



BANGLADESH A THRIVING GLOBAL SOURCING HUB FOR LEATHER, LEATHER GOODS & FOOTWEAR



THE RISING TIGER

Bangladesh, now over 50 years old, continues to stand as one of the world's most remarkable success stories. Over the decades, this country has cemented its place on the global stage with unparalleled growth and transformation. Its booming economy is complemented by significant strides in human development indicators and major infrastructural advancements.

The nation has also made impressive progress in ensuring food security, diversifying exports, and positioning itself as a hub for renewable energy and manufacturing.

After the monsoon revolution in 2024, Bangladesh 2.0 is resonating across the globe as a beacon of hope and progress.




BOOMING BANGLADESH

Bangladesh, a strategic regional trade hub linking South and Southeast Asia, is on the path to becoming the next Asian Tiger. The Centre for Economics and Business Research (CEBR) predicts that Bangladesh's ranking in the World Economic League Table will significantly improve between 2020 and 2039, rising from 41st to the world's 21st largest economy (US\$1.60 trillion).

The size of its GDP was US\$6.28b in 1972. With a GDP size of \$459b, it is currently the 36th largest economy globally among 189 countries. Bangladesh has been recognised as one of the most attractive business hubs in Asia.

Total remittances reached nearly US\$24b in the fiscal year of 2023-24, and the country aspires to become a developed nation by 2041.

BANGLADESH ONE OF THE FASTEST-GROWING ECONOMIES

<div></div> <div><p>“Fastest growing economy in the Asia-Pacific region”</p><p>Source: Asian Development Outlook 2024, ADB</p></div>	<div></div> <div><p>“Bangladesh holds hidden gems for investors”</p><p>Source: HSBC projects Bangladesh to be the 26th largest economy by 2030</p></div>
<div></div> <div><p>“Bangladesh among the Next 11”</p><p>Source: Goldman Sachs</p></div>	<div></div> <div><p>7% average GDP growth in last 5 years (Pre-Covid 19) and is expected at 5.8% in 2024 and 5.1% in 2025</p><p>Source: ADB</p></div>
<div></div> <div><p>“Financial aid from the IMF will help Bangladesh maintain macroeconomic stability and boost foreign-exchange reserves.”</p><p>Source: Economist Intelligence Unit, 2023</p></div>	<div></div> <div><p>“Bangladesh is aspiring to be an upper middle-income country by 2031”</p><p>Source: Bangladesh Development Update 2023: Towards Regulatory Predictability, WB</p></div>



"FDI in FY 2023-24 stood at **US\$4.18b**"

Source: BB



US\$2,784 per capita GNI in FY 2023-24

Source: BBS



Remittances soared nearly **39%** percent year-on-year to **2.2b** in August, 2024

Source: BB



US\$20b forex reserve in 2024

Source: BB



9.73% inflation in FY 2023-24

Source: BBS



90% businesses express high confidence during COVID-19: survey

Source: BB

DEVELOPMENT

Physical Infrastructure

Bangladesh has been growing rapidly for more than a decade, driven by a combination of strong industrial output, particularly in the garment manufacturing sector, remittances from its significant expatriate workforce, and a growing services sector.

Skill Development

Bangladesh has successfully created skilled human resources and achieved qualitative excellence in the development sector since the last decade. The government has formulated the National Skill Development Policy 2011 and a 30-member Skill Development Authority (NSDA) governing body has been formed in 2020 to coordinate more skill development activities, training and employment.

Moreover, a National Human Resource Development Fund (NHRDF) has been established for skill development activities and programmes.



11.2% of total government allocation for the development of **Transport and Communication** sector in FY 2023-24



Investment to **GDP Ratio** increased from 6.54% in FY16 to **7.47%** in FY 2023-24



Power Capacity 30,738 MW in 2024 from 4,942 MW in 2009



By 2040, **half of Bangladesh's Population** will be living in **Urban Areas**



INFRASTRUCTURES

TO ACCELERATE THE GROWTH OF INDUSTRIES
AND TO TAKE FULL **ADVANTAGE** OF ITS
STRATEGIC LOCATION

	580 km coastline with 90% international trade done via Chittagong and Mongla Ports		16 Operational Land Ports
	Deep-sea Ports: Matarbari port will be completed by December 2029 and Payra is fully operational now		3 International and 5 Domestic Airports
	22,476.28 km of Highways and extensive network of quality roads		3,093 km of Railways connecting all-over Bangladesh extensively
	3 Asian Highways AH1, AH2 and AH41 and regional corridors like BRI, SASEC, BIMSTEC		97 Economic Zones have been approved so far

DIGITAL EVOLUTION OF BANGLADESH

Over the past decade, nationwide technological advancements have significantly contributed to Bangladesh's transformative growth. It aims to deliver citizen-centric services through technology, increase digital literacy, ensure e-governance, and encourage e-commerce while protecting people's rights and ensuring accountability.



194m

MOBILE PHONE
SUBSCRIBERS



142.17m

ACCESS TO
INTERNET



53m

ACTIVELY USE
SOCIAL MEDIA

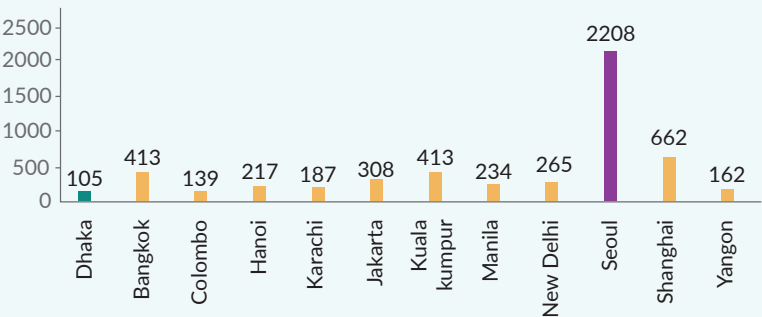


COMPETITIVE LABOUR COST

Bangladesh has the most competitive cost of labour compared to its competitors. The average monthly wage rate in Bangladesh is less than half that in India and less than one-third of the cost in China or Indonesia.

Bangladesh holds great potential to become a leading global manufacturing hub, driven by its skilled and abundant young workforce. By utilising this advantage, Bangladesh has been successful in growing export-oriented labour-intensive manufacturing industries.

Following the success of the apparel industry, the country is now poised to achieve a speedy growth in other export sectors such as footwear, leather goods, medical and personal protective equipment (MPPE), plastics, light engineering products, and IT services.



Monthly worker wages in USD

Source: Bangladesh Labour and Employment Ministry 2024 report

Monthly average wage rate in Bangladesh is less than half compared to India, and less than one-third of the cost in China or Indonesia.

Bangladesh, low cost and high return Manufacturing destination in Asia

Source: Japan External Trade Organization (JETRO)

Bangladesh among top three countries in operating profit forecasts

Source: 2023 JETRO Survey on Business Conditions of Japanese Companies in Asia and Oceania

DEMOGRAPHIC DIVIDEND

Bangladesh's demographic dividend holds a working-age population of more than 65.08%.

Each year, 2.3m young, tech-savvy and adaptive youths join an ever-growing workforce.



Female literacy rose remarkably from 43.74% in 2007 to 75.8% in 2023

Source: BBS report published on March 24, 2024



Bangladesh literacy rate reaches all time high of 77.9%

Source: BBS



2.3m young professionals enter workforce every year

Source: BIDA



45% of its population is aged below 24 years

Source: BIDA



70% is aged below 40

Source: BIDA

MANUFACTURING PEDIGREE

Bangladesh has been a global manufacturing hub for more than a decade. It is the world's second-largest clothing manufacturer. "Made in Bangladesh" clothing is sold in practically every country. Bangladesh's sophisticated manufacturing infrastructure is expanding to a new generation of world-class export industries like footwear, leather goods, medical and personal protective equipment (MPPE), Plastic products, automobiles, bicycles, electrical & electronics goods, etc.

Already manufacturing and exporting to varying degrees, these industries are set to receive significant boosts from targeted government incentives and interventions to transform them into world-class sourcing destinations.



LEATHER, LEATHER GOODS AND FOOTWEAR INDUSTRY IN BANGLADESH

Bangladesh's leather, leather goods, and footwear industries are crucial to its economy, contributing significantly to export earnings and employment. Key exports include bags, belts, wallets, and leather and non-leather footwear, with major markets in Europe, the USA, and Asia. Abundant raw materials and low production costs fuel growth, while diversification into non-leather footwear highlights the industry's expanding global presence.

In FY 2023-2024, footwear exports reached \$960.85m, while leather and leather goods exports totalled \$495.12m, bringing the combined export earnings to \$1,455.97 million. These two sectors together represent the second-largest export-earning industry in Bangladesh after ready-made garments.



KEY INDICATORS

LEATHER & LEATHER GOODS



250+ Tanners, **3500+** Small & Medium Manufacturing Units & **110+** Large Manufacturers



US\$495.12m Export in FY 2023-24



US\$498.57b Global Market Size



US\$3b Local Market Size

FOOTWEAR (LEATHER & NON-LEATHER)



378m Pairs Yearly Production



US\$960.85m Export in FY 2023-24



2500 Footwear Manufacturing Units



8.41% Growth in Non-Leather Footwear

PRODUCTS WE OFFER

1 | LEATHER



2 | LEATHER GOODS & ACCESSORIES



3 | LEATHER FOOTWEAR



4 | NON - LEATHER FOOTWEAR



EXPORT MARKET

Leather and Leather Goods are among Bangladesh's most promising export sectors, supported by over 250 tanneries, 3,500+ small and medium-sized enterprises, and 110+ large manufacturers. In FY 2023-24, the sector generated US\$495.12m in export earnings. With a reputation for low labour costs, skilled craftsmanship, and a growing focus on sustainability, Bangladesh is advancing its global footprint.

Notably, seven factories are LWG-certified, reflecting the industry's commitment to environmentally responsible practices and compliance. These efforts strengthen Bangladesh's position as a reliable, future-ready sourcing destination.



The leather footwear sector represents a major share of Bangladesh's export earnings, with export values reaching US\$544.02m in FY 2023-24. Bangladesh ranks amongst the leading global producers, driven notably by increased exports to the United States. Key destinations for leather footwear also include Germany, the Netherlands, and other developed markets. The industry benefits from a cost-effective, skilled workforce and a supportive policy environment, further boosting competitiveness.



Non-leather footwear sector of Bangladesh is experiencing steady growth, earning US\$416.83m in exports in FY 2023–24, with a growth rate of 8.41%. Backed by favourable government policies, a skilled workforce, and rising global demand, this sector is becoming a strong export performer. Its competitiveness in quality, cost, and production capacity positions Bangladesh as a key player in global footwear sourcing.



COMPETITIVE ADVANTAGES

Competitive workforce

Competitive labour cost serves as a strong competitive advantage for all the export-oriented industries of Bangladesh. Although China and ASEAN countries continue to be amongst the major competitors in the overseas market, competitive labour cost has and will continue to put the Bangladeshi leather goods and footwear industry in a stronger position.

Moreover, skilling the workforce in Leather Sector is one of the major initiatives of Bangladesh Government.



Duty-Free Market Access

Bangladesh has duty-free access to developed countries (generalized system of preferences) such as the EU, UK, Japan, Canada, Russia, and Australia. Only a few exporting nations are beneficiaries of duty-free access, thus indicating the industry's potential to gain export competitiveness.



Established Sourcing Destination

Many renowned brands for leather goods and footwear have experience sourcing ready-made garments from Bangladesh over the years, suggesting familiarity with such brand buyers. The positive experiences with the RMG sector are expected to pave the way to choose Bangladesh as a sourcing location for leather goods.

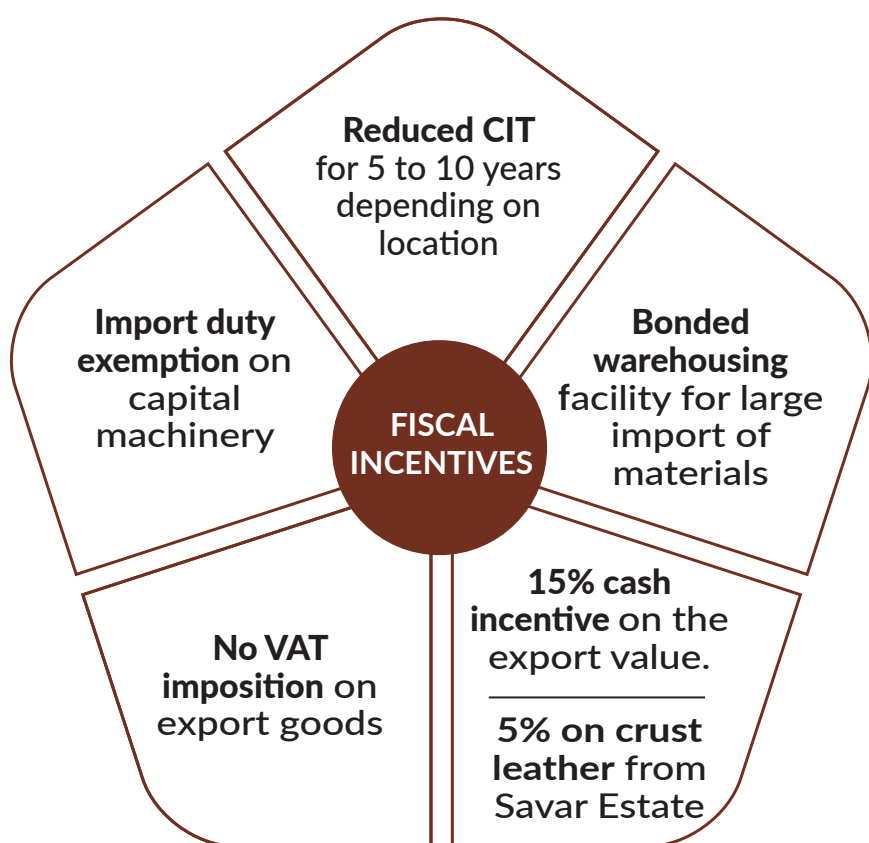


Availability of Linkage Industries

As a result of the growth of the local leather industry, Bangladesh has a diverse range of supporting industries, including producers of packaging materials, metal accessories, adhesive and soles, all of which are capable of meeting the needs of top exporters.



POLICY SUPPORT



NON-FISCAL (SUPPORTIVE TRADE POLICY)

Leather and Leather Products Development Policy 2019 (August 2019) addresses **a range of incentives** to boost the sector's export earnings.

Recognized as one of **the highest priority** sectors in the Export Policy 2024-27

Three industrial estates dedicated to leather and tannery industries, being set up by the government in the areas of Rajshahi, Savar and Chattogram.

EXPORT COMPETITIVENESS FOR JOBS (EC4J) PROJECT

The Government of Bangladesh has made trade, investment, and sustainable development a top priority. Export diversification is a key agenda to continue to deliver on large-scale job creation in the tradable sectors. In line with this objective, the Ministry of Commerce is implementing the Export Competitiveness for Jobs (EC4J) project with the financial support from the World Bank.

The EC4J Project is supporting companies in five targeted sectors: (i) Leather and Leather Goods; (ii) Footwear; (iii) Light Engineering; (iv) MPPE and (v) Plastics to address some of the key constraints they face in accessing export markets. Companies, especially SMEs that are in the export market or have the potential and are aspiring to access export markets will benefit from the project.

Leading compliance and competitiveness enhancement

- 1 Programs to create **ENVIRONMENTAL, SOCIAL, and QUALITY (ESQ) AWARENESS**
- 2 Establish **MARKET LINKAGE**, and conduct **SECTOR BRANDING** initiatives
- 3 Sector-specific **SPECIALIZED TRAINING** on compliance, sustainability, and green growth transformation
- 4 **EXPORT READINESS FUND (ERF)** – a matching grant to directly assist firms to improve and upgrade ESQ standards
- 5 Two state-of-the-art **TECHNOLOGY CENTERS** to enable to access modern technologies, advanced skills, and relevant business development services



**EXPORT COMPETITIVENESS
FOR JOBS (EC4J) PROJECT**

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