25	3346.55	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	36732.99	167970.67	6108.99	94.95
2020	229153.21	83455.61	80843.34	425054.68	206803.63	8244.46	90.25%
2021	252760.64	87934.45	83007.29	44844.56	215786.30	8801.54	85.37%
2022*	285565.69	98548.19	95516.96	48311.62	242375.78	13744.57	84.88%

Source: Bangladesh Bank. *Up to December 2022. 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 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 12 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.

23,917.76 crore has been provided to different Banks and NBFIs under different refinance/pre-finance schemes up to February 2023 against 3,11,122 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, 2023 has been presented in Table-8.4.

Table 8.4: Summary Information of SME Refinance Schemes

SL. No	Name of the Fund	Amount of Refinance (Tk. in Crore)	Financed Enterprises
1	Refinance Scheme to support COVID-19 Economic Stimulus Package	9352.10	231789
2	Refinance Scheme Against Term Loans to CMSMEs	1045.92	7655
3	Refinance Scheme for Setting up agro Based Product Processing Industries in Rural Areas	2765.02	4178
4	Refinance Scheme for New Entrepreneurs in Cottage, Micro and Small Enterprise Sector	208.45	3020
5	Small Enterprise Refinance Scheme for Women only	6334.77	50034
6	Islamic Refinance Fund	696.55	1110
7	Urban Building Safety Project	99.37	8
8	Financial Sector Project for the Development of Small & Medium sized Enterprise (FSPDSME)	1373.14	2246
9	Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garments (RMG) Sector (SREUP)	225.08	22
10	COVID-19 Emergency and Crisis Response Facility Project(CECRFP)	1357.48	9363
11	Supporting Post Covid-19 Small Scale Employment Creation Project (SPCSSECP)	386.36	1577
12	Line of Finance to Support SMEs Project (LFSSP)	73.52	120
	Grand Total	23917.76	311122

Source: Bangladesh Bank. Up to February 2023.

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)

For the development of 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 2022-23 (up to February 2023) are given below:

Investment and employment generation in Small and Cottage Industries sector

During FY 2022-23 up to February 2023, the number of medium, small and cottage industrial units established with direct and indirect assistance of BSCIC are 43, 1,383 and 2,888 respectively. Total investment in these industrial units is Tk. 1847.25 crore. Among these investments, the amount of debt distributed by banks, BSCIC and other financial institutions is Tk. 200.09 crore. Entrepreneurs' equity of 745.84 crore and remaining 901.32 crore has been

invested entrepreneurs' setting up industries in their own initiatives. Through the above investment, a total employment of 35,295 persons has been created in the small and cottage industries sector.

Contribution of BSCIC Industrial Estates

Up to February 2023, 10,607 industrial plots had been allotted in favour of 5,998 industrial units in 80 Industrial Estates of BSCIC throughout the

country. Among them 4,769 units are presently under production. Total investment in these 80 industrial estates up to June 2022 is Tk. 43,259.77 crore. These units had produced goods worth Tk. 76,410.16 crore in the FY 2021-22, out of which products worth Tk. 46,293.37 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	80
2.	Total no. of Industrial plots	11922
3.	Total no. of plots allotted (Up to February 2023)	10607
4.	Total no. of Industrial units allotted (Up to February 2023)	5998
5.	Total no. of units under production (Up to February 2023)	4769
6.	No. of export oriented units (Up to June 2022)	962
7.	Total Investment (Up to June 2022)	Tk. 43259.77 crore
8.	Employment (Up to June 2022)	8.25 lakh Persons
9.	Total sales price of the products produced (FY 2021-2022)	Tk. 76410.16 crore
10.	Total sales price of exported products (FY 2021-2022)	Tk. 46293.37 crore

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 Lakh)
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	60945	8.25
2021-22	43260	76410	8.25
2022-23*	43260	-	-

Source: MOI, BSCIC. (* UP to February 2023)

• BSCIC's loan assistance activities

Through BSCIC's Own Fund (BINIT) programme for poverty alleviation, Tk. 10.26 crore has been disbursed in favor of 505 entrepreneurs in 64 districts under the Loan assistance activities of BSCIC till February 2023 of FY 2022-23.

• 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	Area of Assistance		Achievement (in number)									
			2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23*
1.	Registration of Industrial Unit	Medium	-	-	-	-	14	14	21	43	85	42
		Small	604	251	647	869	647	617	625	1912	2021	867
		Cottage	1363	494	1329	2041	1838	1706	1,619	5404	5807	1944
2.	Distribution of Design		2409	2409	2326	2448	2833	2939	2783	3571	2785	1492
3.	Preparation of Project Profile		421	422	476	486	504	565	461	520	522	153
4.	Marketing Study		381	411	396	423	436	416	387	423	404	78
5.	Sub-Contracting Linkage		43	60	61	61	60	53	63	66	60	57
6.	Arrangement of Fair		12	11	14	18	18	15	14	21	100	8

Source: BSCIC, *Up to February 2023.

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 2022-23 (Till February 2023) the running factories under BCIC produced 5,27,271 MT of urea fertiliser, 58,309 MT TSP, 81,028 MT DAP fertilizer, 772.68 MT of paper, 541.64 MT of Sanitary ware, 305.39 MT of Insulator, 99.54 MT refractories and 9.95 lac Square Meter Glass-sheet. Until December 2022 in FY 2022-2023, the actual production has been Tk.1055.25 crore against the target of Tk. 1904.90 crore in 10 factories of BCIC, which is 55.40% of the target. At the same time the sales volume of the BCIC's factories Tk. 1198.42 crore, which is 62.91% of the target. At the time the revenue (duties &

taxes) of the national exchequer was Tk. 111.58 crore.

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 2022-23 (up to February 2023) are given below In Table 8.8:

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

(in Metric Ton)

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	1010304	82	2669100	2663082	99.77	1704701
2022-23*	1310000	527271	40	2600000	2289398	88.40	1661736

Source: Bangladesh Chemical Industries Corporation * up to February 2023

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 2 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 refineries, established in the private sector.

In the Financial Year 2022-23, BSFIC had set a target for the rest nine sugar mills to produce 52,945.00 MT of sugar against which up to February 2023, 21,313.00 M. Ton. of Sugar has been produced. In the FY 2022-23 the production

target of distillery unit had set a target to produce 58.00 lakh proof liter Sprit & Alcohol against which 42.32 lakh proof liter has been produced up to February 2023. The target of Bio-fertilizer was 2200 M. Ton against which 1,350.00 M. Ton has been produced and the target of Vinegar was 22,000 liter against which 13,200.00 liter has been produced up to February 2023. The annual production targets of engineering products have been determined as 600 MT but up to February, 2023 about 352.50 MT products have been produced.

With the aim of increasing sugarcane production in 09 sugar mills operating under Bangladesh Sugar and Food Industry Corporation, quality sugarcane seed production activities have been started in collaboration with Bangladesh Sugar Crop Research Institute (BSRI). Bringing 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 are running successfully with the help of Access to Information (A2I).

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 2022 to February 2023, products worth Tk. 142.59 crore were produced in BSEC's enterprises. According to the budget target for the FY 2022-23, it is expected that the manufacturing companies will produce goods worth Tk. 994.36 crore. From July 2022 to February 2023, products worth Tk. 142.07 crore were sold in BSEC's enterprises. According to the budget target for the FY 2022-23, it is expected that the manufacturing companies will sell goods worth Tk. 1124.52 crore. BSEC has been able to achieve an overall profit of Tk. 46.99 crore in the FY 2021-22. According to the provisional estimates, the overall net profit target for July 2022-February 2023 is Tk. 96.96 crore.

Table 8.9: Net Profit/Loss of BSEC Enterprises

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23*
Profit	84.54	95.41	96.68	102.87	104.59	85.81	33.76	65.10	4.24
Loss	(12.96)	(9.19)	(19.60)	(23.91)	(36.69)	-31.66	-29.15	-18.11	-16.19
Net Profit/(Loss)	86.22	86.22	77.08	78.96	67.9	54.15	4.61	46.99	-11.95

Source: BSEC. *Up to February, 2023

Table 8.10: Statement of Revenue Deposited by BSEC

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23*
Duties and Taxes:	330.06	256.24	239.61	359.4	614.26	309.00	144.52	203.52	89.39

Source: BSEC. *Up to February 2023

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 2021-22 the Industrial unit earned profit Tk. 31.58 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 2021-22 is 2,479 MT. In the fiscal year 2013-14 to 2020-21 the quantity of exported rubber is 53% of total production and earned Tk 258.70 crore. 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
(Taka in Lakh)

Sl	Item of deposite	Financial Year									
		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23*
1.	VAT	770.94	633.49	528.15	716.00	946.28	827.30	1047.70	1898.86	2183.53	1031.06
2.	Salse IT	180.30	33.21	56.77	47.49	96.40	6.22	4.75	10.74	28.94	49.29
3.	Income Tax(Salary)	0.11	-	-	-	5.95	4.92	10.89	7.70	6.38	4.00
4.	Royaltie	42.84	46.15	-	-	-	-	138.93	-	-	-
5.	Income tax (corporation)	3966.56	1564.47	1117.68	315.00	94.00	270.00	528.15	134.76	455.43	-
6.	Other Taxes	305.02	136.66	233.22	441.40	123.07	300.00	-	720.50	1280.24	615.70
7.	Dividends	-	25.00	-	-	-	-	-	-	-	-
	Sub Total=	5265.77	2438.98	1935.82	1519.89	1265.70	1408.44	1730.42	2772.56	3954.62	1700.05
8.	DSL (Main loan)	-	-	-	-	-	-	-	-	-	-
	Total=	5265.77	2438.98	1935.82	1519.89	1265.70	1408.44	1730.42	2772.56	3954.52	1700.05

Source: BFIDC. Up to December 2022

Textile Industry

The Department of Textiles was established in 1978 as an attached department of Ministry of Textiles. In FY 2021-22, Bangladesh Approximately earned 42.61 billion US\$ from readymade garments sector which is approximately 82% 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. To develop small and medium-size textile industries, 01 mills is under process of setting up 'Textile Polli'. 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 12 years, the amount of foreign exchange earned through textile exports has been US\$ 11.15 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, 2023 an amount of Tk. 7951.79 lakh has been disbursed among 44,981 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 "To bring back the lost glory, The golden heritage of Bangladesh" project is under implementation as per direction of the Honorable Prime 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.

To create citizen facilities for the handloom weavers ensuring favourable environment, to improve living standard and socio-economic condition of the handloom weavers, poverty alleviation and to ensure sustainable development of handloom industry "Handloom Board. Establishment of Sheikh Hasina Tant Palli (1st Phase)" project is under implementation at the cost of Tk 307.45 crore. Cumulative financial

progress from the beginning of the project to February 2023 is 95.60 percent.

To create the midlevel textile technologist, to provide appropriate training for upgrading skill of the handloom weavers, to innovate new designs depending on consumers preference and changing market demand, to provide institutional marketing facilities, to ensure fair prices of handloom goods produced by the marginal handloom weavers “Establishment of 5 Training Centres, 1 Fashion Design Institute and 2 Market Promotion Centres under Bangladesh Handloom Board” project is under implementation at the cost of Tk 127.80 crore. Cumulative financial progress from the beginning of the project to February 2023 is 23.86%.

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 Honorable Prime Minister, silk farming has been included in the ‘*Amar Bari, Amar Khamar*’ project. The survey has been conducted among 23,416 members at 99 Upazilas of 34 districts under "Amar Bari, Amar Khamar" project. So far, 2,624 members have been involved in mulberry cultivation and 697 of them have become financially solvent by selling cocoons produced by rearing silkworms.

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 the cost of Taka 178.95 crore. Out of which 3 projects have been implemented at the cost of Taka 73.84 crore and 3 projects at the 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. Rajshahi Silk has received GI tag from the Department of Patents, Designs and Trademarks of Bangladesh for its unique features. 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 2022-23 (up to January 2023) is given in Table 8.13.

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

Fiscal Years	Production of DFLs (Lakh 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	0.12	Disburse: 231.30 Recovery: 210.20	Disburse: 41.27 Recovery: 36.82
2016-17	4.39	130.00	0.36	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	1.09	disburse: 231.30 Recovery: 222.37	disburse: 41.27 Recovery: 37.10
2020-21	4.00	145.00	0.56	disburse: 231.30 Recovery: 222.37	disburse: 41.27 Recovery: 37.10
2021-22	4.60	215.00	1.266	Disburse: 231.30 Recovery: 222.37	Disburse: 41.27 Recovery: 37.10
2022-23*	2.60	60.72	0.713	Disburse: 231.30 Recovery: 222.37	Disburse: 41.27 Recovery: 37.10

Source: Bangladesh Sericulture Development Board. (*Up to January 2023).

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. 33,951 workers, out of total 34,757 retired and terminated workers were paid Taka 1758.33 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. 2nd EOI is invited on 07.02.2022 to lease 13 mills in second phase. The lease agreement in the case of 3 mills has been signed and the process of signing the lease agreement of 1 mill is under process. In the third phase, EOI is invited on 02.11.2022 to lease a total of 13 mills. 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) valued at Tk. 300.46 crore in FY 2019-20.

Jute Diversification Promotion Centre (JDPC)

JDPC has been established under the ministry of Textiles and 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. It has set up 07 Jute Entrepreneurs Service Center (JESC) and 2 Raw Material Banks (RMB) in different districts of the country to promote diversified jute products at the root levels, increase exports and provide entrepreneurial services. It has already established an international standard exhibition and sales center for marketing of diversified jute products to national and international buyers which is located in the JDPC building. Moreover, it has implemented various programmes including seminars, workshops, meetings and participated in various national and international fairs with a view to augmenting skilled manpower and public awareness.

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. In FY 2021-22, the country has produced 93.18 lakh bales of raw and 7.40 lakh MT of jute products. The export of raw jute and jute products has earned 965.40 million US dollars. In FY 2022-23 (up to December 2022), the country has produced 70.64 lakh bales of raw jute and 4.0 lakh MT of jute products. The export of raw jute and jute products has earned 521.00 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 at the final stage. 539 industrial plots will be constructed under the project. 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 of February, 2023, 452 enterprises are in operation and 93 enterprises are under implementation. Among the enterprises in operation, 150 industrial units are in Chattogram EPZ, 89 industrial units are in Dhaka EPZ, 31 industrial units are in Mongla EPZ, 21 industrial units are in Ishwardi EPZ, 48 industrial units are in Cumilla EPZ, 23 industrial units are in Uttara EPZ, 48 industrial units are in Adamjee EPZ and 42 industrial units are in Karnaphuli EPZ.

As of February 2023, the amount of cumulative investment in the EPZs is US\$ 6,296.24 million.

As per Annual Performance Agreement, the target of investment for FY 2022-23 has been fixed at US\$ 330 million. In the first 08 months of FY2022-23, the amount of actual investment is US\$ 255.81 million. As of February 2023, the amount of cumulative export from the EPZs is US\$ 101.23 billion. As per Annual Performance Agreement, the target of export for FY 2022-23 has been fixed at US\$ 7,200 million. In the first 08 (eight) months of FY2022-23, the amount of export from the EPZs stands at US\$ 5,361.12 million. It may be mentioned here that the export made from EPZ during the FY 2021-22 contributed about 16.61 percent of national export. As of February 2023, 4,86,304 Bangladeshis have been employed in the

industrial establishments of EPZs under BEPZA. This is mentionable that

66 percent 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 February 2023 are shown in the Table 8.14. Up to February 2023, 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 (US\$ in M)	Export (US\$ in M)	Employment (No.)
	In Operation	Under Implementation			
Chattogram EPZ	150	10	1999.45	39741.18	173440
Dhaka EPZ	89	6	1718.83	33826.67	76147
Adamjee EPZ	48	12	709.88	7501.09	58414
Cumilla EPZ	48	5	548.12	5298.34	44048
Karnaphuli EPZ	42	6	712.20	10132.05	73812
Ishwardi EPZ	21	20	233.97	1461.57	17045
Mongla EPZ	31	10	145.70	1070.73	11527
Uttara EPZ	23	6	226.78	2201.08	31871
BEPZA EPZ	0	18	1.30	0.00	0.00
Total=	452	93	6296.24	101232.71	486304

Source: BEPZA. (Up to February 2023)

Table 8.15: Product-wise number of enterprises, Investment & employment

SI	Product	Enterprise (Nos.)	Investment (Million US\$)	Employment (Nos.)
1	Garments	140	2642.13	318409
2	Garment Accessories	85	819.84	15448
3	Textile	31	783.52	22454
4	Knitting & other Textile Ltd.	24	364.89	16171
5	Footwear & Leather goods	23	357.28	34499
6	Electronics & Electrical goods	16	173.00	3843
7	Tent	14	177.50	19332
8	Plastic goods	14	105.58	4217
9	Service Oriented Industries	11	58.06	1140
10	Metal Products	10	43.47	1545
11	Terry towel	8	29.10	1964
12	Chemical & Fertilizer	4	14.22	104
13	Caps	5	72.27	7014
14	Jute Products	4	33.62	819
15	Agro Products	4	2.46	12
16	Luggage/Bag	5	31.67	5577
17	Paper Products	3	5.11	195
18	Furniture	2	34.55	1058
19	Power Industry	2	159.11	188
20	Toys	2	59.37	4769
21	Yarn	2	12.76	371
22	Fishing Reel & Golf Equipment	1	44.84	1314
23	Miscellaneous	42	270.33	25862
	Gr. Total	452	6296.24	486304

Source: BEPZA. (Up to February 2023)

Table 8.16: The Amounts of Investment & Export in the EPZs

(In Million US\$)

EPZ		2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23*
Dhaka	Investment	125.79	84.02	80.63	70.12	68.69	76.14	88.50	80.26	71.07	42.06
	Export	1937.50	1997.50	2183.90	2091.30	2200.30	2206.31	1814.56	1659.82	2122.87	1247.45
Chattogram	Investment	109.46	152.02	110.71	90.57	86.19	75.69	53.37	88.53	88.86	50.00
	Export	2261.61	2383.76	2419.71	2254.16	2442.20	2391.69	2092.44	2119.46	2589.79	1628.62
Mongla	Investment	5.10	8.27	18.98	6.15	11.78	10.14	16.15	3.74	18.68	37.98
	Export	77.28	84.26	74.65	45.79	52.55	89.44	91.86	93.65	158.24	100.11
Cumilla	Investment	23.39	23.41	30.18	29.32	31.51	31.08	38.43	61.02	67.46	34.62
	Export	209.41	274.63	308.33	337.39	408.26	490.76	464.40	565.86	814.82	535.26
Uttara	Investment	17.27	19.89	33.53	24.56	20.42	31.02	14.01	12.56	5.18	5.01
	Export	33.22	87.99	188.80	227.07	224.93	293.76	230.94	237.21	376.66	255.00
Ishwardi	Investment	3.15	5.42	15.11	20.07	20.17	8.18	7.85	12.44	42.78	25.95
	Export	93.16	108.26	114.73	96.55	131.39	150.22	125.46	159.72	209.06	134.40
Adamjee	Investment	73.75	48.51	54.70	50.36	50.16	50.22	31.73	45.25	70.62	40.36
	Export	386.20	467.40	562.90	644.00	762.10	826.40	741.83	704.86	935.76	634.96
Karnaphuli	Investment	44.67	64.81	60.51	51.32	50.67	50.90	25.61	36.97	45.15	18.54
	Export	526.85	709.74	823.28	853.08	976.85	1075.52	927.62	1096.49	1448.69	825.31
BEPZA EPZ	Investment	--	--	--	--	--	--	--	--	--	1.30
	Export	--	--	--	--	--	--	--	--	--	--

Source: BEPZA. (*Up to February 2023)

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.

Bangladesh Government has enacted "One Stop Service Act-2018" to facilitate investment in Bangladesh, provide faster service and improve service quality. Through BEPZA One Stop Service (OSS), investors of EPZs get all investment related services from a single center. From July 2022 to February 2023, a total of 4,46,589 services have been provided from EPZs Regional One Stop Service Centers.

02 private Power Plants with the capacity 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. 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.

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 to 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 brief picture of Bangladesh export condition is shown in Table 8.17.

Table 8.17: Export of Drugs and Raw Materials.

(Taka in crore)

Year	Total Export	Countries
2011	426.15	87
2012	551.22	87
2013	619.93	87
2014	733.27	92
2015	1008.08	113
2016	2247.05	127
2017	3196.32	145
2018	3514.28	146
2019	4090.09	147
2020	4155.47	151
2021	6575.80	148
2022	6637.7	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 2010-11 to FY 2022-23 (up to December 2022) 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
2010-11	71300.35	32163.20	103463.55	56694.99	25015.89	81710.88
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	219330.12	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	409156.22	72360.95	481517.16	309856.57	64862.59	374719.16
2022-23*	232798.40	48136.99	280935.39	187607.52	71164.66	258772.18

Source: Bangladesh Bank. * Data of Two Quarters (July-December, 2022) of FY 2022-23 provided here.

It has been observed that credit disbursement and recovery showed upward trends from FY 2010-11 to FY2018-19. Credit disbursement fell sharply in FY2019-20 but recovery increased in this period. In FY2020-21 and FY2021-22, both disbursement and recovery were in an increasing trend also. In first two quarters of FY2022-23 the amount of industrial credit disbursement and recovery was Tk. 2,80,935.39 crore and Tk. 2,58,772.18 crore 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)

Bangladesh Standards and Testing Institution (BSTI) is an autonomous body governed by the Bangladesh Standards and Testing Institution Act, 2018.

Significant ongoing activities

- 411 test parameters of BSTI's National Metrology Laboratory (NML), Chemistry, Food-Bacterology and Materials Testing Laboratory have acquired accreditation from Bangladesh Accreditation Board (BAB).

- 239 products have been brought under BSTI's mandatory certification marks for the public interest.
- Gold testing program has been introduced to examine the purity of imported gold.
- BSTI is issuing license/certificate/test report with web based machine readable QR Code to prevent unethical use of license/certificate/test report.
- By enacting new rules at Bangladesh Standards and Testing Institutions Regulations, 2022 for the expansion of export of products, BSTI is issuing "Halal Certificates" accordingly.
- A project titled "Expansion and Modernization of BSTI Physics and Chemistry Testing Laboratory" has been taken up. A total of 67 labs including 38 labs of chemistry wing and 29 labs of material testing wing will be built under this project.

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. The department is entrusted to grant patent for new and novel inventions, make registration of Industrial Designs for new and original designs as per Bangladesh Patent Act 2022, Patent and Design Act 1911 and also Patent & Design Rules 1933. Registration of Trademarks & Service Marks is done by the department as per Trademark Act 2009 (amended in 2015) & the Trademark Rules 2015 and registration of Geographical Indications of goods (GI) done as per GI (Registration & Protection) Act 2013 & the GI (Registration & Protection) Rules 2015. 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.

From July 2022 to February 2023, the total number of Patent, Design, Trademark applications filed with DPDT is 162, 746, 8780 respectively. Total amount of non-tax revenue collected in FY 2022-23 (up to February 2023) is about 19.65 crore.

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.

In fiscal year 2022-2023 up to February' 23 total 506 Boilers were registered, 86 numbers of locally manufactured Boilers were certified. During this period Tk. 4.12 crore is collected as revenue and 22 meetings are held for awareness of Boiler operation.

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 108 local and multinational organisations by February 2023. BAB by

February 2023 has arranged 29 Assessor Courses and 46 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 2300 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 2022-23, BAB has earned Tk. 88 lakh from its accreditation and training services.

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 sophisticated spare parts. BITAC is engaged in research and innovation work to create various import substitute machinery parts for various industrial plants and power plants. 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.

With a view to expanding the training, production and other related activities of BITAC the project entitled "Establishment of 6 centers of BITAC in Gopalganj, Sunamganj, Barisal, Rangpur, Jamalpur and Jessore districts" is under implementation. Allotment of 10 acres of land at Bangabandhu Industrial Park at Mirsarai is approved from BEZA to establish a modern BITAC center suitable for the 4th Industrial Revolution. A total of BDT 4.30 crore has been paid to BEZA for Land Lease Agreements (LLA) and The LLA of 10 acres of land was signed between BEZA and BITAC on December 21, 2021. The project titled "Extension of BITAC for Self-Employment and Poverty Alleviation

(SEPA), Phase-2" is under implementation. During the implementation period of the project technical training is running in 9 different trades against the target of total 15000 trainees.

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 many Productivity Development activities during FY 2022-23. NPO arranged 40 training courses where training of 1,295 participants are completed. NPO also organized 8 workshops with 380 participants, 4

seminars on Productivity Development with 400 participants. Around 1,18,000 awareness leaflets have been distributed.

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 2023, BIM has trained about 77,118 people in different disciplines of management. In FY 2021-22, BIM has imparted training to 1,899 people in 84 short training programmes and up to February 2023 of FY 2022-23 BIM has imparted

training to 744 people in 45 short training programmes. In addition 455 participants were graduated from 2022 session of 5 diploma courses of one-year duration. Apart from that 567 participants enrolled in 2023 academic sessions. 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
Steps have been undertaken for the development of SMEs

Annexure

- 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.
- A borrower friendly loan application form (in Bengali) has been introduced to expedite the application procedure for entrepreneurs.
- All Banks and FIs are advised to find out and train at least three (03) prospective SME Women entrepreneurs who have not received any financing yet per branch and finance at least one (01) of them in each year.

- To provide access to finance at affordable/reasonable cost and flexible terms and conditions for the SMEs, Bangladesh Bank established a fund amounting Tk 25,000 crore which is being channeled to entrepreneurs through eligible (based on specific criteria) participating financial institutions (PFIs).
- To support credit expansion and reduce liquidity constraints of SMEs brought on by the COVID-19 pandemic, a new Refinance Scheme named ‘COVID-19 Emergency and Crisis Response Facility Project (CECRFP)’ has been introduced by Bangladesh Bank. Asian Infrastructure Investment Bank (AIIB) is providing USD 300 million to implement this project.
- Considering the adverse economic impact of COVID-19 on the returning migrant workers, unemployed youth and rural entrepreneurs with a special focus on women entrepreneurs BB has taken a fund named “Supporting Post COVID-19 Small Scale Employment Creation Project (SPCSSECP)” amounting USD 150 million, funded by Asian Development Bank (ADB).
- 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 2023, total 12,287 trainees received market demanded training and 11,989 are certified.
- Interest rate for pre-financing under ‘Support Safety Retrofits and Environmental Upgrades in the Bangladeshi Ready-Made Garments (RMG) Sector (SREUP)’ has been re-fixed to a maximum 5 percent per annum instead of existing 7 percent per annum.

Annex: 8.2
Some key activities of SMEF

- SME Foundation has identified 177 SME cluster across the country. Among them, assessments of 90 SME clusters have been conducted to design intervention program. Foundation has arranged 143 capacity building programs for 40 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. 1,303 training programs have been organized for 40,070 entrepreneurs & workers of whom about 60 percent are women. A training institute has been established to provide trainings to SME entrepreneurs.
- To provide easy credit support, from 2009 SMEF is operating Credit Wholesaling Program through banks and non-bank financial institutions. Under the program, Foundation has distributed Tk. 1.22 billion collateral free loan at single digit interest rate among 2,126 SMEs (524 women) at 31 SME clusters and cliental group.
- SME Foundation has disbursed Tk. 1.75 billion from the “Revolving Fund” among 1,156 entrepreneurs from remote area of whom 16% were female.
- To make national budget SME-friendly, a total of 467 SME-friendly recommendations were sent to National Board of Revenue (NBR) & other related govt. agencies and 76 recommendations were accepted partially/fully.
- To improve quality and enhance productivity, 5,472 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 10,650 women entrepreneurs have been supported directly through 350 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 8,100 women SMEs are benefitted.
- To create and develop 3000 women ICT freelancer in 64 districts, a 3-year project titled ‘Women ICT Freelancer and Entrepreneur Development Program’ has been implemented.
- SME Foundation has launched 'SME E-database' program an initiative to create a database of small and medium enterprises (SMEs), aiming to provide hassle-free services to the entrepreneurs and ensure overall development of the sector.
- To expand market of SME products, SMEF has been organizing SME Fairs since 2012. Ten (10) National SME Fairs in Dhaka and 87 regional (district level) SME product fairs have been organized with participation of 7,076 entrepreneurs, out of which 60 percent are women. SME Entrepreneurs sold products worth of Tk. 87crore in cash and Tk. 107crore as order.
- Aiming to promote local handloom products and connect the handloom weavers and designers with local and foreign buyers, SMEF has organized four (04) Heritage Handloom Festivals in Dhaka.
- SME related 208 seminars and workshops have been organized to promote & encourage SMEs as well as to aware the related stakeholders. 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.