

CHAPTER EIGHT

INDUSTRY

The contribution of Industry Sector to GDP is progressively increasing in Bangladesh. According to BBS, the contribution of the broad industry sector to GDP has been estimated at 35.14 percent in FY2018-19 which was 33.66 percent in FY2017-18. Among the broad industry sectors the contribution of the manufacturing sector is the highest. In FY2018-19 the contribution of the manufacturing sector in real GDP is 24.21 percent which was 22.85 percent in FY2017-18. In fact the government is persistently taking comprehensive measures for developing 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. In order to accelerate the pace of industrialisation of the country the government announced the 'National Industrial Policy-2016'. The importance and underlying objectives of the Industrial Policy 2016 include sustainable and inclusive industrial growth through generation of productive employment to create new entrepreneurs, mainstreaming women in the industrialisation process and international market linkage. The government is continuing its efforts to achieve this goal by providing loans and other ancillary supports through banks and other financial institutions. As a result the volume of both distribution and recovery of industrial loan are on the increase. The EPZs are playing special role in the process of promoting rapid industrialisation and attracting foreign direct investment.

According to Bangladesh Bureau of Statistics (BBS) estimates, the contribution of the broad industry sector to GDP stood at 33.66 percent in FY2017-18 which increased to 35.14 percent in FY2018-19. Among the fifteen sectors of GDP, the broad industry sector includes four sectors namely mining and quarrying, manufacturing, electricity gas and water supply and construction. The

contribution of the manufacturing sector is the highest in GDP. In FY2017-18 the contribution of manufacturing sector to GDP was 22.85 percent which increased to 24.21 percent in FY2018-19. The volume and growth performance of the manufacturing sector from FY2010-11 to FY2018-19 is shown in Table 8.1.

Table 8.1: Volume and Growth Rate of Manufacturing Sector

(At constant prices of 2005-06)

(In CroreTk.)

Type of Industry	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 *
Small and Cottage	21176.0 (5.67)	22569.1 (6.58)	24557.9 (8.81)	26113.1 (6.33)	28342.6 (8.54)	30909.4 (9.06)	33945.8 (11.20)	37086.4 (9.25)	40891.9 (10.26)
Medium-Large	88475.3 (11.11)	97998.3 (10.76)	108436.2 (10.65)	118540.3 (9.32)	131225.4 (10.70)	147313.5 (12.26)	163819.5 (9.82)	187183.7 (14.26)	216411.2 (15.61)
Total	109651.4 (10.01)	120567.4 (9.96)	132994.1 (10.31)	144653.4 (8.77)	159568.0 (10.31)	178222.8 (11.69)	197765.3 (10.97)	224270.1 (13.40)	2557303.0 (14.73)

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

Industrial Policy

Industrialisation is the prerequisite for sustainable economic development and achievement of social progress in a developing country like Bangladesh. Therefore, the government pledges to take initiatives to accelerate the environment-friendly sustainable industrial growth in the country. In order to accelerate the pace of industrialisation, formulation of 'National Industrial Policy 2016' by Ministry of Industries is already in force. The important and underlying objectives of the Industrial Policy 2016 include sustainable and inclusive industrial growth through generation of productive employment to create new entrepreneurs, mainstreaming women in the industrialisation process and creating international market linkage. To this end, SME development has been chosen as basic force of industrial growth of the country.

Infrastructural transformation, diversification of the economic base, accelerated economic growth, employment generation, increase in income and development of livelihood of the people among others, are the key determinants of National Industrial Policy 2016. The main target of this policy is to reach the upper mid income country by 2021. A time bound Action Plan has been framed in consultation with concerned ministries and other stakeholders to maintain desired growth.

The National and Intellectual Property Policy - 2018

Protection and promotion of Intellectual Property Rights is such type of effective

policy tool by which doors of innovative potentials and creativity is unlocked. Importance of Intellectual Property Rights has been increasing gradually as primary source of sustainable growth in knowledge based economy where knowledge assets surpass natural resources. In context of graduating process of Bangladesh from Least Developed Country (LDC) to a Developing Economy, implementation of SDGs, aspiration to become a developed country by 2041 and adopting to the 4th Industrial Revolution, IP has been considered relevant and necessary. Promotion and protection of IP is considered potentially to achieve this goal. The very present government has fixed up Mission and Vision for promoting and protecting IP by adopting 'The National and Intellectual Property Policy-2018'. The main objective of 'The National and Intellectual Property Policy-2018' is encouraging and promoting innovation and creativity by introducing market oriented process as well as ensuring proper use of IP. Clear initiative has been taken by the government on promotion and protection of IP issues, such as patent, design, trademark, copyrights, trade secret, geographical indications, lay-out design, utility model, plant varieties, etc. In addition, those issues have been integrated in relevant policies and strategies.

Quantum Index of Production of Manufacturing Industries

The Quantum Index of Industrial Production (QIIP) is an important tool for measuring the production performance of manufacturing industries. Data released by BBS shows that

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QIIP (2005-06=100) representing medium to large-scale industries. In FY2018-19 up to November 2018, the QIIP average index

stood at 384.99. Table 8.2 shows the index during FY2011-12 to FY2018-19.

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

Fiscal Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19*
Medium to Large Scale Industries	174.92	195.19	213.22	236.11	267.88	297.89	342.47	384.99
Percentage change	10.78	11.58	9.23	10.73	13.45	11.20	14.97	18.05**

Source: Bangladesh Bureau of Statistics *up to November 2018 ** compared to the same period of previous fiscal year.

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 during FY2018-19 for Banks and Non-Bank Financial Institutions (NBFIs) against their financing to SMEs. In this regard, Bangladesh Bank is providing refinance facilities to Banks and FIs from different Refinancing Schemes for Agro-based Product Processing Industry; Refinancing Scheme for Small Enterprise; New Entrepreneurs in Cottage, Micro and Small Industry; Islamic Shariah-based Financing; Revolving Fund Account of JICA assisted Financial Sector Project for the Development of SME (FSPDSME) Fund and

JICA assisted Urban Building Safety Project (UBSP).

Banks and NBFIs have come forward for financing and development of SMEs sector under close monitoring and supervision of Bangladesh Bank. Banks and NBFIs altogether have disbursed an amount of Tk.115,654.84 crore against 512,539 SMEs in 2018 (Up to September). On the other hand, 46,162 women led SME enterprises received financing of Tk.4,146.37 crore in the same period from Banks and FIs.

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 now considered as yardstick for approval of opening new branches and a criterion to determine CAMELS ratings of banks. In 2018 (Up to September), Banks and NBFIs altogether disbursed Tk.115,654.84 crore to 512,539 SMEs which was 72 percent of 2018's annual target of Tk.161,031.89 crore. Table-8.3 reveals the disbursement of category-wise SME credit.

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	38,858.12	35,040.53	15,147.72	3,355.68	53,543.93	1,804.98	138%
2011	56,940.13	34,382.64	15,805.95	3,530.85	53,719.44	2,048.45	95%
2012	59,012.78	44,225.19	21,897.33	3,630.90	69,753.42	2,224.01	118%
2013	74,186.87	56,703.72	24,016.64	4,602.89	85,323.25	3,351.17	115%
2014	89,030.95	62,767.18	30,246.20	7,896.77	100,910.15	3,938.75	113%
2015	104,586.49	73,551.78	30,462.02	11,856.68	115,870.48	4,226.99	112%
2016	113,503.43	90,547.57	35,168.63	16,219.19	141,935.39	5,345.66	125%
2017	133,853.59	96,934.79	42,334.87	22,507.66	161,777.32	4,772.99	121%
2018*	161,031.89	51,330.34	37,993.25	26,331.26	115,654.85	4,146.37	72%

Source: Bangladesh Bank. *Up to September 2018.

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 schemes of Bangladesh Bank. Presently, Bangladesh Bank with the help of government and different development partners is implementing different refinance schemes in the SME sectors which are JICA assisted Financial Sector Project for the Development of SME

(FSPDSME) Fund and JICA assisted Urban Building Safety Project (UBSP) fund and five other refinance schemes of its own fund for Agro Product-processing Industries in Rural Areas, Bangladesh Bank Fund, Bangladesh Bank Women Ent. Fund, New Entrepreneurs Fund and Islamic Shariah based Fund. The overall status of these funds as on 28 February 2019 has been presented in Table-8.4.

Table 8.4: Summary Information on SME Refinance Schemes (up to February 2019)

Sl. No.	Name of Fund	Amount Refinance (Tk. in Crore)				No. of Beneficiary (Sector wise)			
		Working Capital	Mid Term Loan	Long Term Loan	Total Loan	Industry	Trade	Service	Total
1	Refinance Fund for Agro-based Industries in Rural Areas	709.78	214.48	696.87	1,621.13	2,987	-	-	2,987
2	Bangladesh Bank Fund	385.11	598.39	245.03	1,228.53	5,029	5,926	1,769	12,724
3	Bangladesh Bank Women Ent. Fund	447.64	1,275.89	510.07	2,233.60	6,599	10,773	3,051	20,423
4	Bangladesh Bank Extension-Women Ent. Fund	55.68	111.08	57.31	224.07	493	1,060	197	1,750
5	IDA Fund (EGBMP)	80.34	132.47	99.80	312.61	1,368	1,306	486	3,160
6	SMESDP (ADB-1)	144.48	132.27	58.19	334.94	800	2,096	368	3,264
7	SMEDP (ADB-2)	0.00	568.39	178.56	746.95	3,765	7,435	2,445	13,645
8	JICA FSPDSME	62.82	369.45	319.90	752.17	491	34	378	903
9	JICA UBSP	0.00	0.00	16.55	16.55	3	0	0	3
10	New Ent. Fund	0.30	18.33	1.58	20.21	201	-	166	367
11	Islamic Shariah Fund	372.63	44.52	108.47	525.62	162	519	45	726
Total		2,258.78	3,465.27	2,292.33	8,016.38	21,898	29,149	8,905	59,952

Source: Bangladesh Bank.

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A total amount of Tk.8,016.38 crore has been provided to different Banks and NBFIs under different refinance/pre-finance schemes up to February 2019 against 59,952 enterprises. Out of total refinance, Tk.2,258.78 crore has been provided as working capital, Tk.3,465.27 crore as medium term loan and Tk.2,292.33 crore as long term loan. These refinancing facilities have been helping for benefitting SMEs to expand their business; and thereby, creating new employment opportunities.

Details of BB's refinancing facilities to Banks and NBFIs for promoting SMEs are outlined below:

1. Bangladesh Bank Fund (BB Fund)

Bangladesh Bank introduced a refinancing scheme named Small Enterprise Fund

(SEF) of Tk.100 crore out of its own fund for supporting the development of small enterprises in the country. Later on, the size of the fund has been increased to Tk.850.00 crore. To meet the increasing demands from women entrepreneurs, refinancing facilities under their scheme were extended to the Banks and NBFIs at bank rate against their financing to the small entrepreneurs, usually left out by the formal sector financing. The scheme demonstrated a high market demand. Recovery against refinanced loan is being used as a revolving fund for further financing to SME sector. Up to end February 2019, Tk.3,686.20 crore has been refinanced under this fund against their financing to 34,897 enterprises (Table-8.4 A).

Table 8.4 A: Summary Information of Refinancing to SMEs under BB Fund (February 2019)

Sl. No.	Name of Fund	Amount Refinance (Tk. in Crore)				No. of Beneficiary (Sector wise)			
		Working Capital	Mid Term Loan	Long Term Loan	Total Loan	Industry	Trade	Service	Total Loan
A. BB Fund-General									
1	Bank (20)	348.61	291.59	70.83	711.03	3,112	3,956	820	7,888
2	Non-Bank(23)	36.50	306.80	174.20	517.50	1,917	1,970	949	4,836
Sub-Total		385.11	385.11	598.39	245.03	1,228.53	5,029	5,926	1,769
B. BB-Women									
1	Bank (33)	396.35	629.79	257.10	1,283.24	3,987	8,078	2,049	14,114
2	NonBank(22)	51.29	646.10	252.97	950.36	2,612	2,695	1,002	6,309
Sub-Total		447.64	1,275.89	510.07	2,233.60	6,599	10,773	3,051	20,423
C. BB Extension-2014									
1	Bank (27)	50.70	37.20	23.48	111.38	242	719	109	1070
2	Non-Bank(15)	4.98	73.88	33.83	112.69	251	341	88	680
		55.68	111.08	57.31	224.07	493	1,060	197	1750
Total		888.43	1,985.36	812.41	3,686.20	12,121	17,759	5,017	34,897

Source: Bangladesh Bank.

2. Enterprise Growth and Bank Modernization Programs (EGBMP) Fund/IDA Fund

In 2004, the IDA Wing of the World Bank provided an additional amount of US\$10

million to EGBMP fund to reinforce this scheme under a Development Credit Agreement signed with the government of Bangladesh for financing the development of small enterprise sector of the country. In addition, the government of Bangladesh also

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allocated an amount of Tk.58.00 crore under the said agreement. Out of this fund, an amount of Tk.312.61 crore has been provided to 32 banks and financial institutions against 3,160

enterprises on revolving basis (Table-8.4 B). The full disbursed amount has been recovered from Participating Financial Institutions (PFIs) by the end of June 2017.

Table 8.4 B: Summary Information on SME Refinancing from IDA (EGBMP) Fund

Sl. No.	Banks/FIS	Amount Refinance (Tk. in Crore)				No. of Beneficiary (sector wise)			
		Working Capital	Mid Term Loan	Long Term Loan	Total Loan	Industry	Trade	Service	Total Loan
1	Bank (17)	73.07	75.73	28.51	177.31	973	1,167	79	2,219
2	Non-Bank(15)	7.26	56.74	71.30	135.30	395	139	407	941
Total		80.34	132.47	99.80	312.61	1,368	1,306	486	3,160

Source: Bangladesh Bank

3. ADB Fund-1

A fund called ADB-1 Fund to finance a scheme titled ‘Small and Medium Enterprise Sector Development Project (SMESDP)’ was launched in 2005. Asian Development Bank initially provided an amount of US\$30.00 million for financing the scheme under a loan agreement with the government of Bangladesh to

strengthen the SME sector in Bangladesh. Tk.334.94 crore has been provided to Banks and NBFIs under the ADB-1 fund against 3,264 enterprises (Table-8.4 C). Disbursement from this fund was completed in September 2009. The full disbursed amount has been recovered from PFIs by the end of June 2015.

Table-8.4 C: Summary Information on Refinancing from ADB-1 Fund

Sl. No.	Banks/FIS	Amount Refinance (Tk. in Crore)				No. of Beneficiary (sector wise)			
		Working Capital	Mid Term Loan	Long Term Loan	Total Loan	Industry	Trade	Service	Total Loan
1	Bank (9)	144.32	90.95	34.17	269.44	657	1,893	155	2,705
2	Non-Bank(7)	0.16	41.32	24.02	65.50	143	203	213	559
Total		144.48	132.27	58.19	334.94	800	2,096	368	3,264

Source: Bangladesh Bank.

4. ADB Fund-2

The Small and Medium-Sized Enterprise Development Project (SMEDP) was created in 2009 jointly by the contribution of ADB and Bangladesh government. The objective of SMEDP is to provide credit facility for enhancing access to medium to long term financing to eligible SMEs. The total fund of the SMEDP was US\$95.00 million. Out of that, ADB provides US\$76.00 from its

special fund and GoB (BB) provides US\$19.00 million which is transferred from the balance of the earlier ADB-1 (SMESDP) fund. Disbursement from this fund was completed in December 2013 and Tk.746.95 crore was provided to Banks and FIs against 13,645 enterprises on revolving basis during the project period (Table-8.4 D). By the end of June 2018, Tk.742.13 crore has been recovered from PFIs.

Table-8.4 D: Summary Information on SME Refinancing from ADB-2 Fund

Sl. No.	Banks/FIS	Amount Refinance (Tk. in Crore)				No. of Beneficiary (sector wise)			
		Working Capital	Mid Term Loan	Long Term Loan	Total Loan	Industry	Trade	Service	Total Loan
1	Bank (19)	-	300.88	86.83	387.70	2,246	5,319	1,230	8,795
2	Non-Bank(13)	-	267.51	91.73	359.25	1,519	2,116	1,215	4,850
	Total	-	568.39	178.56	746.95	3,765	7,435	2,445	13,645

Source: Bangladesh Bank

5. JICA Fund (FSPDSME)

A loan agreement was signed between JICA, Japan and the government of Bangladesh (BFID, MOF as the representative) in 2011 for the development of SMEs and financing. As per loan agreement, Bangladesh Bank is implementing the Financial Sector Project for the Development of Small and Medium-Sized Enterprise (FSPDSME)-BD-P67' project. The objective of the project is to create a medium to long term financing market for SMEs especially for the productive investments. The Fund size

is 5,000.00 million Japanese Yen including a technical assistance component. 25 Banks and 21 financial institutions signed Participating Agreements with Bangladesh Bank. Refinancing or pre-financing facilities are being provided to Participating Financial Institutions (PFIs) at the bank rate for on lending to SME sub-projects of productive investment for medium to long-term duration at the market rate. As of February 2019, Tk.752.17 crore has been refinanced against 903 enterprises (Table-8.4 E).

Table-8.4 E: Summary Information on Refinancing from JICA Fund

Sl. No.	Name of Fund	Amount Refinance (Tk. in Crore)				No. of Beneficiary (sector wise)			
		Working Capital	Mid Term Loan	Long Term Loan	Total Loan	Industry	Trade	Service	Total Loan
1	Bank (25) and Non-Bank(21)	62.82	369.45	319.90	752.17	491	34	378	903

Source: Bangladesh Bank

In the backdrop of tragic incidence of Rana Plaza collapse a special initiative to finance the improvement of safe working environment of RMG and knitwear sector workers was taken under the JICA assisted FSPDSME project. RMG and Knitwear factories which are members of BGMEA and/or BKMEA with labor employment of 100-2000 provided that the factory building is owned by the applicant entrepreneur will get loan facility up to Tk.10.00 crore for the

purpose of retrofitting, rebuilding and relocation of their factory buildings. This TSL fund for RMG and knitwear factories of FSPDSME scheme will support 100 percent of the sub-loan amount as pre-finance. At the end of February 2019, two RMG industries have been financed worth of Tk.16.00 crore for retrofitting purposes.

The project was completed successfully by the end of June 2016. Meanwhile, the project

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received full allocation of TSL fund from JICA. Disbursement to accredited PFIs is, however, being continued utilizing the Revolving Fund Account (RFA) of the FSPDSME project.

6. Urban Building Safety Project (UBSP)

For the purpose of creating a safe working environment in the RMG sector through retrofitting, rebuilding and relocation of vulnerable RMG industries, the ‘Urban Building Safety Project’ has been taken under the 36th Japanese ODA package. A loan agreement between the government of Japan (represented by JICA) and government of

Bangladesh has been signed on 13 December 2015. Under this agreement JICA will provide 12,086 million Japanese Yen; of which 4,129 million Japanese Yen (equivalent Tk.268.00 crore) is earmarked for two step loan (TSL) purposes. The TSL component will be managed and implemented by Bangladesh Bank in accordance with approved operating guideline of the project. A total of 25 Banks and 10 FIs signed Participating Agreements with Bangladesh Bank up to February 2019. As of February 2019 Tk.16.55 crore has been refinanced against 03 enterprises (Table-8.4 F).

Table-8.4 F: Summary Information on Refinancing from Urban Building Safety Project

Sl. No.	Name of Fund	Amount Refinance (Tk. in Crore)				No. of Beneficiary (sector wise)			
		Working Capital	Mid Term Loan	Long Term Loan	Total Loan	Industry	Trade	Service	Total Loan
1	Bank (25) and Non-Bank(10)	-	-	16.55	16.55	3	-	-	3

Source: Bangladesh Bank.

7. Refinance Scheme for Agro-based Product Processing Industries in Rural Area

In order to boost up agro product-processing industries, Bangladesh Bank launched a refinance scheme of Tk.150.00 crore in 2001 and provided loans to the industries at preferential interest rate of 10 percent. At present, the size of the fund is Tk.700 crore. Under this fund, refinancing facilities are being provided SMEs at preferential interest rate within 9% (Bank rate + 4%). An amount of Tk.1,621.13 crore has been disbursed under this scheme at the end of February 2019 against 2,987 enterprises on revolving basis. (Table 8.4)

8. Refinance Fund for New Entrepreneurs under Cottage, Micro and Small Categories

In order to provide start-up capital to new cottage, micro and small enterprises, Bangladesh Bank has created a new fund worth of Tk.100.00 crore from its own source. Under this fund, the prospective entrepreneurs selected and trained by recognized public and private training providers. Current value of that fund is Tk.50.00 Crore. The trained entrepreneurs have the opportunity to get maximum of Tk.25 lakh with collateral and Tk.10 lakh without collateral at 09 percent interest rate (bank rate +4%). As of February 2019, 367 new entrepreneurs have been refinanced worth Tk.20.21 crore (Table 8.4 G).

Table-8.4 G: Summary Information on Cottage, Medium and Small Categories Refinancing from New Entrepreneurs Fund

Sl. No.	Banks/FIS	Amount Refinance (Tk. in Crore)				No. of Beneficiary (sector wise)			
		Working Capital	Mid Term Loan	Long Term Loan	Total Loan	Industry	Trade	Service	Total Loan
1	Banks (6)	0.10	0.69	1.13	1.92	41	-	86	127
2	FIs (3)	0.20	17.64	0.45	18.29	160	-	80	240
	Total	0.30	18.33	1.58	20.21	201	-	166	367

Source: Bangladesh Bank

9. Islamic Shariah Based Refinance Scheme

With the objective of increasing the involvement of Islamic Banks and NBFIs in financing SMEs, a special refinance fund under Islamic Shariah mode has been created in Bangladesh Bank. Under this fund, Islamic Banks and NBFIs will get refinance against

their financing to ‘Agro-based Industries’, ‘Small Enterprises (including women led SMEs)’ and ‘New entrepreneurs in Cottage, Micro and Small Enterprise Sector’. At the end of February 2019, Tk.525.62 crore has been refinanced to banks and financial institutions against their financing to 726 enterprises (Table-8.4 H).

Table-8.4 H: Summary Information on Refinancing from Islamic Shariah based Fund

Sl. No.	Banks/FIS	Amount Refinance (Tk. in Crore)				No. of Beneficiary (sector wise)			
		Working Capital	Mid Term Loan	Long Term Loan	Total Loan	Industry	Trade	Service	Total Loan
1	Banks (3)	345.90	11.63	0.28	357.81	107	475	30	612
2	FIs (1)	26.73	32.89	108.19	167.81	55	44	15	114
	Total	372.63	44.52	108.47	525.62	162	519	45	726

Source: Bangladesh Bank

Steps have been undertaken for the development of SMEs:

- SME credit disbursement target has been revised to 20 percent of total loan portfolio for 2017 which should be increased to 25 percent by 2021 with minimum 1 percent increment in each year. To ensure sector-wise distribution of overall SME credit portfolio, a target for at least 40 percent for manufacturing, 25 percent for Service and a maximum ceiling of 35 percent for trading has been instructed by Bangladesh Bank to be achieved by all Banks/FIs within 2021.
- Instruction has been given that the desired rate of women entrepreneur loans will be at least 10 percent of total CMSME loans which will be increased to 15 percent in 2021.
- The minimum limit of CMSME loans for Cottage, Micro and Small Enterprises has been fixed at Tk.10,000, 20,000 and 50,000 respectively.
- Each bank and financial institutions are instructed to take the overall responsibility of at least one cluster development for strengthening existing

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clusters and to create new clusters with the aim to increase the financing in cluster-based industries. At the same time, it has been recommended that a bank take the key role in every district.

- For financing in agricultural industries the area of this sector has been expanded.
- Banks and FIs are instructed to provide 3 months grace period for 1 year term loan and three to six months grace period for medium to long term loan based on banker-customer relationship.
- To know and settlement of the accusations of entrepreneurs, instructions have been given to each bank and financial institutions for appointing a focal officer and displaying his name in each branch.
- SME Monitoring Cell has been established in each branch of Bangladesh Bank including SME and Special Programs Department. SME Monitoring Cell is also functioning in every bank and financial institution.
- Under Small Enterprise Refinance Scheme of SME and Special Programs Department, opportunity for getting loan at less interest rate (Bank rate+4%) has been given to all disabled CMSME entrepreneurs including vision impaired entrepreneurs as well as entrepreneurs engaged in publication and marketing of creative writings.
- In addition to small and medium entrepreneurs, micro entrepreneurs have been given the opportunity to take midterm and long term loan facility under Two Step Loan fund of JICA Assisted 'FSPDSME' project.
- To ensure loan facility for Women Entrepreneurs, at least 15 percent of total Small Enterprise Refinance Scheme has been allocated for them at an interest rate cap of bank rate + maximum 4 percent spread (currently maximum 9 percent).
- Instructions have been given for establishing separate 'Women Entrepreneurs' Dedicated Help Desk' in each branch of every Bank and FI.
- Banks and financial institutions can provide collateral free loan facility up to Tk.25 lakh against personal guarantee when the borrower is a 'women entrepreneur' or at least 51 percent share of the borrowing institution is owned by women under the refinance fund.
- A project has been undertaken named 'Skill for Employment Investment Program (SEIP)' by the government with the assistance of Asian Development Bank. At the first phase of this program 2,30,000 persons will be provided market based training in next three years. Among them Bangladesh Bank will arrange job oriented training for 10,950 people. As of February 2019, total of 10,884 trainees enrolled in different courses, 10,691 trainees have received certificate after successful completion and 7,393 trained personnel have already been employed in different job sectors. It is expected that most of the trainee under Bangladesh Bank will be self-employed after receiving the training and a dedicated refinance scheme has already been in place to support those new entrepreneurs.
- For mainstreaming women in economic activities, Banks and FIs have been instructed to provide credit to new women entrepreneurs under cottage, micro and

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small sectors. 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.

B. State Owned Enterprises (SOEs) **Bangladesh Small and Cottage Industries Corporation (BSCIC)**

Investment in small and cottage industries is one of the main areas of investment, production and employment in the non-agricultural sector in Bangladesh. For the development of small and cottage industries in the private sector, the contributions of Bangladesh Small and Cottage Industries Corporation (BSCIC) made to the national economy by providing support, services and facilities to entrepreneurs in the FY2018-19 (up to February 2019) are given below:

Investment and employment generation in Small and Cottage Industries sector:

During the FY2018-19, up to February 2019, the number of medium, small and cottage industrial units established with direct and indirect assistance from BSCIC are 37, 1,324 and 2,695 respectively. Total investment in these industrial units is Tk.1,529.68 crore. Among these investment, the amount of debt

distributed by banks, BSCIC and other financial institutions is Tk.147.55 crore, entrepreneurs equity of Tk.635.89 crore and remaining Tk.746.24 crore has been invested entrepreneurs setting up industries in their own initiative. Through the above investment, there are a total employment of 33,085 persons has been created in the small and cottage industries sector.

Contribution of BSCIC Industrial Estates

Up to February 2019, 10,171 industrial plots had been allotted in favour of 5,852 industrial units in 76 Industrial Estates of BSCIC throughout the country. Among them 4,721 units are presently under production. Total investment in these 76 industrial estates up to June 2018 is Tk.25,418.20 crore. These units had produced goods worth of Tk.59,107 crore in the FY2017-18, out of which product worth of Tk.25,241.65 crore had been exported. Most of the exported items were hosiery products. Investment, production, export and employment in these industrial estates had increased in comparison to the previous financial year. The contribution made by the industrial estates is summarized below:

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

1.	Total no. of Industrial Estates	76
2.	Total no. of Industrial plots	10,589
3.	Total no. of plots allotted (Up to February 2019)	10,171
4.	Total no. of Industrial units allotted (Up to February 2019)	5,852
5.	Total no. of units under production (Up to February 2019)	4,721
6.	No. of export oriented units (Up to June 2018)	946
7.	Total Investment (Up to June 2018)	Tk.25,418 crore
8.	Employment (Up to June 2018)	5,79,055 Persons
9.	Total sales price of the products produced (FY2017-18)	Tk.59,107.21 crore
10.	Total sales price of exported product (FY2017-18)	Tk.25,241.65 crore

Source: BSCIC.

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During the FY2018-19 up to February 2019, BSCIC had imparted training to 9,497 entrepreneurs, technicians, managers and others through its Small and Cottage Industries Training Institute (SCITI), Design Centre, 15 Skill Development Training Centres, 64 Industries Service Centres and other offices/ projects.

Different Development Projects

BSCIC is implementing 27 projects in fiscal year 2018-19 as a target of long-term plan for the small and cottage industries sector in the context of the existing socio-economic conditions of the country.

Bangladesh Chemical Industries Corporation (BCIC)

BCIC is one of the largest public sector corporations of the country. It is now being run with 12 large and medium size enterprises under its management including 6 urea fertiliser factories, one each of DAP fertiliser factory, TSP fertiliser factory, paper mill, cement factory, glass sheet factory and insulator and sanitary ware factory. Fertiliser factories constitute about 80 percent of the

total volume of production of the corporation and play a vital role in the national economy. BCIC has a splendid heritage of providing comprehensive assistance to the local and foreign joint venture partners.

During FY2018-19, the running factories under BCIC produced 5,97,115 MT tons of urea fertiliser, 76,267 MT TSP, 15,321 MT DAP fertiliser, 3,924 MT of paper, 24,990 MT cement, 9.42 million square meters glass sheet, 494.13 MT of sanitary ware material, 445.43 MT of insulator and 162.88 MT refractories.

In FY2018-19, the actual production amount of has been Tk.767.55 crore against the target of Tk.1,045.44 crore in 12 factories of BCIC, which is 73 percent of the target. At the same time the sales volume of the BCIC's factories is Tk.678.96 crores, which is 65 percent of the target. At the same period the revenue (duties and taxes) of the national exchequer was Tk.72.08 crores.

The production, demand, sales and import statistics of urea fertiliser from FY2011-12 to FY2018-19 (up to February 2019) are given below In Table 8.6:

Table 8.6: The Production, Demand, Sales and Import Statistics of Urea Fertiliser

(MT.)

Fiscal Year	Targets	Actual production	Target Achieved	Demand	Actual sales	Sales rate against demand	Import
2011-12	1120000	933686	83%	3000000	2296457	77%	1279439
2012-13	1115000	1026999	92%	2500000	2246708	90%	1314231
2013-14	1012500	838628	83%	2450000	2461681	100%	1730811
2014-15	786056	878360	112%	2700000	2638533	98%	1881517
2015-16	1095000	1007498	92%	2800000	2291452	82%	1292919
2016-17	928000	922717	99%	2500000	2365737	95%	1153324
2017-18	943974	764006	81%	2500000	2427467	97%	1419148
2018-19*	810000	597115	74%	2550000	2103147	82%	1618813

Source: Bangladesh Chemical Industries Corporation * up to February 2019.

Ongoing projects of BCIC

Shahjalal Fertiliser Project (SFP) (3rd revised)

To overcome the existing deficit and growing demand of urea fertiliser in the country, Shahjalal Fertiliser factory, having an annual capacity of 5.81 lakh. MT. of granular urea fertiliser has started commercial production from 1 March 2016.

Conversion method of production of Chhatak Cement Company Ltd. from Wet Process to Dry Process

As this factory is very old, the life of equipment decreased and the production is going down to 200-300 MT gradually from 500 MT per day. To overcome this, a project of latest modern technology and friendly environment named ‘Conversion of Wet Process to Dry Process of Chatak Cement Company Ltd.’ Is under implementation.

New 13 buffer go downs in different districts of the country for the purpose of conservation and distribution facilities

A development project titled ‘New 13 (thirteen) buffer go-downs in different districts of the country for the purpose of conservation and distribution facilities’ is undertaken with joint financial assistance of GOB and BCIC for distribution of fertiliser to the farmers of the country.

Ghorashal Palash Urea Fertilizer Project (GPUFP):

To establish one modern Urea Fertiliser Factory, using natural gas under Ghorashal Urea Fertiliser Factories Ltd. (UFFL) and Palash Urea Fertiliser Limited (PUFFL), the unified ‘Ghorashal Palash Urea Fertiliser Project (GPUFP)’ is taken. After completion

of this project, the daily production capacity of this project will be 2800 MT granular urea fertiliser.

Construction of 34 buffer go downs in different districts of the country to facilitate the conservation and distribution of fertilisers

To facilitate quick access of the farmers to fertiliser, a project titled ‘Construction of 34 buffer go downs in different districts of the country to facilitate the conservation and distribution of fertilisers’ is under implementation. The purpose of the project is to achieve self-sufficiency in food production by ensuring the fertiliser stocks for the farmers in the country.

Steps for the construction of new industrial establishments/ projects by BCIC for the development of the country:

- (1) Bangladesh Glass sheets Factory
- (2) Urea Formaldehyde-85 (UF-85) project
- (3) Establishment of a new Dai-Ammonia phosphate factory/NPKS factory in the existing DAP factory, *Rangadia, Chattogram* premises
- (4) Establishment of new ‘Integrated pulp and paper mill’ project in the existing *Karnafuli Paper Mills Ltd., Rangadia, Chattogram Hill Tracts* premises.

Bangladesh Sugar and Food Industries Corporation (BSFIC)

Bangladesh Sugar and Food Industries Corporation operates activities of its fifteen sugar mills, one distillery unit, one engineering factory, one organic Bio-fertiliser and three commercial establishments. Annual production capacity of fifteen sugar mills under the corporation is 2.10 lakh MT. At

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present the annual demand of sugar is about 14 lakh MT. in the 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 five/six sugar refinery, established under private sector. In FY2018-19, BSFIC has been set a target to produce 1,25,000 MT. of sugar against which up to February 2019 about 66,162.10 MT. of Sugar has been produced. In FY2018-19 the production target of distillery unit has been determined as 50 lakh proof liter but up to February 2019, 32.30 lakh proof liter products have been produced. The annual production targets of engineering products have been determined as 1,250 MT. but up to February 2019, 681.50 MT. products have been produced. In the current fiscal year BSFIC has been deposited 48.57 crore taka up to February 2019 as duty and tax to the national exchequer. Prominent activities related to development and expansion of information technology and e-governance of Bangladesh Sugar and Food Industries Corporation are as follows: E-purjee: E-Purjee is a highly acclaimed initiative. By this, the cane growers are getting purjee through mobile phone. Through this innovative initiative, the cane growers are getting the information about the Purjee easily by entering the website.

E-Gazette: E-Gazette has been launched to expand the scope of services after successful management of e-purjee. Through this, the cane growers can visit the Union Information Service Centre and see the centre wise and

unit wise advance cane purchase plan for the whole seasons. By developing software, E-Gazette has been launched on the experimental basis at *Faridpur* Sugar Mills limited since FY2014-15; which has been successfully running in all the sugar mills in FY2018-20 season too. E-Payment: After successful introduction of e-purjee and e-gazette, a breakthrough initiative was taken to pay sugarcane price through mobile banking from the crushing season of FY2015-16. It has been launched simultaneously in all sugar mills through *Rupali* Bank 'Sure Cash'. As a result, the sugar-cane growers are getting the opportunity to get the sugar cane price and Subsidy by using mobile banking in a hassle-free way. Necessary steps have been taken to provide all citizen services online at anytime from anywhere through www.bsfic.gov.bd.

Bangladesh Steel and Engineering Corporation (BSEC)

Enterprises under Bangladesh Steel and Engineering Corporation have been playing important role in the economic development of the country as they produce Electric Cables, Transformers, 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, Motor Cycle etc. Enterprises of BSEC also produce MS/GI/API Pipe, MS rod and Safety Razor Blade. The products of BSEC are of high quality and international standard (according to ISO). As a result the acceptability of products is increasing in market. BSEC productions amounted to Tk.733.94 crore for

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the FY2017-18 and actual sales were Tk.863.17 crore. These enterprises earned net profit (Before tax) of Tk.78.96 crore and paid Tk.277.67 crore to national exchequer as vat and taxes in the FY2017-18. Eight running enterprises of BSEC produce goods worth Tk.439.6 crore till July 18-February19. According to the revised budget target of FY2018-19, those companies are expected to produce goods worth Tk.750.76 crore. Enterprises of BSEC sale goods worth Tk.398.83 crore till July 2018 to February 2019. According to the revised budget target of FY2018-19, eight companies are expected to sale goods worth Tk.894.43 crore. Bangladesh Steel and Engineering Corporation took various steps to ensure the transparency and accountability of work and to build the Digital Bangladesh. To this high

speed internet connection, e-mail and website (www.bsec.gov.bd) has been launched for the development of IT. It is to be noted that 9 own operated companies have started their own website and it has been included in the national Portal. LAN (Local Area Network) has been provided for interactive communication and data/ documents between computers. For the purpose of transparency and accountability BSEC has started e-Nothi management system. More over BSEC's Construction and Engineering Department, Eastern Tubes Ltd., Bangladesh Blade Factory Ltd. started procurement activities using E-GP (Electronic Govt. Procurement) system. Moreover, for official work automation the activities of establishing ERP (Enterprise Resource Planning) software have been adopted.

Table 8.7: Net Profit/Loss of BSEC Enterprises

(In Crore Taka)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 up to Feb. 2019
Profit :	91.40	108.92	98.88	84.54	95.41	96.68	102.87	19.92
Loss :	13.68	10.62	9.30	12.96	9.19	19.60	23.91	-20.79
Net Profit/ (Loss) :	77.72	98.30	89.58	71.58	86.22	77.08	76.50	-0.87

Source: BSEC.

Table 8.8: Statement of Revenue Deposited by BSEC.

(In Crore Taka)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19 up to Feb 2019
Duties and Taxes :	474.63	432.55	256.98	245.66	243.13	190.14	277.67	221.55

Source: BSEC.

Bangladesh Forest Industries Development Corporation (BFIDC)

Bangladesh Forest Industry Development Corporation (BFIDC) is one of the leading profit-making public sector corporation in the country. The activities of the organisation are divided into industry and agriculture (rubber) sectors:

A) Industry sector: There are seven industrial units under this sector. Two units of these are found from the forests of engaged in the harvesting of rubber trees lost *Chattogram Hill Tracts* and involved in the collection of rubber trees losing their life cycle in the rubber garden of BFIDC. One of the two units described, and one industrial unit of the

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remaining five units perform wood seasoning and treatment work. In the other four units, doors, windows, thresholds, chairs, tables, benches and high quality furniture are commercially manufactured.

B) Agriculture (rubber) sector: Since 1962, BFIDC has created an opportunity for employment, foreign exchange earnings and economic activity generation in backward rural populations through the creation of commercially constructed rubber gardens on 32,635 acres of land ensuring preservation of environment and resistance to land erosion and land slide.

As an apex company of rubber, BFIDC has been playing a leading role in the expansion of rubber cultivation in the private sector. Raw rubber produced by BFIDC is used to produce sandals, light transport tire-tubes, hose pipe, bucket, gasket, oil seal, textile, spare parts of jute mills etc.

The development activities under implementation by Bangladesh Forest Development Corporation are as follows:

- Bangladesh Rubber Policy-2014 approved by the cabinet has been implemented.
- 4,300 acres of refurbished garden has been created in the last eight years (2009-10 to 2016-17) under self-financing.
- The project titled ‘Establishment of Rubber Wood Pressure Treatment Plant’ at *Srimangal* at the cost of Tk.1,411.10 lakhs has been implemented.
- The project titled ‘*Rangunia* Rubber Garden Establishment Project (First Phase)’ has been completed in June 2017, which has created 550 acres of rubber

garden at the cost of Tk.572.92 lakhs Pilot project has been set up for the construction of cement bonded particle board at *Kalurghat* in *Chattogram* with a cost of Tk.495.00 lakh using funding from the Climate Change Trust fund. The project has been extended till June 2019.

- Implementation of ‘Infrastructure Development of Flood Affected *Bhatera* Rubber Garden Project’ is being implemented at a cost of Tk.299.00 lakh funded by Bangladesh Climate Change Trust Fund at *Kulaura upazila* of *Moulvibazar* district. The project shall expires on June 2019.

C. Textile Industry

The textile industry is the largest labour intensive manufacturing sector of the country which employs about 5 million people. Textile and Apparel sectors are the fastest growing sectors of Bangladesh economy. Private textile and garment sectors are also the largest foreign exchange earning sector of Bangladesh. The contribution of this sector is shown below:

- Both Textile and Apparel sectors together employ about 5 million people of which about 80 percent are female.
- More than 80 percent of the total export of the country comes from textiles and garments sector.
- An export earnings from Textiles and Apparel was US\$27563 million in the FY2018-19 till February 2019, which is approximately 83.90% of the total export earnings of the country during that time.

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Bangladesh Textiles Mills Corporation (BTMC)

From FY1972-73 to FY2017-18 (up to October 2017) BTMC has produced 8265.50 lakh kg. yarn, out of which BTMC's own production 7,282.92 lakh kg and 982.50 lakh kg are produced under Service Charge system. BTMC has also produced 8,149.98 lakh meter fabrics. After closing the Weaving Section of the composite mill under BTMC, the production of fabrics is also closed since FY1996-97. From FY1996-97 to FY2017-18 (up to October 2017) BTMC has earned revenue Tk.484.63 crore as Service Charge. A comparative statement is provided in Table 8.9 below showing the installed capacity, Utilization capacity and production performances for the period of FY2009-10 to FY2017-18 (up to October 2017).

Table 8.9: Year-wise Installed Capacity and Production of BTMC

FY	Spindles (Installed Capacity)		Yarn Production (Million kg)
	Number	Usage (%)	
2009-10	176512	11	1.15
2010-11	176512	43	2.40
2011-12	176512	20	0.93
2012-13	168968	18	1.67
2013-14	186264	20	1.98
2014-15	196608	20	2.04
2015-16	198792	23	2.24
2016-17	169472	29	2.05
2017-18*	152176	22	4.98

Source: Bangladesh Textile Mills Corporation. *Up to October 2017

In the last few years, due to the continuous loss by running 6 mills at service charge system, BTMC introduced rental system for the mills from November 2017 until now to reduce the loss and overcome the situation.

Initiative has been taken to operate 16 Textile Mills of BTMC by the Public Private Partnership (PPP) program. In the first phase two mills (*Ahmed Bawani* Textile Mill, *Demra*, Dhaka and *Quaderia* Textile Mills, *Tongi*, *Gazipur*) are approved by the Cabinet Committee on Economic Affairs (CCEA). With the approval, BTMC floated two international tenders. CCEA rendered final approval for the preferred bidders through the tenders. PPP program will be implemented very soon.

Handloom Sector

The handloom industry plays a vital role in the economy of Bangladesh. This is the second largest source of rural employment after agriculture. Bangladesh Handloom Board (BHB) was established by a presidential ordinance, 1977 with an objective to promote and develop handloom sector and make welfare of the people engaged there in. After repealing the Bangladesh Handloom Board Ordinance-1977, Bangladesh Handloom Board Act-2013 was passed as per LXIV No. law of 2013. According to Handloom Census- 2003, there are 5,05,556 handlooms in the country. Out of the total looms, about 3,13,245 looms are operational and the rest 1,92,311 looms are idle. It has been singled out that lack of working capital is the main reason for remaining the looms idle. According to the Census report 2003, about 9 lakh people are directly and another 6 lakh are indirectly engaged in this sector. About 68.70 crore metres of cloth are produced in the handloom sector which shares more than 40% of the total domestic production of cloth in the country. The total

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annual value addition of the sector is more than Taka 1227.00 crores. A project titled 'Micro Credit Programs for the Weavers' was undertaken at an investment cost of Tk.5,015.60 lakh (of which loan amount is Tk.4,874.44 lakh) to provide working capital to the weavers owning 1-5 looms by organizing them in groups as per rules of Tanti Samity, 1991. Up to February 2019 an amount of Tk.7445.71 lakh (of which Tk.4874.44 lakh is loan amount and rest Tk.2571.27 lakh is interest) has been disbursed among 44,093 weavers against 65,555 looms. The recovered money is Tk.5,406.44 lakh and recovery rate is 71.57%. There is a provision that the loan amount will be refunded to the government after 5 years of implementation period. As per provision, Tk.4,008.82 lakh (of Tk.4874.44 lakh loan amount) was refunded to the government treasury and interest of the realised loan amount has been disbursed among the weavers as revolving fund.

Sericulture and Silk Industry

Silk industry is age old. This industry has been playing an important role in improving the living standards of the hardcore 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 and half industrial. This is why subsidy is a must for its survival like China and India. 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. Mulberry trees help keep the balance of the environment. China, India and many other countries have taken their economy forward through this industry. Silk industry can also contribute to the economy of Bangladesh.

Rajshahi silk was branded as Bengal Silk all over the world for a period of more than one thousand year. In the ninety decade this industry was well flourished. But it suffers a setback due to the emergence of Bangladesh Silk Foundation and zero tariff on import of silk fabrics and yarn from China and India. Nevertheless, it is a matter of hope that the industry is trying to stand up again with the patronage of the present government.

Bangladesh Sericulture Development Board

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.

Rajshahi Silk Factory was closed in 2002. Now, long after 16 years it has started its production in a small scale. Production of 11 power looms of Rajshahi Silk Factory under BSDB has started. 8 more power looms are under repair. In this way, there are plans to make all 38 power looms operational in Rajshahi Silk Factory to create a value chain of ten metric tonnes raw silk. There is also a plan to provide financial assistance to 10 thousand silk farmers under the coverage of social safety network. 10,201 people have

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been trained in the last 10 years and training programs are ongoing for the interested people in cultivating silk through the development projects.

Technical information is being sent through mobile SMS in order to reach the doorstep of the people. For more transparency, the fair price of cocoons produced by the farmers is being paid by Mobile Banking. BSDB is well

ahead in use of information technology. BSDB has its own web portal with regular updates. E-GP, E-filing and Facebook pages have already been started.

Information on production of Disease Free Laying's (DFLs), Cocoon, Silk Yarn, Imparting training and Small Loan Disbursement in public sector from FY2010-11 to FY2018-19 is given in Table 8.10.

Table 8.10: Production of Disease Free Laying (DFLs) Cocoon, Silk Yarn and Microcredit Disbursement

FY	DFLs (No. in Lakh)	Cocoon (Lakh Kg.)	Silk Yarn (Thousand Kg.)	Microcredit Disbursement (In Lakh)	
				Silk cultivator	Silk weaver
2010-11	4.67	1.76	2.16	-	-
2011-12	4.43	1.80	2.67	-	-
2012-13	4.45	1.22	1.64	-	-
2013-14	4.17	0.98	0.66	Disburse: 231.30 Recovery: 205.40	Disburse: 41.27 Recovery: 36.18
2014-15	3.79	1.30	1.29	Disburse: 231.30 Recovery: 206.07	Disburse: 41.27 Recovery: 36.48
2015-16	3.80	1.46	1.15	Disburse: 231.30 Recovery: 210.20	Disburse: 41.27 Recovery: 36.82
2016-17	4.33	1.30	0.77	Disburse: 231.30 Recovery: 212.20	Disburse: 41.27 Recovery: 37.09
2017-18	2.67	0.99	0.77	Disburse: 231.30 Recovery: 223.38	Disburse: 41.27 Recovery: 37.12
2018-19*	3.16	87.00	0.49	disburse: 231.30 Recovery: 222.37	disburse: 41.27 Recovery: 37.10

Source: Bangladesh Sericulture Development Board *Up to February 2019.

Bangladesh Sericulture Research and Training Institute (BSRTI)

Bangladesh Sericulture Research and Training Institute (BSRTI) is the lone institute in the country associated with development of sericulture technology and generation of skill manpower. The Institute has five Research Sections namely 1) Mulberry section, 2) Silkworm section, 3) Seri-chemistry section, 4) Seri-pathology section, 5) Silk technology section and one Training section. Besides it has one Regional Sericulture Research Centre (RSRC) at

Chandraghona, Rangamati and one Germplasm Maintenance Centre (GMC) at *Sakoa, Panchagarh*.

In FY2018-19 Bangladesh Sericulture Research and Training Institute (BSRTI) has developed 2 high yielding mulberry and 3 silkworm high yielding races and silk reeling technologies. Now the total number of high yielding mulberry variety is 15 and silkworm developed race 48. At present in germplasm bank 81 mulberry varieties and 111 silkworm races are maintained. Due to development of high yield mulberry and silkworm race, leaf

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production has been increased to 40-47 mt/ha/yr in place of 37-40 mt/ha/yr and cocoon production to 70-75 kg/100 dfls in place of 60-70 kg/100 dfls 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 FY2018-19, 190 personnel in short-term course on sericulture have been trained up. This skill manpower is working in the Bangladesh Sericulture Development Board, NGOs and other private enterprises.

The Institute has developed a website www.bsrti.gov.bd to focus its different activities including research findings and training output. Recently the Institute is linked with Agricultural Research Management Information System (ARMIS) and Personnel Management Information System (PMIS) developed by Bangladesh Agriculture Research Council (BARC), Dhaka. Procurement activities are performing through e-GP. Sericulture information Mobile apps has been developed by which users are now getting all sericulture information through mobiles. Besides, SMS based on-line *Rashom-e-Service* has been introduced for sericulture staff and farmers.

The activities of BSRTI have positive impact on biodiversity and environment as sericulture works on both plant and animal. Bangladesh Sericulture Research and Training Institute will continue its generative effort for providing R and D support. With the transfer of technologies developed by BSRTI, Sericultural activities will be boost up which will play a vital role for overall development of sericulture sector as well as

for creating employment generation and poverty reduction in rural areas.

D. Jute Industry

Bangladesh Jute Mills Corporation (BJMC)

After independence of Bangladesh, Bangladesh Jute Mills Corporation (BJMC) was established with 82 Jute Mills. At present there are 26 Mills (23 Jute Mills and 3 Non-Jute Mills) under BJMC. These Jute Mills produce Hessian, Sacking and Carpet Backing Cloth. Besides, some of the Mills also produce high quality exportable Jute Yarn, Geo Jute, Jute-Cotton Bag, Nursery Pot, File Cover etc. In FY2018-19 (Up to February 2019) Jute Mills under BJMC produced total 60,336 MT. (Baled) of jute products which was 1,32,084 MT. (Baled) in FY2017-18.

BJMC plays an important role in jute product export sector. In FY2018-19 (Up to February 2019) BJMC exported 22,234 MT. (delivered) of jute goods valued at Tk.279.33 crore, which was 86,743 MT. (delivered) and valued at Tk.828.02 crore in 2017-18. Other than that in local market the sale volume was 23,547 MT. (delivered) valued at Tk.257.89 crore in 2018-19 (Up to February 2019), which was 24,620 MT. (delivered) valued at Tk.331.90 crore in FY2017-18.

Jute Diversification Promotion Centre (JDPC)

Jute Diversification Promotion Centre (JDPC) was established under the Ministry of Textiles Jute in 2002 with a mission to create new entrepreneurs for diversified jute products as well as extension of use of diversified jute

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products through innovation of new technology, design and marketing techniques.

Jute is known as the golden fibre of Bangladesh which is used to produce diversified jute products. The main purpose of JDPC is to increase the use of diversified jute product in home and abroad to improve the socio-economic condition of the people who are engaged in this sector.

Major activities of JDPC:

- To create awareness of JDPs through fair, exhibition, buyer-seller meetings, workshops, seminar, and other marketing program
- To provide entrepreneurship development training for new and existing entrepreneurs
- To explore and promote new technologies for production of high value added diversified jute products
- 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 main functions of the Department of Jute are to regulate and control of internal and international trade of jute and jute goods and to minimize malpractices therein. In brief the functions of the Department are as below:

- Implementation and enforcement of the Jute Act, 2017 (provisions of the Jute Ordinance, 1962 and the Jute (Licensing and Enforcement) Rules, 1964)
- Quality Control of Jute and Jute Goods

- Collection and compilation of statistical information relating to production, export, annual stock and prices of jute and jute goods
- To create jute goods demand in the internal market by implementing Mandatory Jute Packaging Act-2010 and its Rule-2013.

The Principal functions of the department under the Jute Act, 2017 (Jute Ordinance, 1962 and the Jute (Licensing and Enforcement) Rules, 1964) to issuing licenses of different categories, preventing irregularities and malpractices and generate revenue. Moreover, revenue is being collected at the rate of Tk.2 per bale in case of raw jute export and Tk.0.10 per 100 in case of jute goods export. The rate of achievement is Tk.786.06 against the target of Tk.1385.18 in the FY2018-19 (Up to February 2019).

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. Jute production, export and export value was 74.39 lakh Bale, 4.73 lakh Bale and Tk.392.01 crore and jute goods production, export and export value was 5.23 lakh MT, 4.14 lakh MT, and Tk.3,044.32 crore in the FY2018-19 (upto January 2019).

E. 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

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the country. At present, there are 8 EPZs in the country, namely- *Chattogram*, *Dhaka*, *Mongla*, *Cumilla*, *Ishwardi*, *Uttara* (*Nilphamari*), *Adamjee* and *Karnaphuli* EPZ.

As on February 2019, 572 enterprises have been permitted for setting up of industries in the EPZs; out of which, 470 enterprises are in operation and 102 enterprises are under implementation. Among the enterprises in operation, 161 industrial units are in *Chattogram* EPZ, 102 industrial units are in *Dhaka* EPZ, 52 industrial units are in *Adamjee* EPZ, 47 industrial units are in *Cumilla* EPZ, 42 industrial units are in *Karnaphuli* EPZ, 18 industrial units in *Uttara* EPZ, 18 industrial units are in *Ishwardi* EPZ and 30 industrial units in *Mongla* EPZ.

As on February 2019, the amount of cumulative investment in the EPZs is US\$4,884.01 million. As per Annual Performance Agreement, the target of investment for FY2018-19 has been fixed at US\$300 million. In the first 8 months of 2018-19 financial year, the amount of actual investment stands at US\$203.16 million.

As on February 2019, the amount of cumulative export from the EPZs is US\$71.59 billion. As per Annual Performance Agreement, the target of export for FY2018-19 has been fixed at US\$6500 million. In the first eight months of FY2018-19, the amount of export from the EPZs stands at US\$5017.40 million. It may be mentioned here that the export made from EPZ during the FY2017-18 contributed about 19.65 percent of national export.

BEPZA has been playing a vital role to the socio-economic development of the country. During the first eight months of FY2018-19, job opportunities for 12,249 Bangladeshi nationals has been created in the enterprises in the EPZs. As per Annual Performance Agreement, the target of employment for FY2018-19 has been fixed at 15,000 persons. Up to February 2019, information regarding EPZ-wise number of operating industries, investment, export and employment are shown in the following table 8.11:

Table 8.11: 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			
<i>Chattogram</i> EPZ	161	9	1,691.50	30,473.42	200,471
<i>Dhaka</i> EPZ	102	9	1,408.82	26,295.98	93,755
<i>Adamjee</i> EPZ	52	17	505.34	4,199.08	60,334
<i>Cumilla</i> EPZ	47	30	336.81	2,747.52	33,291
<i>Karnaphuli</i> EPZ	42	4	557.25	5,474.96	76,536
<i>Ishwardi</i> EPZ	18	12	140.12	779.49	11,694
<i>Mongla</i> EPZ	30	13	65.52	597.94	4,266
<i>Uttara</i> EPZ	18	8	178.64	1014.41	33,915
Total	470	102	4,884.01	71,582.81	5,14,262

Source: BEPZA. Up to February 2019.

Up to February 2019, Product wise enterprises investment and employment in

EPZs are shown in Table 8.12.

Table 8.12: Product wise Enterprises Investment and Employment in EPZs

Sl	Product	Enterprise (Nos.)	Investment (000 US\$)	Employment (Nos.)
1	Garments	116	1808.21	305,173
2	Garment Accessories	96	668.36	25,359
3	Textile	39	662.84	27,709
4	Knitting and other Textile Products	31	315.74	29,551
5	Footwear and Leather goods	28	278.59	34,618
6	Terry towel	12	118.13	9,190
7	Electronics and Electrical goods	19	161.48	4,533
8	Plastic goods	13	75.67	6,263
9	Metal Products	11	36.63	1,325
10	Agro Products	8	40.09	88
11	Tent	14	140.49	16,839
12	Service Oriented Industries	8	48.94	1,105
13	Caps	6	68.21	7,841
14	Chemical	7	27.89	869
15	Furniture	3	40.89	1,274
16	Paper Products	3	44.50	149
17	Power Industry	2	107.69	169
18	Ropes	3	12.64	581
19	Sports goods	3	19.55	1,949
20	Fishing Reel and Golf Equipment	1	42.46	782
21	Toys	1	40.58	3,874
22	Miscellaneous	46	126.01	35,021
Grand Total		470	4,884.01	5,14,262

Source: BEPZA, Up to February 2019.

Table 8.13 shows EPZ wise investment and exports during the period from FY2010-11 to FY2018-19:

Table 8.13: EPZ wise Investment and Export

(In Million US\$)

Name of EPZ		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19*
Dhaka	Investment	72.38	77.17	68.45	125.79	84.02	80.63	70.72	68.69	48.01
	Export	1521.78	1614.45	1780.70	1937.50	1,997.50	2183.9	2091.3	2200.3	1520.32
Chattogram	Investment	85.84	101.74	133.84	109.46	152.02	100.71	90.57	86.19	48.49
	Export	1666.88	1883.81	2095.12	2261.61	2,383.76	2,419.71	2,254.16	2,442.20	1,554.25
Mongla	Investment	0.77	0.08	3.52	5.10	8.27	18.98	6.15	11.78	6.51
	Export	27.93	54.24	74.10	77.28	84.26	74.657	45.79	52.55	60.53
Cumilla	Investment	36.26	20.07	21.06	23.39	23.41	30.18	29.32	31.51	21.30
	Export	145.46	148.36	176.93	209.41	274.63	308.33	337.39	408.26	320.26
Uttara	Investment	11.98	5.97	20.62	17.27	19.89	33.53	24.56	20.42	19.64
	Export	6.77	16.03	20.38	33.22	87.99	188.8	227.07	224.93	206.91
Ishwardi	Investment	21.40	17.85	5.12	3.15	5.42	15.11	20.07	20.17	3.35
	Export	25.96	41.53	55.71	93.16	108.26	114.74	96.55	131.39	96.79
Adamjee	Investment	37.05	34.55	29.99	73.75	48.51	54.70	50.36	50.16	33.64
	Export	164.68	207.32	274.10	386.20	467.40	562.90	644	762.06	541.81
Karnaphuli	Investment	47.56	81.33	45.93	44.67	64.81	60.51	51.32	50.67	22.22
	Export	138.16	245.05	379.61	526.85	709.74	823.28	853.08	976.85	716.54

Source: BEPZA. Up to February 2019.

So far, 38 countries including Japan, S. Korea, China, Malaysia, Indonesia,

Singapore, U.S.A, U.K, Germany, France, Italy, Sweden, Netherlands, India, Pakistan,

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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 and 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, Eye -glass and Frame, Toys, Garments, Wig, etc.

Two 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.

The wages and benefits of the workers working in the different enterprises in the EPZs have been increased in 2018. BEPZA has deployed sixty 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 and 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.

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The Financial Times, a London based FDI magazine, ranked the *Chattogram* Export Processing Zone (CEPZ) in the 3rd position in Best Cost Effective Zone category and 4th position in the Best Economic Potential category among the 700 economic zones in the world for FY2010-11. (FDI Magazine of The Financial Times, London, June-July, 2010 issue). They have also ranked *Chattogram* Export Processing Zone in the 9th position for FDI Global Free Zone of the 2012/13 category. (FDI the Financial Times, London, June-July 2012 issue).

F. Other Industries

Pharmaceutical Industry

After acquiring independence, medicines received in Bangladesh were largely dependent on imports. As a result, people had to purchase medicine at a very high price. Currently, about 98 percent of the country's

demand is produced in the country. Only some high tech products (blood bio assimilator product, anticancer drug, vaccine etc.) are imported. Bangladesh has already become a drug exporting country from the importer country and Bangladesh's medicine has earned reputation of all over the world. Now 54 pharmaceutical companies of Bangladesh are exporting various types of pharmaceuticals and pharmaceutical raw materials to 146 countries including Europe and the United States, and the amount of medicines exports is increasing day by day. 272 allopathic drug producing companies in the country produce 29,558 brands worth Tk.22,000.00 crores a year. There are also 271 Unani, 205 Ayurvedic, 78 Homeopathic and 32 Herbal Medicines manufacturing companies in the country. Table 8.14 illustrates the export of country's medicines:

Table 8.14: Export of Drugs and Raw Materials

(In Crore Taka)

Year	Finished Products	Raw materials	Total Export	No of countries
2010	327.43	5.12	332.55	83
2011	421.23	4.93	426.15	87
2012	539.62	11.60	551.22	87
2013	603.87	16.06	629.93	87
2014	714.20	19.07	733.27	95
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

Source: Directorate General of Drug Administration.

G. Industry Related Activities

Bangladesh Standards and Testing Institution (BSTI)

BSTI is the lone national standards body of the country. The main responsibilities of BSTI are to develop the National Standards for products and services to ensure quality of the products and services. Besides BSTI

provides metrology and calibration services to ensure accurate Weights and measures in the trade throughout the country. BSTI is also issuing the Management System Certificates to the producer and service provider.

To stop the production, sale and distribution of illegal and under-performing goods, total

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205 mobile courts and 883 surveillance teams were conducted and 575 cases were filed during July 2018 to February 2019 under the Bangladesh Standards and Testing Institution (Amendment) Act, 2003. On the other hand the 'Weight and Measures Ordinance, 1982' and 'Weight and Measures Act (Amendment) 2001', 804 cases were filed with the management of 215 mobile courts and 244 surveillance teams to ensure proper weight and measurement in various business institutions including Petrol Pump during that time. In all these cases, a fine of Tk.160.824 lakh has been collected and the money has been deposited to the government treasury.

Different laboratories of BSTI have got accreditation from National Accreditation Board of Testing Laboratories (NABL) of India and also from BAB. Currently, the number of total accredited products are 35 and the number of testing parameters 411. In addition, Norwegian Accreditation and Bangladesh Accreditation Board (BAB) jointly awarded accreditation to 06 labs of National Metrology Laboratories (NML) of BSTI. At present the Accreditation of the Lab has been accepted from BAB.

Management System Certification (MSC) is an important addition to BSTI. This System Certification scheme for ISO 9001, ISO 14001 and ISO 22000 has been accredited by Bangladesh Accreditation Board (BAB). In the meantime BSTI has issued 48 nos. of different system certificates. A good number of applications for different system certificates now are in the process.

All activities and certifications of BSTI have started to get international acceptance. As a

result, technical barriers created in export trade will be removed and domestic products will be able to enter the international market freely.

BSTI's remarkable achievements are:

- Bangladesh Standards and Testing Institution Act, 2018
- Weight and Measurement Criteria Act, 2018
- Introducing One Stop Service Centre for facilitating public service
- Establishment of office-cum-laboratory of BSTI in 4 districts including Rangpur divisional headquarters (*Faridpur, Cumilla, Cox's Bazar and Mymensingh*)
- the Construction of a modern laboratory building up to 6 floors with a 10-storey basement in the BSTI head office
- Regional Standards Body establishment called South Asian Regional Standards Organisation (SARSO) in the BSTI Compound to create free trade opportunities in eight SAARC countries
- Achievement of Associate Membership of International Bureau of Weights and Measures (BIPM), the world's largest organisation for weight and measurement
- Establishment of the international standard Chemical Metrology Laboratory (CML)
- Introduction of mobile calibration services in the industrial factories of the country to achieve world standard in weight and measurement for the convenience of traders (BSTI offers calibration service directly to the

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industrial factories through Calibration Vans) and

- Testing of fruit drinks, fruit syrups, jams, jellies and food related preservative according to ISO method by HPLC machine.

Department of Patents Designs and Trademarks (DPDT)

The Department of Patent, Design and Trademarks is a specialized department under the purview of Ministry of Industries has been administering Intellectual Property related activities in Bangladesh since long. The department is entrusted to grant Patent for new and novel inventions, registration of Industrial Designs for new and original designs, registration of Trademarks, Service Marks and registration of Geographical Indications of goods (GI).

In terms of granting Patents and registering Industrial Designs, the Patents and Designs Act, 1911 and Patents and Designs Rules, 1933 are being followed. Trademarks and Service marks are registered according to the Trademark Act, 2009 and Trademark Rules, 2015. The Geographical Indication of goods is registered by Geographical Indication of Goods (Registration and Protection) Act, 2013 and Geographical Indication of Goods (Registration and Protection) Rules, 2013.

Like all other member countries of WIPO, Department of Patent, Design and Trademarks observes April 26 as World Intellectual Property Day. Envisaging setting up a framework for broader mobilisation and awareness, opening up access to the promotional aspect of innovation and

recognizing the achievements of promoters of Intellectual property, DPDT administers IP awareness program throughout the country.

To stimulate the scientists, entrepreneurs as well as stakeholders, a Technology and Innovation Support Centre (TISC) has been established in the DPDT. To digitize and easy-to-access to the activities of DPDT it has been launched IPAS, EDMS, one stop service, online filing, etc. It is to be noted that IP Policy and Strategy is formulated with the help of WIPO.

Due to utmost importance of Intellectual Property, UN has adopted IP in sustainable Development Goals (SDGs). Intellectual property (IP) system is relevant directly or indirectly to many of the Sustainable Development Goals (SDGs). The permanent building of DPDT is going to be established very soon at Agargaon, Dhaka.

From July 2018 to December 2018, the total number of Patent, Design, Trademark and GI applications filed in DPDT 188, 807 and 6,250 respectively.

Total amount of non-tax revenue collected in FY2018-19 (July 2018 to December 2018) is about 7.17 crore, which was 18 crore, 16.54 crore and 16.16 crore in the same period of FY2017-18, FY2016-17 and FY2015-16 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. Boiler is an essential device in industry. Usually boilers are used in all industries. Among them, power

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plants, fertiliser factories, sugar mill, textile mill, paper mill, feed mill, rice mill, pharmaceuticals and garments industries are notable. When Boiler accident or explosion occurred, Boiler attendants and people related with Boilers are greatly harmed. In order to ensure the safety of life and property related to the boiler, the following rules have been formulated in different times under the Boiler Act, 1923.

- (1) Boiler Regulation, 1951
- (2) Boiler Attendant Rules, 1953
- (3) Boiler Rules, 1961.

According to the rules and regulations, the main functions of the Office of the Chief Inspector of Boilers are as follows:

- (1) To issue NOC for import of Boilers
- (2) Registration of boilers after checking the drawing, design and inspection of Boilers
- (3) Renewal of certificate of boilers use after inspection of Boilers in annual basis
- (4) Certification of local made boilers as the Inspecting authority.
- (5) Certification of Boiler attendants after conducting examination of assistant boiler attendants.

E-file activities and digital attendance have been started in this office. It has been facilitated the services to get information by uploading all information's about the boilers and various forms on the website. All Boiler's and Boiler attendant's database has been uploaded on the website. So that, the stakeholder can gets information by input Boiler number and Boiler attendant certificate

number. Besides this, the Boiler apps have been created. By using these apps the stakeholder can get all information's about boilers in mobile phone. This office is sending SMS before 30 days of expiry period of Boiler certificate automatically. As a result, the Boiler users can renew the Boiler certificate in due time by paying the fee.

Awareness has been increased significantly arranging awareness raising meetings with stakeholders, warning notice publishing in various newspapers and sending bulk SMS to the people through BTRC.

In FY2018-19 up to February 2019 total 557 Boilers were registered, 3442 Boiler certificate were renewed, 122 numbers of locally manufactured Boilers were certified after inspection and 477 certificates were issued after taking examination of assistant Boiler attendant. At that time Tk.3.81 crore has been collected as revenue.

Bangladesh Accreditation Board (BAB)

Bangladesh Accreditation Board (BAB) is the national authority established with the aim of providing accreditation services to various local and multinational conformity assessment bodies, such as laboratories, certification bodies, inspection bodies, training institutions or persons in accordance with the relevant International and national standards.

For upgrading the quality infrastructure, BAB is working to develop conformity assessment Bodies in Bangladesh. BAB is contributing in the economic development of the country by increasing consumer confidence and trade facilitation through enhancing the quality of

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products and services. BAB, since its first accreditation in 2012, has accredited 71 local and multinational organisations by 2018.

In result of BAB accreditation, the area and competence of local testing, inspection and certification activities have been increased significantly that is helping in the increase of export business. BAB by 2018 has arranged 23 Assessor Courses and 22 other technical courses on different international standards such as ISO/IEC 17025, ISO/IEC 17043, ISO15189, ISO/IEC 17021, ISO/IEC 17020 etc. A total of 1,300 persons from different technical disciplines have been trained by BAB who, becoming skilled and competent manpower are contributing to developing national quality infrastructure. In FY2017-18, BAB has earned Tk.81.30 Lakh Taka 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)

Bangladesh Industrial Technical Assistance Centre (BITAC), as the name suggests, assists the industrial endeavors of our country through generation of skilled technical personnel through quality training, providing assistance regarding adaptation and transfer of advance technology in industries to ensure increased production and formulating design and manufacturing/repairing (local and import substitute) spare-parts used in industries.

BITAC operates 28 training courses for short and long term aimed at achieving skill through technical training in the vast population of the country. In addition to 28 trades, in response to the demand of entrepreneurs, BITAC handles short-term specialized training courses on specific technology or machine operations.

After the training, the trainees qualify to work independently by applying their trained knowledge in the workplace. There are modern training aids and experienced trainers to train the trainees. There is a lot of demand for employment abroad and in the country for the participants of these high-quality training courses conducted by BITAC. To help flourish the light engineering sector of our country, prominently in Dholaikhal, BITAC has been providing technical books, video, training modules etc in our own language i.e. Bangla.

BITAC has provided training to 1,706 participants in 288 short and long term training courses up to February 2019 in FY2018-19. Apart from this, BITAC provided the attachment training to 1,508 students of the last year coming from different engineering universities, vocational, polytechnic institutes and technical teachers training colleges up to February 2019 in FY2018-19.

BITAC has been providing technical training to the underprivileged youth of our society to help them become self-sufficient and securing at least one income earner in every home through its project, 'Extension of BITAC for self-employment and poverty alleviation through hands on technical training

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highlighting women (3rd revised)'. The project has been under implementation since FY2009-10. In realm of this project, within 2009 to 2019, a total of 24,840 (14,400 male and 10,440 female) trainees will be provided with technical training. By the year 2018, already 24,082 trainees have finished their training program. Among them, a total of 7,932 (3,969 male and 3963 female) trainees have been appointed in various industrial plants and some of them have become self-sufficient through small entrepreneurship and cottage industry.

BITAC helps the industries to keep their production process running by designing various machinery/equipment according to their demand and by manufacturing them. In the FY2018-19, Tk.1,302.58 lakh has been earned against the target of Tk.2,220 lakh till February 2019 by making import-substitute machinery/parts.

BITAC is currently posting various information including training on website (Web site: www.bitac.gov.bd, E-mail: bitac@dhaka.net).

The successes in research and development activities of BITAC are as follows:

- The machine, which is known as 'Green Jute Chipper', has been prepared for the production of pulp from green jute for various paper mills in Bangladesh
- Aerator machine using local technology has been prepared for shrimp plant in coastal areas
- High power reduction gear box, including digester gearbox used in paper factory, has been made. These parts have been

prepared locally at one-third of the cost of imports

- Thrust bearings oil coolers used at the power generation centre has been prepared at one-fourth of the cost of imports
- The high powered pusher pump used by the Bangladesh Insulator Factory has been prepared locally
- Out-of-order High Density Pump used in paper factories were reconditioned from industrialized countries such as Sweden, Germany etc., which has been completed locally at approximately one-third of the cost
- The automatic machine salt-iodization plant has been invented to mix iodine in edible salt. Prepared using a complete domestic technology at low cost and locally available raw materials, this machine has proved to be effective in maintaining proper iodine levels in edible salt
- Cummins Generator and Technology, Germany's 3 megawatt power generator repair and connecting bar has been produced
- Instead of the international expert in tackling the dangerous situation due to the nuclear reactor leakage of the Atomic Energy Commission, BITAC expert team has been able to repair it for the first time using domestic technology and
- Filling machine of the distillery unit of *Keru* and Company Limited has been prepared.

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National Productivity Organisation (NPO)

National Productivity Organisation (NPO) is a government department under the Ministry of Industries. NPO is working for increasing Production of goods and services, improving quality and making skill labour through providing productivity related training, consultancy, conducting research, providing technical assistant and different developing activities for increasing productivity.

Providing advice to the government for making policy and innovate appropriate techniques to increase productivity, conducting productivity related training program regularly in different types of organisations to increase productivity in different sectors of national economy, working as a catalyst through consultancy services in order to maintain the trend of productivity in different industries and institutions developing a database to make productivity oriented report through collecting, compiling and analyzing data for distributing sectors, coordinating to implement different programs of 'Asain Productivity Organisation (APO) in Bangladesh, creating productivity as a national movement, NPO observe National Productivity Day nationwide, give National Productivity and Quality Excellence Award and Organise Seminar are the main works of NPO. To share the productivity related experience of different APO member countries, NPO has been working in Bangladesh as a focal point of Tokyo based Asian Productivity Organisation (APO).

During the FY2018-19 (till February 2019) NPO Organised 77 training programs and

trained 1,072 people. Apart from this, 11 workshops were organised and 308 people participated.

National Productivity Day-2018 was observed on 2nd October 2018 all over the country through the initiative of NPO and the National Productivity and Quality Excellence Award-2017 was given on 11 December 2018. NPO has also organised 2 productivity related seminar, distributed 1,00,500 productivity related booklets, provided 4 consultancy services for increasing productivity, provided 3 Technical Expert Service (TES), collected data to make 9 productivity related reports and 2 research report on productivity.

Two productivity executive council meetings were held under the chairmanship of secretary. 29 participants from Bangladesh participated in the APO Program (International) Bangladesh. Moreover 4 Distance Learning Programs with 80 participants has been organised with the joint venture of APO and NPO.

Bangladesh Institute of Management (BIM)

Bangladesh Institute of Management (BIM) is engaged in developing managers, increasing productivity and improving management system through training, research and consultancy. It is regarded as one of the main specialist training institute at the national level which caters the need of human resource development of industrial and commercial fields at both public and private sectors.

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BIM conducts short training programs of various types, 1-year long post-graduate diploma courses and 6 month long diploma programs along with its specialized training and consultancy activities. Since its inception in 1961, BIM has trained more than 70,500 people in different disciplines of management. In the FY2017-18 financial year, BIM has imparted training to 1,292 people in 77 short training programs and in current FY2018-19 financial year till February 2019 BIM organised so far 58 short training program where 753 people received training. In addition to that 824 trainees were graduated in session 2018 from the enrolled 921 participants and 826 participants enrolled in 5 diploma courses of one year duration in 2019 academic sessions. Besides, 82 persons are taking part in 6-month long Diploma in Social Compliance and Diploma in Quality and Productivity in the current session of 2018 whereas 132 had completed their graduation in immediately past session of 2017 in the same courses. Moreover, request training courses were delivered, recruitment tests were arranged and consultancy assignments were completed on demand of various organisations in FY2017-18.

Small and Medium Enterprise Foundation (SMEF)

The Small and Medium Enterprise Foundation (SMEF) established by the government of Bangladesh through Ministry of Industries is an apex institution to promote small and medium enterprises (SMEs) for alleviating poverty, generating employment and thereby accelerating economic growth. Since inception, SMEF has been

implementing multifaceted activities to provide business support services and market linkage support for SMEs, improve access to institutional finance for SMEs, design and implement development interventions for SME clusters, identify problems and prospects of SMEs by conducting necessary research, strengthen regulatory and legislative framework in favor of SMEs, promote up-gradation and adoption of appropriate technologies, increase SME business efficiency by using ICT-based tools, provide capacity building trainings for developing adequate human resources for SMEs, and position women entrepreneurs into the mainstream business community. SME Foundation's one of the major focus is the Cluster-based SME development.

Some key activities of SMEF are as follows:

- To enhance market promotion of SME products, six National SME Fairs, 58 regional (district level) SME product fairs and one Heritage Handloom Festival have been organised with participation of 4,300 entrepreneurs, out of which 70 percent are women. They sold products worth of Tk.41.00 crore in cash and Tk.45.00 crore as order. Apart from this, SME Foundation has assisted 113 SME entrepreneurs to participate in Dhaka International Trade Fair and five international product fairs (Germany, Delhi, Tripura, Kolkata and China).
- To encourage SMEs, National SME Entrepreneur Award has been given every year and up to this year 26 SMEs have been awarded of whom 15 are women

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- To make SME entrepreneurs more competitive, a total of 712 training programs were organised for 22,000 entrepreneurs and SME based workers of whom 60 percent are women
- A total of 127.00 crore taka loan has been sanctioned and 82.00 crore taka collateral free and single digit (9%) interest rate loan has been distributed among 1650 SMEs located at 31 SME clusters through Banks and NBFIs
- To make the bank officials more aware about SME financing, 55 daylong workshops on financial literacy specially designed for SME bankers and bankers-entrepreneurs matchmaking events have been conducted. A total of 3,500 SME bankers and entrepreneurs attended the programs
- In order to design appropriate interventions for the clusters, needs assessments of 71 SME clusters out of 177 have been conducted. To enhance skill of the cluster based SME entrepreneurs, 39 capacity building training programs have been organised in 28 SME clusters. A total of 975 SME entrepreneurs attended the programs
- To disseminate SME information and SME research findings, 25 research based books, journals and business directories including the three issues of international journal titled 'International Journal of SME Development' and 'SME Women Directory' incorporating basic information of more than 7,000 women entrepreneurs have been published
- To make national budgets more SME-friendly, a total of 285 SME-friendly recommendations were advocated to National Board of Revenue (NBR) and 52 recommendations were accepted by the NBR
- To promote and facilitate SMEs, 120 ICT-related trainings have been organised for 2,500 SME entrepreneurs. Apart from this, SME Foundation has assisted in building-up of website of 10 associations, 8 SME clusters and 87 small entrepreneurs
- To enhance the productivity, 3,600 SMEs have been supported through technology up-gradation and different related awareness building programs
- To position potential women entrepreneurs into the mainstream business 16,000 women entrepreneurs have been supported directly through different programs like capacity building, skill development and new business creation programs
- 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
- To provide appropriate business information, SMEF Business Support Service Centre (located at the premises of SMEF) assisted 3,500 emerging entrepreneurs
- To promote and encourage SMEs as well to aware the related stakeholders about importance of SMEs, 130 issue-based

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seminars and workshops have been organised and 6,000 SME entrepreneurs and SME related persons have been benefitted.

G. 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 last couple of 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 FY2005-06 to FY2018-19 (up to September 2018) is presented in Table 8.15.

Table 8.15: Disbursement and Recovery of Industrial Loans

(Tk. in crores)

Fiscal Year	Disbursement			Recovery		
	Working Capital	Term Loan	Total	Working Capital	Term Loan	Total
2005-06	28448.53	9650.02	38098.55	22975.95	6759.52	29735.47
2006-07	31651.32	12394.78	44046.10	23790.54	9068.45	32858.99
2007-08	39963.49	20150.82	60114.31	28849.60	13624.20	42473.80
2008-09	45028.28	19972.69	65000.97	36597.89	16302.48	52900.37
2009-10	59171.95	25875.66	85047.61	45231.75	18982.70	64214.45
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	155476.72	59783.70	215260.42	117959.78	47540.81	165500.59
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*	75308.43	19111.22	94419.65	65417.27	16378.13	81795.40

Source: Bangladesh Bank *as on September 2018.

It is observed from the credit disbursement and recovery trends during FY2005-06 to

FY2018-19 that the credit disbursement and recovery in the industrial sector increased

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gradually over this period. In FY2018-19, the amount of credit disbursement and recovery for the first three months (up to September 2018) stood at Tk.94,419.65 crore and Tk.81,795.40 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.