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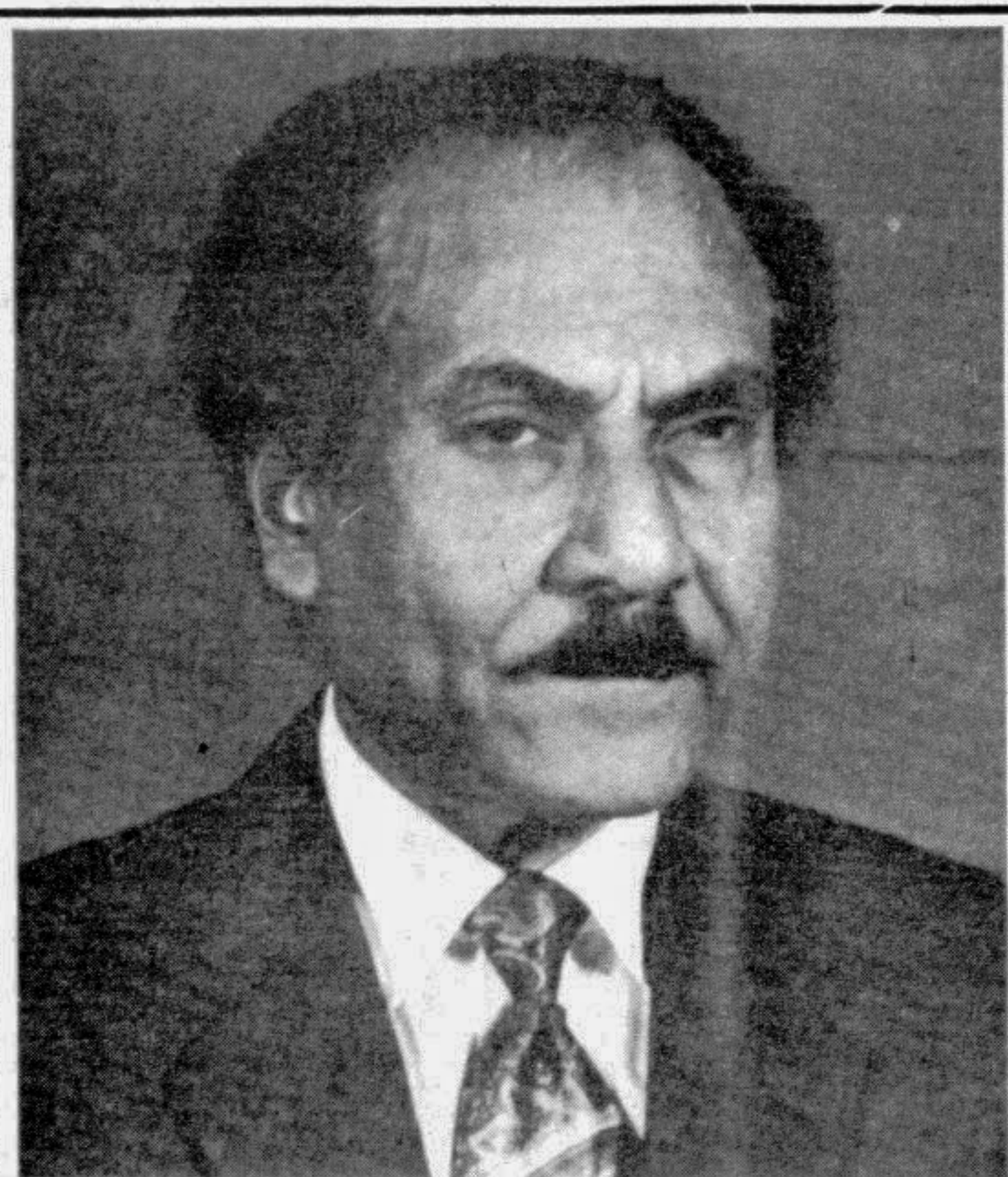
# ঢাকা আন্তর্জাতিক বাণিজ্য মেলা '৯৭ DHAKA INTERNATIONAL TRADE FAIR '97

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## Message

I am very happy to know that Dhaka International Trade Fair is being organised in the country jointly by the Ministry of Commerce and the Export Promotion Bureau for the third time.

I hope that this fair will go a long way in creating opportunity for product development of international standard through transfer of technology, marketing of displayable products and attracting foreign investment.

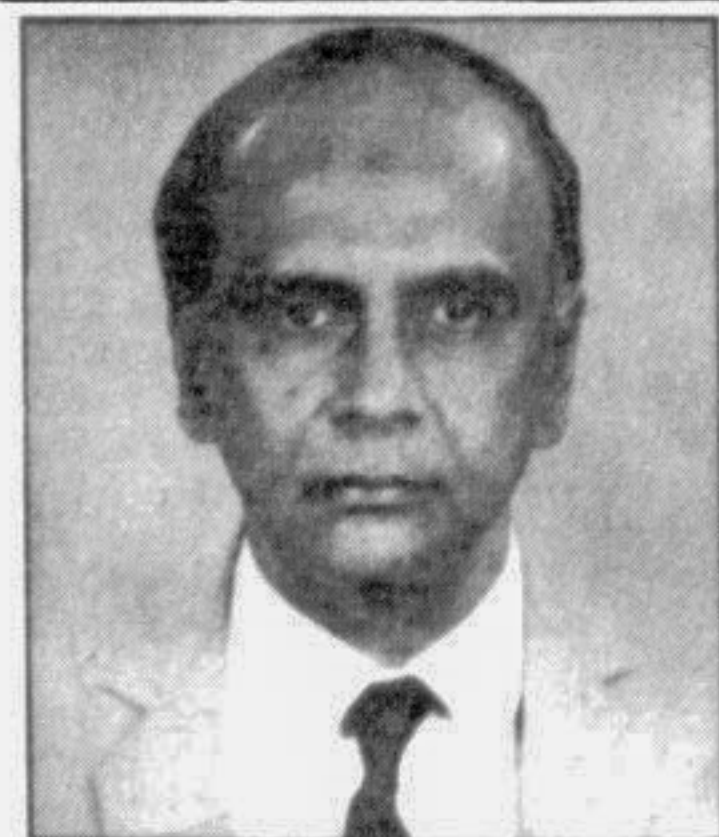
I wish the Dhaka International Trade Fair '97 all success!

**Justice Shahabuddin Ahmed**  
President  
People's Republic of Bangladesh

## Message

Permanent infrastructure of holding trade fair of international standard has yet to be developed in the country. But we cannot sit idle for this deficiency. We have decided once again to march ahead with firm determination. This time, the objective is DITF'97.

The reform measures initiated by the government of Bangladesh in the area of trade, commerce and industrialization have all-ready been acclaimed both within and outside the country. Confidence has been restored in the investors and the importers. Dynamism has been created in the whole economy. All these are the signals of our moving ahead. It is true that our share in the world trade is still negligible. But at the same time it is also true that if we want to improve the situation, this is the best time. That is why, market economy has been introduced. Efforts have been geared up to increase investment and commerce. Dhaka International Trade Fair '97 is an important process towards achieving this objective. I am sure that those who



are participating in this fair from both within and outside the country will be able to establish business relations among themselves and this will go a long way in the development and promotion of our industrialization and commerce. The officers and employees of different government and private organisations including those of the Ministry of Commerce and the Export Promotion Bureau worked hard for organising this fair. I acknowledge their contribution with deep gratitude. Let Dhaka International Trade Fair '97 be crowned with every success.

**Sayed Alamgir Farrouk Chowdhury**  
Secretary  
Ministry of Commerce  
Government of the  
People's Republic of  
Bangladesh

## Export Development and promotion: Strategy and Trend

**Md. Akmal Hossain**  
Director General  
Export Promotion Bureau

### 1. INTRODUCTION

1.1 Since the emergence as an independent state in December 1971, Bangladesh has remained as one of the world's least developed countries, with the present per capita income of US\$ 265. The inadequacy of domestic savings and scarcity of foreign exchange are the two main constraining factors of the economy. The low per capita income limits the scope for domestic savings. The ability to earn foreign exchange is, on the other hand, constrained by narrow resource base. Consequently, export earning basically depends on a few products, most of which are subject of both domestic supply shocks and fluctuation in international demand and prices. At the same time, there is a heavy dependence on a wide range of imports, including food, manufactures and fuel.

1.2 There has been a shift in the government policy in recent years to overcome this situation. Narrow and inward-looking import-substituting industrialisation policy has been replaced by a broad and outward-looking export-oriented industrialisation policy. Increasingly reliant on private enterprises. This has assigned a high priority to export development within the broad framework of market economy. It is now overwhelmingly felt that accelerated development of country's export is an overriding need, not only for easing the growing pressure on the balance of payments, but also equally and more importantly for the growth of viable and efficient agricultural and industrial sectors for balanced economic development. This is only possible through pursuing greater and sustained efforts for increased export earning.

### 2. BANGLADESH EXPORT DEVELOPMENT STRATEGY 1992-2000

2.1 With this realisation, the Government has adopted an export-led growth policy and decided to follow a long term strategy to implement the same. This long term strategy is embodied in the Export Development Strategy, 1992-2000. The industrial and trade policies of the country are based on the long term Export Development Strategy 1992-2000 and get reflected in the fiscal and monetary policies of the government. The Export Development Strategy, thus announces Government's firm commitment to support export. The salient features of the strategy are as follows:

2.1.1 Remove procedural and regulatory bottlenecks incompatible with stated objectives of the Export Development Strategy;  
2.1.2 Provide progressively updated policy support comparable with those of other countries to enable Bangladeshi exporters to be on a sound footing in international trade;

2.1.3 Strengthen and improve the institutional framework for providing better services to the exporters and export-oriented industries;

2.1.4 Recognise the role that supportive infra-structural services can play to improve the exporters' capability to perform efficiently and accordingly attach priority to the development of such infrastructural facilities;

2.1.5 Take care of the entrepreneurial and managerial inadequacies, in the context of the international competitive environment, through appropriate human resource development programmes;

2.1.6 Formulate and implement an export development programme to broaden and diversify the range of exportable products.

2.2 Expanding country's supply base is central to any export strategy. While removal of constraints and improvement in the incentive structure will enhance export performance of the country in the short to medium term, expansion of production across industries along with adaptation and development of products to compete in the overseas market constitutes a medium to long term priority. The Strategy, thus, intends to turn the drive for EXPORT-LED GROWTH into an ECONOMIC MOVEMENT.

### 3. EXPORT POLICY 1993-95 & 1995-97

3.1 The gradual implementation of export strategy backed by export policy support appears to have a direct bearing on the growth of export since 1985-86. Despite adverse world trading conditions, onset of depression and subsequent slow economic recovery, Bangladesh's export

performance over years has been quite impressive.

3.2 Export grew at an annual average rate of 16.91% growth rate had increased to 17.25% with effect from 1990-91. Means that export is getting momentum with the passage of time. This the neighbouring countries, as may be seen below:

3.3 Noted reveals that although export earning in absolute terms in India, Pakistan, her export growth in terms of percentage compares favourably with all these countries. There is no denying the fact that the credit for this achievement goes to the

entrepreneurs in general and the exporting community in particular. But that does not undermine the importance of the enabling role played by the Government in promoting export through strategy and policy support. The cardinal principle of such support centres around two areas, viz: product development and diversification and market promotion and expansion.

### 4. Product development and diversification:

4.1 An examination of the country's export pattern by products reveals that while 120 products were listed as having been exported, a core group of 7 products accounted for 92%

of the total export earning during 1995-96.

It appears from the above table that the core group of 7 products constitutes ready-made garments (50.2%), knitwear (15.4), jute goods (8.5%), frozen food (8.1), leather (5.5%), chemical fertilizer (2.4%) and raw jute (2.3%). In this core group again, ready-made garment is the single most important item and alone contributes more than half (50%) to the total export earning. If the earning from knitwear is added to that of RMG, the apparel sector as a whole contributed about two-thirds (66%) to the total earning from export in the year 1995-96. This shows that export from Bangladesh is presently dominated by the apparel sector.

4.2 Besides the core group of 7 products, there is a second group of 8 potential products which seem to be less prominent at the moment, but hold high promise for future development. This group as whole contributed about 5% to

**Table-I**  
Comparative export growth in the neighbouring countries from 1990-91 to 1995-96

Countries	Value in Mn. US\$						Average growth in %
	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	
Bangladesh	1717.6	1993.9	2382.9	2533.9	3472.6	3882.4	(+18.16)
(growth in %)	-	(+16.09)	(+19.51)	(+6.34)	(+37.04)	(+11.80)	
India	18143.0	17865.0	18537.0	22238.0	26338.0	31876.0	(+12.33)
(growth in %)	-	(-1.53)	(+3.76)	(+19.97)	(+18.44)	(+21.03)	
Nepal	229.1	33.3	381.5	388.9	359.3	359.3	(+10.70)
(growth in %)	-	(+41.12)	(+18.00)	(+1.94)	(-7.35)	(0.19)	
Pakistan	5902.0	6762.0	6782.0	6685.0	7754.0	9035.0 E	(+9.19)
(growth in %)	-	(+14.57)	(+0.30)	(-1.43)	(+15.99)	(+16.52)	
Sri-Lanka	2445.3	2349.3	2696.4	3070.6	3171.1	3484.2	(+7.57)
(growth in %)	-	(-3.92)	(+14.77)	(+13.88)	(+3.27)	(+9.87)	



## Message

International Trade Fair is an important forum for market expansion and quality improvement of local products. Dhaka International Trade Fair '97 is going to be organized keeping this importance in view. In response to the government's initiatives to free market economy and liberalization and globalization of trade, the attraction of the fair has increased manifold.

Although our share in the world trade is nominal but we are serious in the implementation of the principles of World Trade Organization. For this reason, we have adopted the most liberal trade policy and introduced market economy with emphasis on the private sector. This has increased the level of competition for our products and at the same time, new doors of opportunities have also opened up for them. The future trend and direction of our economic development will largely depend on how effectively we shall be facing these challenges and exploit the trade expansion opportunities.

Under the dynamic leadership of Hon'ble Prime Minister Sheikh Hasina present democratic government has adopted export-led growth strategies and is pursuing economic diplomacy abroad. Huge incentive package is being offered to attract foreign investment. A new industrial policy is being formulated to cope with these policies. I am sure that these steps will expedite the economic development of the country if present political stability and in-built consensus between treasury and opposition on development are continued. It is our belief that Dhaka International Trade Fair '97 will play an extraordinary role in this direction.

I sincerely felicitate all agencies and institutions associated with the organization of this event including the Ministry of Commerce and the Export Promotion Bureau and wish the DITF '97 a resounding success.

Joy Bangla, Joy Bangabandhu  
Long live Bangladesh

**Tofail Ahmed**  
Minister  
Ministry of Commerce and Industries  
Government of The People's Republic of Bangladesh

the total export earning of the country in 1995-96.

4.3 From the above analysis, it transpires that the core group of 7 products and the potential group of 8 products together contribute about 97% to the total export earning of the country, while the rest of 105 products contribute only 3%. Some of the products in the third group along with a few new products, are also coming up with high promise for export. These products can be termed as tomorrow's products and include, among others, leather goods, stuffed toys, mechanical toys, espadrilla, cut flowers, artificial flowers, data entry, computer software, jewellery, cut and polished diamonds, melamine tableware and electronic products.

4.4 Product development is a continuous process and depends largely on the market prospect and investment environment. These being favourable, new and new industries are coming up and export base is also getting diversified day by day. In 1985-86, total number of items exported were registered as 95 which had increased to 102 in 1990-91 and 120 in 1995-96. If this trend continues, it can reasonably be expected that more and more items will come under the fold of export, as the year will pass by. Product diversification is not only taking place horizontally, but also vertically. As for example, in the case of readymade garments, 66 categories of products were exported in the year 1995-96, as against 35 categories in 1985-86 and 54 categories in 1990-91. This is also an encouraging trend and very much conducive to export development and promotion.

### 5. Market promotion and expansion:

5.1 In the area of market promotion and expansion, the policy objective is to achieve a greater penetration and consolidation in the existing markets and diversification into new markets as well. Market potentials. A market analysis indicates that Bangladesh products found their way to as many as 124 destinations in 1995-96, as against 89 in 1985-86 and 108 in 1990-91. This shows that like product development and diversification, there has been considerable achievement in market promotion and expansion as well. Market promotion and expansion has also taken place both horizontally and vertically. This means that along with the increase in the number of export markets, many markets have been converted from mono or bi-product markets to multi-product markets.

It appears from table-IV that the USA was the largest export market for Bangladesh in 1995-96 with an intake of 31% of our total export. This was followed by the U. K. (10.8%), Germany (9.5%), France (7.0%), Italy (5.3%), Belgium (4.8%), the Netherlands (4.7%), Japan (3.1%) and Hongkong (2.7%). This first group of 9 markets together contributed 78.8% to our total export earning in 1995-96.

Continued



## Message

International Trade Fairs play very significant role in developing fraternity among nations. Keeping this in view the Dhaka International Trade Fair is being organised this year for the third consecutive year. I congratulate the Ministry of Commerce and the Export Promotion Bureau for organising this international fair.

It is very heartening to see that an excellent environment for liberal and free trade is now prevailing in the country. Besides, there is an encouraging package of incentives and facilities for investment. As a result, investment is on the increase and so is the export. We are working relentlessly in line with the free market economy to make the trade, industry and investment sectors dynamic. The Objective is to bring the economy to the doorstep of prosperity through removing the impeding factors and sustaining the momentum already created.

I firmly believe, the Dhaka Trade Fair '97 will make valuable contribution towards promoting our export and help consolidate our position in the international trade arena.

I wish the Dhaka Trade Fair '97 all success.

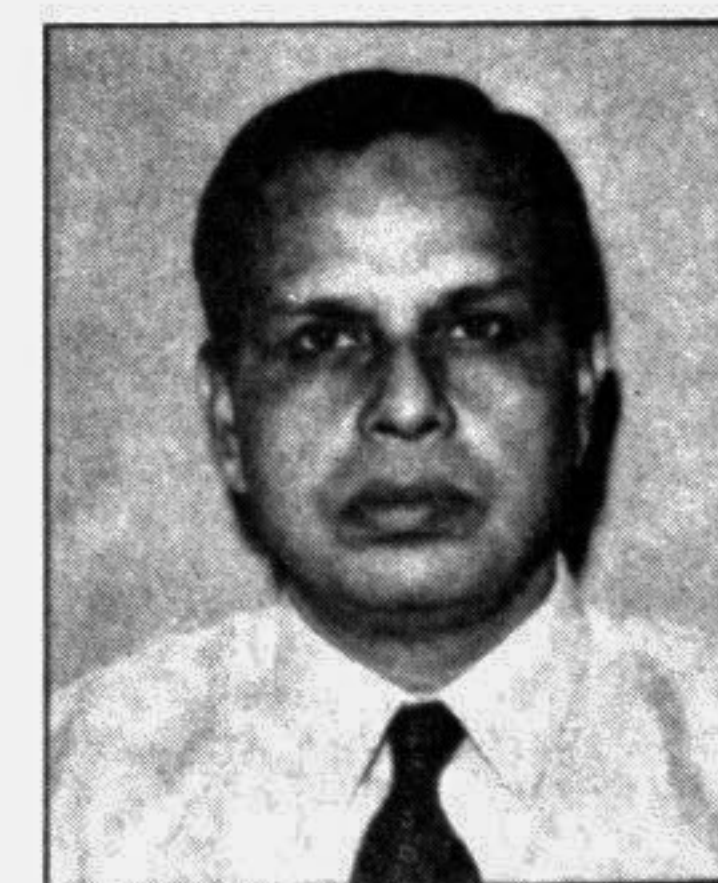
Joy Bangla, Joy Bangabandhu  
Long live Bangladesh

**Sheikh Hasina**  
Prime Minister  
Government of the People's  
Republic of Bangladesh

## Message

Dhaka International Trade Fair is going to be held this time for the third consecutive year in the midst of great fervour and enthusiasm. This is one of our most important promotional events for the development and expansion of country's export trade. Dhaka International Trade Fair '97 bears special meaning and significance from this perspective.

Most of the foreign exchange earnings are presently being contributed by 7 products belonging to the first category of items in our national list of exports. Among these items again, readymade garment including knitwear occupies the top most position with a contribution of about 66 percent to the total export earning. This dependence on a single product is not at all desirable. To overcome the situation, there is no other alternatives but to go for development and diversification of new export products. I am hopeful that DITF '97



will play a vital role towards the achievement of this goal through the transfer of technology. Officers and employees of all concerned agencies and organisations including the Ministry of Commerce and the Export Promotion Bureau have worked very hard for organising this Fair. I congratulate all of them and wish that their efforts be rewarded with all-out success.

**Faisal Ahmed Choudhury**  
Vice-Chairman  
Export Promotion  
Bureau

## Courtesy:



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