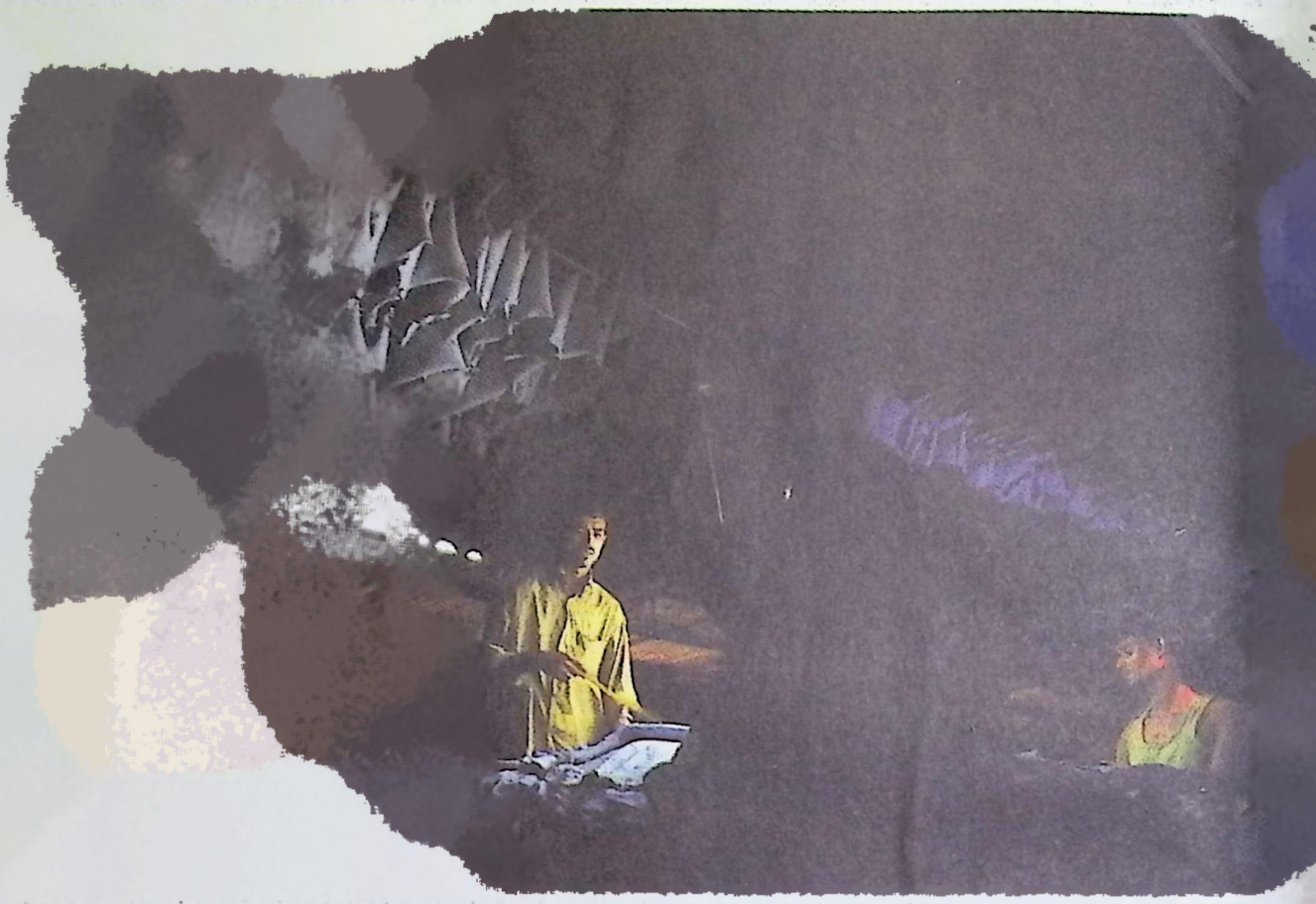


footwear factories are expanding rapidly to cope with the growing export demand, and a record number of reputed footwear manufacturers have signed contracts with Bangladesh Export Processing Zone Authority (BEPZA) for setting up new factories.

As 6,000 factories in Dong Guan, the largest footwear hub in China, face closure due to rising domestic labour costs and anti-dumping duties in industrial countries, many investors and buyers are sure to focus on Bangladesh. If we succeed in attracting large investors to Bangladesh, coupled with the completion of new factories and expansion of existing ones, footwear exports may replicate the explosive (often three-digit) growth rates experienced by the garment sector in the 1990s. By capitalising on this boom, Bangladesh's footwear industry can become a $5-10 billion export sector within a decade.

A number of other industrial products are also showing promising signs. Important among them are pharmaceuticals, home textiles, ship-building, light engineering, cut-flowers, processed food, and other agricultural products. Bangladesh enjoys comparative advantage in all of these labour-intensive products, which are growing at a robust pace and have the potential to become multi-billion dollar export industries over the next 5-7 years.

Diversification of our export base through a rapid expansion of these activities will be the key to sustaining the pace of export growth and making it less dependent on a few products and cyclical fluctuations in their demand and prices abroad. If properly fostered and managed, together with garments and textiles, Bangladesh's total export exports may increase to a respectable level of $40-50 billion over the medium-term, somewhat like what Vietnam has achieved over the last decade. If this target appears too ambitious, we need to recall that Bangladesh's export proceeds have increased 14-fold since they crossed $1 billion-mark in 1987-88 for the first time.

Do we see any concerted efforts to realise this ambitious but achievable target? The few important factors that would make this happen include zones for setting up large industries in clusters; uninterrupted power supply, even if it entails charging the full economic cost; and much improved transport infrastructure, including smooth customs and port facilities. The Board of Investment (BOI) or the Bangladesh Export Processing Zone Authority (BEPZA) needs to