



## BANGLADESH: Emerging Footwear Tiger

CIFA, 2016, TAIWAN

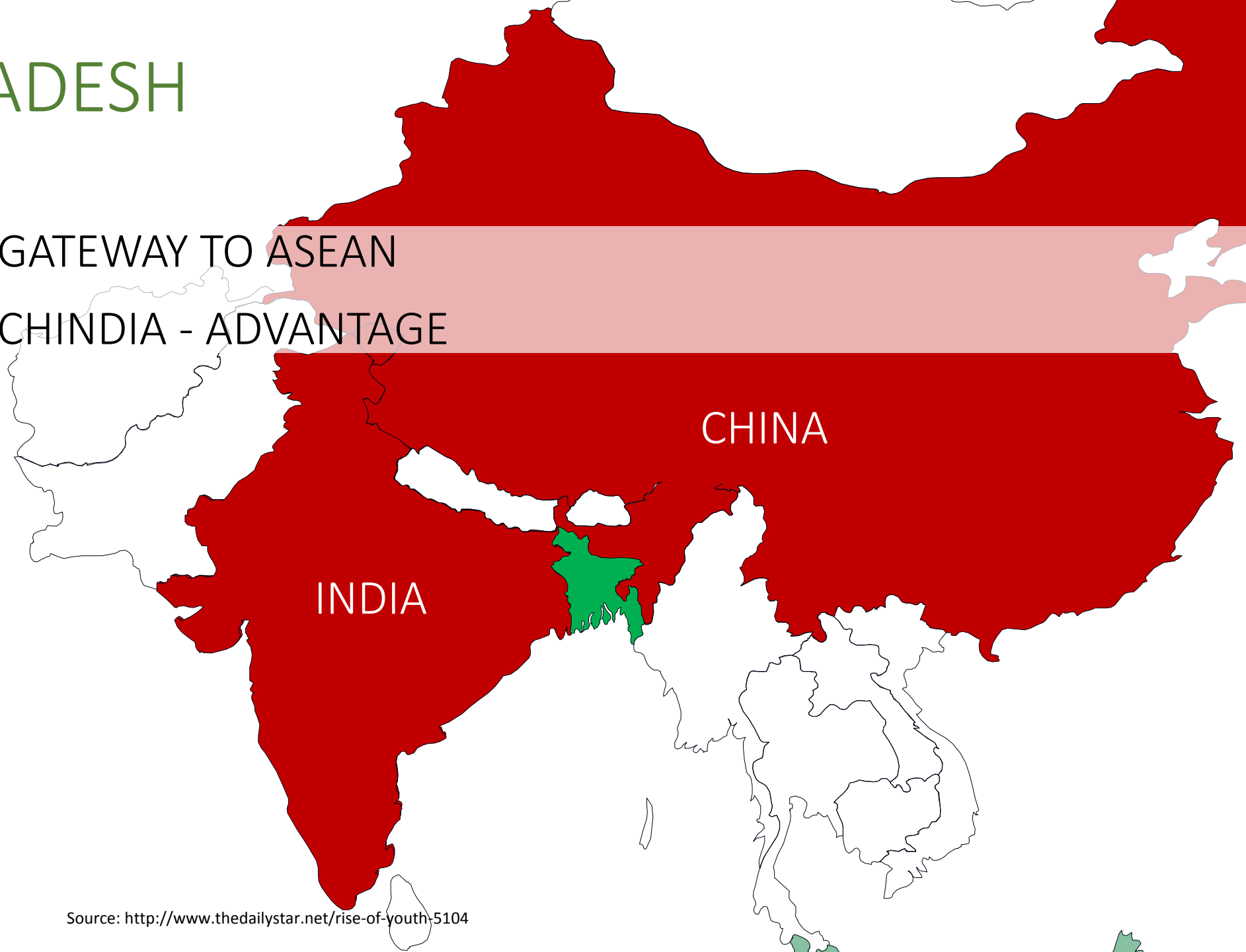
KAZI ROUSHAN ARA, EXECUTIVE DIRECTOR LFMEAB



# BANGLADESH

POPULATION 166 MN  
1.6% GROWTH  
28.4% URBAN

GATEWAY TO ASEAN  
CHINDIA - ADVANTAGE



YOUNG POPULATION (mn)

2<sub>mn</sub> WORKERS EVERY YEAR

78.6<sub>mn</sub> LABOR FORCE

47<sub>mn</sub> YOUNG PEOPLE

2nd FASTEST GROWING ECONOMY IN SOUTH ASIA

MANUFACTURING: JOB CREATION IS PRIORITY # 1

7.11%

GDP Growth in 2015-16

5.71%

Monthly Average  
Inflation Rate

5%

Predictable Wage  
Growth for workers

ALREADY Achieved lower-mid income country Status

2<sup>nd</sup> Largest RMG Exporter

2015 Estimated Export Value \$25 bn

31% Annual Growth 5600+ Factories

5 mn+ Workers, 80% women

77% Factories Inspected under NTPA (National Tripartite Plan of Action for Fire & Structural Safety)  
with ILO supervision

1286 Factories inspected under Accord Alliance

*"Garment Factories are now safer after inspections" Rob Wayss, ED Accord, BD*  
*The Daily Star, May 17, 2015*

SUCCESS  
OF RMG

# LEATHER SECTOR: 2nd Largest Export Earner

## INDUSTRY STRUCTURE

- Around 220 tanneries, 2500 footwear making units ( 150 export units) and 90 large firms
- In 2015-16, leather and leather goods export touched \$1.16 billion
- Almost 90% of finished products are being exported
- currently exporting to **53** Countries

## GROWTH PATTERN

- The compound annual growth rate in export earnings over the last five years was over 25%
- EMERGED as 2<sup>nd</sup> Largest Export Sector
- Bangladesh ranked 17 (Position) in the List of Leather Shoes Exporting Countries 2015



BANGLADESH  
Accounts for  
1.8% cattle  
&  
3.7% goat of  
global livestock

# FOOTWEAR BRANDS ALREADY SOURCING FROM BANGLADESH

**BOSS**  
HUGO BOSS

T O M M Y

**GAP**

ck  
Calvin Klein



Clarks

ESPIRIT



KORS ★ macy's

RAW

**PUMA**



RALPH LAUREN



H&M



ABC  
MART



Hush Puppies

Walmart



Timberland

# GLOBAL FOOTWEAR INDUSTRY TRENDS

## GLOBAL FOOTWEAR PRODUCTION

CHINESE PRODUCTION DECREASED SOME 5%  
AND ITS MARKET SHARE DROPPED TO 59.1%

THERE IS NOW NO EU COUNTRY IN 10  
MANUFACTURERS OF FOOTWEAR

AFTER INDIA, VIETNAM AND INDONESIA,  
BANGLADESH HAS EMERGED ANOTHER MAJOR  
ASIAN FOOTWEAR PRODUCING COUNTRY



## GLOBAL FOOTWAER IMPORT

EU LEADS FOOTWEAR IMPORTS, SHARE CONTINUES TO DECREASE AND NOW  
DOWN TO 36%

BELGIUM HAS ENTERED INTO THE TOP 10 FOOTWEAR IMPORTING COUNTRIES

## GLOBAL FOOTWEAR EXPORTS

8 OUT OF THE TOP 15 EXPORTERS OF FOOTWEAR, IN TERMS OF VALUE, ARE  
EUROPEAN COUNTRIES

# WHY INVEST IN BANGLADESH?

COMPETITIVE LABOR COST (1/5<sup>th</sup> of CHINA, 1/2 of India)

PREFERENTIAL MARKET ACCESS – EU, USA, Japan, Korea, Australia, India, China

**300 mn SQFT DOMESTIC LEATHER** EVERY YEAR

DECLARED A **‘THRUST SECTOR’** WITH A HOST OF POLICY SUPPORT

NEW TANNERY PARK ABOUT TO BE IN OPERATION

TWO DEEP SEA PORT ARE IN THE PIPELINE

A RELIABLE SOURCING DESTINATION FOR CHINA+ ONE OPTION

**NOW IS THE TIME TO INVEST IN FOOTWEAR SUPPLY CHAIN:  
PACKAGING, LASTS, ADHESIVES, OUTSOLES & ACCESSORIES**

“

...Exploring new locations and establishing production in certain parts of the world, such as Cambodia, Africa and Bangladesh will also be important”

*Matt Priest, President FDRA  
World Footwear, May 26, 2015*



# WHAT WE ARE DOING

**SKILL DEVELOPMENT:** THROUGH DEDICATED CENTRE OF EXCELLENCE (COEL)

13,500 workers trained (2011 - 2016)

97% absorbed in industry

**BUSINESS ASSURANCE PROGRAM:** COMPLIANCE, WORKER WELFARE & HEALTHCARE INSURANCE

**SUSTAINABILITY INITIATIVE:** INTRODUCING ENVIRONMENTAL MANAGEMENT SYSTEM, ECO-LABELING & ENERGY AUDIT

# WHAT WE ARE DOING (Cont.)



*THANK YOU*

**IMPORTANT LINKS FOR MORE INFORMATION:**

<http://www.lfmeab.org/>

<http://www.coelbd.com>

<http://www.epb.gov.bd/index.php>

<http://boi.gov.bd/>