Time for a salt policy that serves the sector's needs

Mohibbullah Al Maruf
is an environmental economist working at Innovision Consulting Private Limited. He can be reached at mohibbullah96@yahoo.com.

MOHIBBULLAH AL MARUF

The commercial salt production in Bangladesh began in Cox's Bazar in 1961. Since then, the sector has expanded gradually through the support of government agencies and development partners. The Bangladesh Small and Cottage Industries Corporation (BSCIC) has remained central to this growth, shaping policies, managing production, and supporting producers. In 2024, the sector reached its highest output in 62 years, producing 22.34 lakh tonnes of salt, helped largely by an unusually long and intense heatwave. Currently, it provides livelihoods for 41,355 farmers and more than 2,100 mill workers. Nearly 50 lakh people depend directly or indirectly on the salt production value chain.

Despite its scale and significance, the sector remains informal in nature. Most workers in the sector, particularly in production fields and mills, continue to work in unsafe environments without any formal legal protection. They are not covered under the Bangladesh Labour Act of 2006. In addition, the sector suffers from low production efficiency, outdated techniques, significant post-harvest losses, unstable market prices, and weak regulation. The national salt policy was last revised in 2022. It is set for revision in 2026. This presents a timely opportunity to address the sector's most pressing concerns.

Recently, a policy review based on a scoping study of the salt sector as part of the International Labour Organization's (ILO's) project was undertaken by Innovision. The review identified the rising cost of production as one of the most pressing issues. The cost of production of one mound (40 kilogrammes) of salt has increased from Tk 250 to Tk 400 in recent times, primarily due to a rapid rise in land rent. A 2020 report from the Bangladesh Trade and Tariff Commission estimated the average rent for one *kani* (about 0.6 acres) of land at Tk 25,000. Current data shows this has more than doubled to Tk 54,375. In the same period, the market price of salt has declined from Tk 526 per mound in 2023 to Tk 380 per mound in early 2024 and to Tk 247 per mound in 2025. This price is well below the average cost of production and has pushed many producers into a loss.

FILE PHOTO: MOKAMMEL SHUVO

A grounded, data-driven, and inclusive policy can transform the salt sector into a stable source of rural employment.

The situation is made worse by limited access to formal credit and the absence of secure land leasing systems. Most small-scale producers depend on advance payments from informal lenders, which weakens their ability to negotiate prices and often forces them to sell their harvest at lower rates. The uncertainty of land access in the next year also discourages producers from making long-term investments in land preparation. Further challenges persist in the field, as many salt-producing zones lack grid electricity, proper water channels, and short-term water storage facilities. These gaps reduce efficiency and restrict producers from adopting more sustainable production methods.

Processing is another critical challenge. Despite producing 95 percent of the country's raw salt, Cox's Bazar lacks advanced processing mills, forcing product transportation to Dhaka, Chattogram, and Narayanganj, which adds costs and reduces quality. A few large firms operate vacuum evaporation mills requiring heavy investment and low-cost gas supply, giving them market power and creating pricing distortions. Processing losses are also high, over 40 percent in vacuum mills and more than 20 percent in traditional and mechanical mills. While the tariff commission estimated an average loss of 22 percent, policy still assumes 17 percent loss, showing a gap between policy and reality.

Accurate demand estimation is a major gap in the current salt policy. The 2022 policy divides demand into edible, fisheries, livestock, and industrial, but the categories lack clarity. Edible demand is based on a per capita intake of 14 grams, a figure that lacks empirical support and exceeds the World Health Organization's recommended limit of five grams. It is also unclear whether fisheries include fish feed and fish processing, or if livestock covers both feed and leather processing. Our study identified 14 distinct salt-consuming sectors, where human consumption accounts for only 26 percent of total demand, fisheries and livestock together represent 42 percent, and the industrial sector accounts for 32 percent. The industrial growth projections, drawn from the 2020 Tariff Commission report, assume growth rates of five percent in 2021, 10 percent in 2022, and 15 percent from 2023 onward, but these estimates are not backed by evidence.

The issue of imports adds further complexity. Although domestic production is more than sufficient to meet edible salt needs, Bangladesh continues to import over 10 lakh tonnes of salt and raw materials annually. These imports peak during the off-season, especially between July and December, raising the possibility that imported salt enters the edible market and pulls prices down. In many cases, these imports are necessary because certain industrial sectors require higher-grade salt that local producers cannot supply. Yet, gaps in documentation, weak customs verification, and opaque supply-chain arrangements create opportunities for misdeclaration and exploitation by influential business interests.

As the 2026 salt policy review approaches, addressing structural gaps in the sector is critical. Rising production costs, insecure land access, and reliance on informal credit have squeezed small-scale producers, while inadequate infrastructure and limited processing technologies constrain productivity. Market distortions from a few large firms and high processing losses emphasise the need for accurate data. Clear demand estimation, identification of salt-consuming sectors, and updated growth projections are essential for effective planning. Persistent imports add pressure to the market, emphasising the need for stronger monitoring and regulation. Strategic interventions, including secure land leasing, affordable finance, targeted infrastructure, decentralised processing, and strengthened governance, can improve efficiency, equity, and resilience. Enhancing working conditions, safeguarding labour rights, and supporting micro and small enterprises in product diversification are also vital.

Although often overlooked, salt remains vital to both livelihoods and industry in Bangladesh. A grounded, data-driven, and inclusive policy can transform the sector into a stable source of rural employment, a driver of industrial growth, and a model for market system reform.

Powering Bangladesh's future with young entrepreneurs

A K M Wahiduzzaman
is the information and technology affairs secretary of the Bangladesh Nationalist Party (BNP). He can be reached at wahiduzaman.net@gmail.com.

AKM WAHIDUZZAMAN

The image of a young Bangladeshi sitting behind a laptop running their own startup or toggling between commissions, freelance tasks, and fleeting gig contracts is no longer marginal: it is fast becoming the reflection of the country's youth aspiration.

In a nation where the median age hovers around 27 years, the choice for many young people is shifting: less the long slog of a formal job, more the flexibility of entrepreneurship or gig economy and promise of building something of their own. If this moment is seized, Bangladesh may convert its demographic bulge into a lasting entrepreneurial dividend. However, if it is left unmanaged, a generation could find itself adrift, their potential and ambition undercapitalised.

The appeal of gig work in Bangladesh is real. The remote platform economy (cloud-work) generates $100 million annually, according to a report. Simultaneously, around 20 lakh young Bangladeshis currently face the harsh reality of unemployment. The "not in education, employment or training" (NEET) rate for youth is still high, which is compounded by weak formal job creation and rising expectations.

These trends point to an obvious phenomenon: for Bangladesh's youths, traditional employment is no longer the sole option.

Gig work is not the same as building scalable businesses. The gig economy offers flexibility, immediate earnings, and entry-level autonomy, but many young workers are often trapped in precarity. They lack, as evidence shows, financial protection, such as no insurance, benefits, and income security, while facing remittance restrictions and infrastructural challenges. In short, the state of gig work in Bangladesh can only be a stepping stone for its youth.

What Bangladesh must aim for then is the next step: converting the gig mindset into entrepreneurial momentum. That means enabling youth to move from simply surviving on short-term tasks to launching small businesses, joining outsourcing value chains, building startups with growth potential, or innovating in sectors that are globally connected.

The country is already fertile, as there are 38 lakh young entrepreneurs (aged 18-35) across Bangladesh. With the right policy, education, and bridge-building, that number can move from running micro-enterprises to running larger, more impactful, and sustainable businesses.

There are three especially promising domains. One, outsourcing and digital platforms, as Bangladesh sits amongst the top freelancing countries in the world. Young people fluent in English and accustomed to digital communications can plug into global value chains in freelancing, remote software design, content creation, translation, data-entry, and so on. Two, startups and small business innovation: the startup ecosystem is nascent but accelerating. An increasing number of IT graduates can launch ventures in agritech, edtech, fintech, and other sectors. These ventures have global relevance and scalability if supported properly. And three, enterprise innovation in traditional sectors: youth-led small business innovation, such as combining digital tools with agriculture, logistics, and manufacturing, can unlock new pathways in sectors long considered low-tech.

For youth entrepreneurship to scale up, one critical bridge remains to be built: between industry and academia. Many young Bangladeshis graduates have theoretical knowledge but lack an entrepreneurial mindset, mentorship, networks, or exposure to business realities. According to labour market data, only 6.4 percent of formal firms in Bangladesh offered structured training programmes in 2022, far below the regional average of 28 percent.

Data suggest that technical and vocational education and training institutions (TVET) enrolments have grown, but the link to actual business creation remains weak.

If universities, polytechnics, research institutes, and training centres can partner with industry, not merely to supply labour, but to launch venture labs, mentorship clinics, internships-to-entrepreneurship pathways, a new pipeline of youth entrepreneurs could emerge. Industry can provide real-world exposure, seed funding, business links, and regulatory know-how. As we know, academia provides the research, networks, and space for risk-taking. Together, they can close the "valley of death" that so many young ideas hit after launch.

FILE VISUAL: ZARIF FAIAZ

In order to coax Bangladesh's youth entrepreneurial energy into sustainable growth, the following strategic imperatives are required. Skills upgrading and certification for digital economy readiness are a must. Beyond literacy and primary schooling, youth must be equipped with market-relevant skills: coding, digital marketing, remote collaboration, data analytics, and business planning. Access to seed-capital and risk-tolerant financing for youth enterprises should be widely available. Young startups often fail not for lack of idea but for lack of finance and networks. A targeted youth-entrepreneur fund, perhaps with government matching or blended public-private financing, would unlock more ventures.

Simplified business registration, mentoring networks, and support hubs also have a crucial role to play. According to the World Bank's *Doing Business 2020*, Bangladesh was ranked 168th out of 190 countries. Young entrepreneurs are especially hampered by regulatory friction. Support hubs must offer mentorship, legal-business advisory, and networking opportunities.

If formal recognition and enablement of gig-to-startup transitions are made smooth, many youth who start with gig work would graduate into full business owners. Policy must recognise this pathway: provide tax-friendly regimes for micro-entrepreneurs, offer business incubators targeted at former gig workers, and build a clear and supportive pathway.

In addition, a deeper industry–academia collaboration will expedite innovation and economic growth, and develop a highly skilled workforce. To reap the benefits, universities and technical institutes need to embed entrepreneurship modules, industry internships for business teams, startup incubators on campus, and collaboration with established companies for spin-outs. Industry must commit to taking on interns as entrepreneurs-in-residence, provide business challenges for student teams, and co-invest in youth ventures.

If Bangladesh fails to harness youth entrepreneurship, two risks loom. First, the demographic dividend will slip into a demographic liability: youth labour will swell informal sectors, job frustration will heighten, and the impetus for migration (or worse, societal disaffection) will grow. Second, Bangladesh will lose its chance to climb the value-chain ladder. Low-cost factory work cannot be the growth story indefinitely. To break into higher-value services, innovation, digital exports, and small business ecosystems, youth entrepreneurship is critical.

Conversely, if Bangladesh amplifies this shift wisely, it could dramatically reshape its economy: a generation of young Bangladeshi business owners, globally connected freelancers, and local innovators, creating jobs for others, exporting services, and reducing dependence on one-dimensional sectors. Time is of the essence because the young workforce is large, mobile, digitally literate, and increasingly impatient for meaningful opportunity.

If Bangladesh is to capitalise on its youthful population, it must not only give them jobs but also give them platforms, networks, and licences to invent. Youth entrepreneurs are not the marginal option: they are the essential route to a more resilient, diversified, and future-proof economy. Let us build the bridges now.