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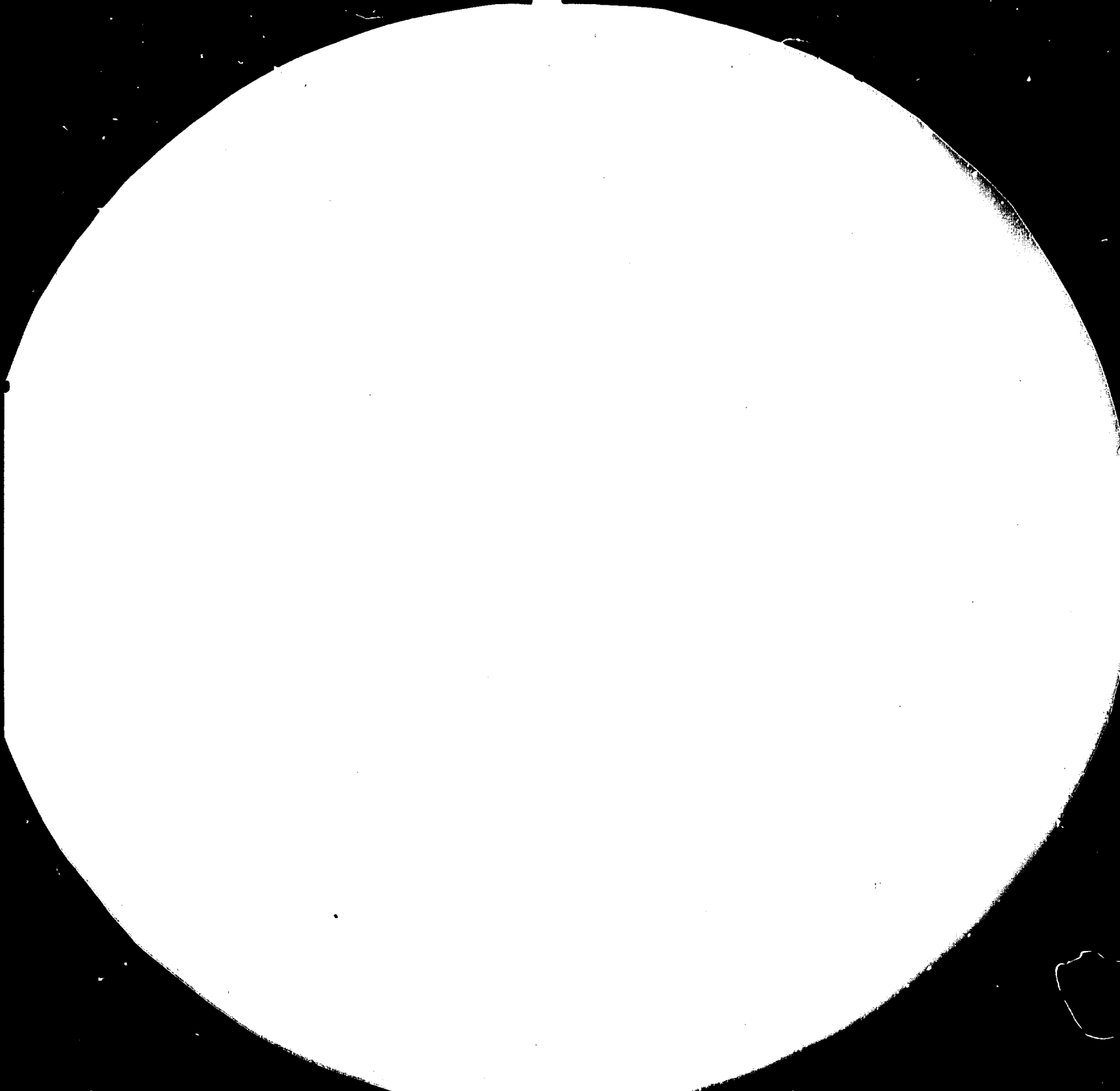

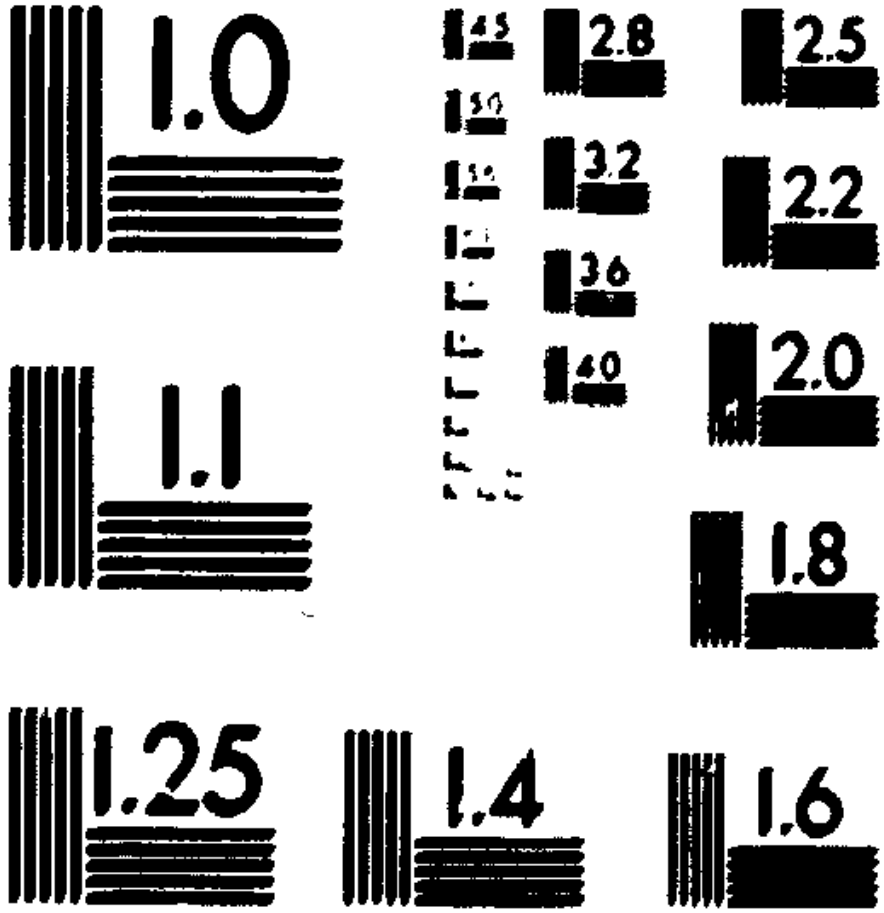

Distr.
LIMITED
UNIDO/IS.510
24 January 1985
ENGLISH

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

14394

Bangladesh.

INDUSTRIAL DEVELOPMENT REVIEW SERIES

THE PEOPLE'S REPUBLIC OF BANGLADESH

Prepared by the
Regional and Country Studies Branch
Division for Industrial Studies

V.85-21310

INDUSTRIAL DEVELOPMENT REVIEW SERIES

THE PEOPLE'S REPUBLIC OF BANGLADESH

Preface

Within the framework of UNIDO's country surveys and studies a series of country industrial development reviews are prepared for developing countries by the Regional and Country Studies Branch of the Division for Industrial Studies.

The aims of the reviews are to present a general survey and brief analysis of the country's industrial development, primarily as a service to those within UNIDO and other international agencies concerned with industrial policy, planning, project development and implementation and as a ready source of information for governments. It is hoped that the reviews will prove useful also to financial and industrial enterprises both public and private, to research institutes and to aid agencies in developed countries. The reviews also aim at providing a basis for undertaking in-depth studies of specific aspects of industrial policies, strategies and programmes in the developing countries.

This industrial development review of Bangladesh has been prepared on the basis of information available at UNIDO Headquarters. It utilizes information provided by UNIDO data base, and material available from national and international statistical publications, and other primary sources. In the preparation of the reviews up-to-date national statistics have not always been available in relation to all aspects of industrial development. Industrial development reviews will be updated periodically. Efforts are being made to improve the data base and to monitor industrial progress and changes in industrial policy on a regular basis.

It should be noted that the reviews are not official statements of intentions or policies by governments or UNIDO, nor are they intended to represent an official assessment by UNIDO of industrial development in the countries concerned. They aim to provide a basis for informed discussion and analyses of industrial development trends and policies. Readers are invited to comment on the findings and analyses of the reviews and thereby assist UNIDO in improving and updating the reviews.

EXPLANATORY NOTE

Regional classifications, industrial classifications, trade classifications and symbols used in the statistical tables of this report, unless otherwise indicated, follow those adopted in the United Nations Statistical Yearbook.

Dates divided by a slash (1970/71) indicate a crop year or a financial year. Dates divided by a hyphen (1970-71) indicate the full period, including the beginning and end year.

In tables:

Three dots (...) indicate that data are not available or are not separately reported;

A dash (-) indicates that the amount is nil or negligible;

A blank indicates that the item is not applicable;

One dot (.) indicates that there is insufficient data from which to calculate the figure.

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BASIC INDICATORS 1
Economic structure

Area:		143,998 sq. km.
Population:	Number:	94.5 million (1983)
	Growth rate:	2.6 per cent 1970-82
		2.9 per cent, projected 1980-2000
	Density:	650 inhabitants/sq. km.
	Labour force:	31.8 million (1982)
	Adult literacy:	26 per cent
	Life expectancy:	48 years (1982)
	Infant mortality rate:	135 per 1000 births (1981)
GNP per capita		US $140 (1982)
GDP growth rate (1970-82)		4.1 per cent

Structure of production

	1982	1960
	Percentage	
Agriculture	47	57
Services	39	37
Industry	14	7
Manufacturing	7	5

Inflation average annual rate		14.2 (1970-82)
Currency:	February 1984:	US $1 = 25.05 Taka (Tk)

Sources: World Bank, World Development Report 1983; Bangladesh, 1980 Census; Lloyds Bank Group, Bangladesh Economic Report 1983.

BASIC INDICATORS 2
Resources and transport infrastructure

Resources

Cash crops Leading products by value:	rice, wheat, jute, tea, sugar cane, tobacco, chillies, potatoes
Livestock (total numbers in millions, 1982/83):	cattle, (21.8), buffaloes (0.5), sheep (0.5), goats (10.5)
Fisheries total catch (1981):	556,000 tons
Forests	23,040 sq. km. 16 per cent of total area
Mining	Limestone, coal
Energy production (1982) major source: share of total consumption:	 natural gas 49 per cent

Transport

Roads:	3,850 km. tarmac
Railways:	2,883 km.
Waterways:	8,000 km.
Ports:	Chittagong, Chalna (seaports)
Airports:	Dhaka, Chittagong (international)

Source: The Economist Intelligence Unit, Quarterly Economic Review of Pakistan, Bangladesh, Afghanistan, annual supplement 1983; Lloyd's Bank Group, Bangladesh Economic Report 1983.

BASIC INDICATORS 3
Foreign trade and balance of payments

Exports	total value:	US $ 769 million (1982)
	main goods:	raw jute, jute manufactures, leather, tea, frozen fish products, paper and newsprint, naphtha
	main destinations:	USA, Pakistan, UK, USSR, Italy, Japan, Peoples's Republic of China, Belgium
Imports	total value:	US $ 2,300 million (1982)
	main goods:	raw materials, mineral fuels, edible oil, chemicals, machinery and equipment, manufactured goods
	main origins:	USA, UK, FRG, USSR, Japan, Singapore, Middle East
Balance of Payments:		Current account US $ -1,107 million (1982-83)
Gross reserves		US $ 340 million (1982-83)
Foreign Debt:	total:	US $ 3,850 million (1983)
	percentage of GNP:	31.2 per cent
Debt Service:		
	percentage of GNP:	1.0 per cent (1982)
	percentage of total exports:	8.3 per cent
Inflation rate:	1970-1981:	15.7 per cent average annual
	1983:	12 per cent

Sources: World Bank, World Development Report 1983;
US Department of Commerce, Overseas Business Reports, Market Profiles for Asia and Oceania, OBRD 80-40, 1980;
The Economist Intelligence Unit, Quarterly Economic Review of Pakistan, Bangladesh and Afghanistan, No.1, 1984.

BASIC INDICATORS 4
The manufacturing sector

In 1981

Manufacturing value added:	US $ 837 million
MVA per capita:	US $ 9
Employment in manufacturing[a]:	401,160
as percentage of total labour force:	1.3 per cent
MVA per employee:	US $ 1,600
Trade in manufactures[b]	
Total value - Exports:	US $ 448 million
- Imports:	US $ 853 million
Share of manufactures	SITC 0 - 8
- in total exports:	65 per cent
- in total imports:	61.3 per cent

a/ UNIDO Data Base statistics include only enterprises employing 10 or more persons. Employment in small-scale industries is estimated at some 5 million.

b/ SITC 5-8 less 68.

Source: UNIDO Data Base.

BASIC INDICATORS 5
Trade in manufactured goods

In 1982

MANUFACTURED EXPORTS total value: US$ 496 million

Principal manufactured exports (per cent of total)		Destination (in per cent)				
		Developing Countries	Developed Market Countries			Centrally Planned Developed Countries
			EEC	USA	Japan	
Made-up textiles	(32.9)	72.8	7.0	0.8	0.2	6.6
Woven textiles	(25.2)	32.3	8.6	41.7	1.7	4.4
Jute	(20.2)	51.0	10.3	1.6	2.6	25.8
Leather	(11)	21.0	39.7	0.7	0.1	35.6
Petroleum	(3)	100.0	0.0	0.0	0.0	0.0

MANUFACTURED IMPORTS total value: US$ 1026 million

Principal manufactured imports (per cent of total)	Countries	Origin (in per cent)				
		Developing Countries	Developed Market Countries			Centrally Planned Developed Countries
			EEC	USA	Japan	
Petroleum products	(19.2)	95.0	0.3	0.0	0.5	3.9
Machinery and transport equipment	(13.8)	8.1	23.5	3.0	41.0	1.0
Textile yarn, fabrics	(12.9)	1.2	2.1	1.0	15.4	0.8
Vegetable oils	(11.5)	65.4	3.5	18.9	0.0	0.0
Iron and steel	(9.6)	15.7	10.7	3.7	31.4	6.2

Source: UNIDO Data Base.

EXECUTIVE SUMMARY

Economic conditions in Bangladesh have gradually brightened since mid-1983. Agricultural production has risen and the terms of trade have improved. There remains a great shortage of investible resources and the foreign balances are under pressure from rising debt repayment obligations. Worker remittances which rose rapidly during 1983 have levelled off in the current fiscal year. Foreign aid continues to be an important source of development finance.

Growth in the manufacturing sector has been low during 1983. Manufacturing currently accounts for about 8 per cent of gross domestic production and the large-scale manufacturing sector provides employment for about 1.5 per cent of the labour force. There has been comparatively limited structural change over the past decade (see Section 2.1) and manufacturing remains dominated by the consumer goods branches (particularly jute processing) but the discovery of substantial quantities of natural gas has led to the development of a local fertilizer industry.

The Government has since 1982 launched a series of policy reforms aimed at revitalizing the industrial sector. The core of the new industrial policy is a dismantling of the elaborate system of industrial controls and regulations that had been built up since independence. Emphasis is also placed on divestment. A large number of industrial units have been returned to the private sector. The divestment programme is expected to be completed during 1984 (see Section 3.2). The Government has also adopted a series of measures to attract foreign investment to Bangladesh. It has also streamlined management procedures in public enterprises and the financial performance of this group of firms has improved (see Section 2.2). The Government has increased the share of investments allocated to the manufacturing sector in the Third Plan estimates for the period 1985-90.

This Review emphasizes the need for a rapid growth of the Bangladesh manufacturing sector. Without such growth urban unemployment will rise significantly within the course of the next decade. Moreover, the expansion

of the manufacturing sector is also essential to sustain and accelerate growth of agricultural productivity. There is a need for the rapid development of a range of industries producing agricultural inputs, such as fertilizers, agricultural machine tools and other production equipment. The capital goods industry is almost non existent in Bangladesh. Careful planning for its development can play a crucial role in integrating the rural and urban sectors of the Bangladesh economy. There is also a need to encourage the growth of manufactured exports from Bangladesh within the newly agreed framework for regional economic co-operation in South Asia.

1. OVERVIEW OF BANGLADESH

1.1 Recent economic trends

In 1983 Bangladesh began to emerge from a recession which commenced three years earlier. During the period 1980-83, Bangladesh faced severe economic problems due to adverse weather conditions which seriously affected agricultural production in 1981 and 1982. Conditions started to improve from mid 1983. Agricultural production increased. There was a marked improvement in the terms of trade and worker remittance from abroad grew rapidly. Foreign exchange reserves rose substantially and the balance of payments situation improved.

Government policy acted as an impetus to economic recovery during 1983. An Annual Development Plan worth Tk. 30 billion was financed without recourse to bank borowing. Resources were mobilized by cutting domestic price subsides and due to improved performance of public sector enterprises. The Government undertook strong measures to restrict the growth of domestic income and the demand for imports was cut by 10 per cent. Exports rose by a similar amount - thanks largely to a near 20 per cent devaluation of the taka. A six month stand-by agreement was negotiated with the IMF and disbursements rose by 9 per cent. Bank credit was strictly controlled and the rate of inflation remained within manageable proportions. Industrial output remained sluggish despite the granting of substantial incentives to the private sector.

Many of the favourable conditions which characterised fiscal 1983 have disappeared during the present year. Many substantial external loan repayments became due necessitating a rise in the amount of debt servicing. The growth in workers remittances levelled off due to depressed economic conditions in the Middle East. The improvement in Bangladesh's commodity terms of trade could not be sustained. Industrial production is reported to have fallen behind target in several important subsectors and despite the growth of bank lending to private industry, industrial investment has not grown. Repayments by private companies have fallen behind schedule and as noted elsewhere in this Review default has become a serious problem for the leading development financing

institutions of Bangladesh. The growth in agricultural production has however been sustained.

Government policy has remained committed to the goals of liberalisation and privatisation. Subsidies have been reduced on a wide variety of products in the 1984 and 1985 budgets. Investment of public industrial units has proceeded at a brisk rate. Control on public borrowing has been tight although this has entailed a reduction of the envisaged size of the Annual Development Plan for 1984.

The same thinking underlies the Third National Development Plan covering the period 1985-1990. GDP is expected to increase at the rate of 6.8 per cent per annum (compared to about 5 per cent over 1980-85). Total investment is 50 per cent higher than in the previous plan. Manufacturing is to receive a higher proportion of total investment and the share of agriculture is to fall. External financing is to decline from 41 per cent of the total in the present plan to just over 35 per cent during 1985-90. Tight control on imports will be maintained and it is hoped that by the end of the plan period the growth in domestic natural gas production will lead to a substantial reduction in the need for energy imports. A great deal depends on the response of the private sector (on which so much reliance is being placed) to the initiatives of the present Adminstration.

Bangladesh has been aptly described as a "test case for development economics". A careful analysis of its economic structure and of the opportunities available for its development is essential for the formulation of appropriate policies to tackle the multifaceted economic and social problems which beset this country.

1.2 Economic structure

Bangladesh is one of the Least Developed Countries with a GNP per capita of US$ 140 in 1982. At least 75 per cent of the labour force is directly engaged in agriculture which accounts for 54 per cent of total GDP and supplies most of the industrial raw materials and export products. The contribution of the manufacturing sector is very small. Its share in GDP increased from 5 per cent in 1960 to only 8 per cent in 1981 (see Figure 1), compared to 14 per cent for industry overall, but it experienced a higher growth rate in the 1970s than any other sector. In the period 1970-81 agriculture grew at an annual average rate of 2.4 per cent, manufacturing at 11.2 per cent, and services at 5.3 per cent (in constant 1970 US dollars).

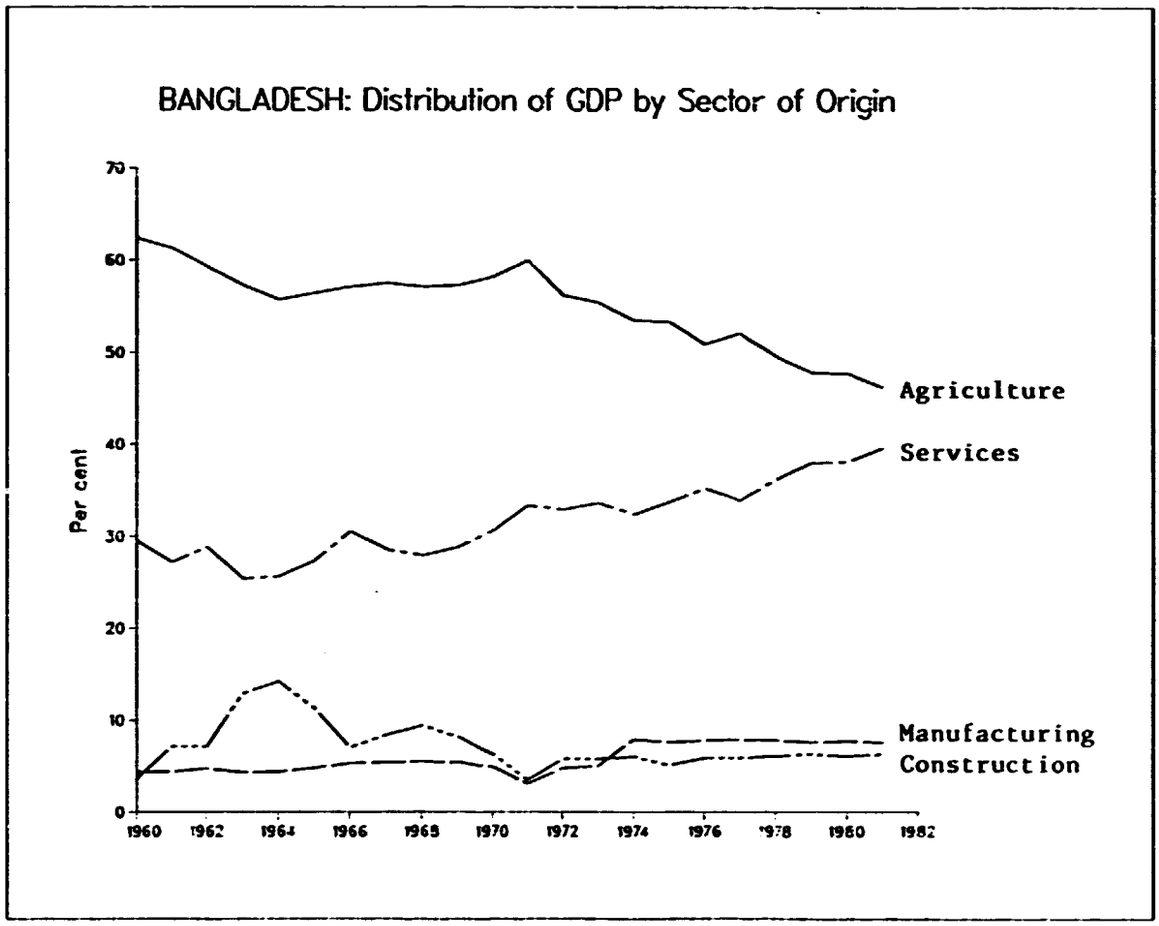
The country's foreign trade is under serious pressure. Higher prices for energy and grain imports, as well as fertilizers, cotton and other raw materials for manufacturing and capital goods have not been matched by similar increases in prices of exportable items. Bangladesh imported goods worth US$ 2,200 million in 1982 but earnings from exports reached only US$ 769 million, thus leaving an adverse trade balance of US$ 1,531 million. The balance of payments gap is met largely by foreign aid. The net inflow of foreign publicly guaranteed loans reached US$ 593 million in 1982. According to the Bangladesh Economic Survey foreign assistance is the main source of government financing, usually accounting for some 75 per cent of total development expenditure.

The rate of consumer price increases slowed somewhat in 1982, from annual averages of 13 per cent between 1978 and 1981 to just over 9 per cent in 1982 and about 8 per cent in the first three quarters of 1983. The average annual rate of inflation for the 1970s was 15.7 per cent.

Foreign debt amounted to US$ 3,850 million in 1983, or 31 per cent of total GDP. Debt servicing was approximately 8 per cent of the value of exports, reflecting a large concessional element in debt terms. In 1983 the IMF extended credit worth US$ 400 million to Bangladesh.

The Second National Development Plan covers the period 1980-85. Its priority goals are alleviation of poverty, promoting agricultural development, attaining self sufficiency in food production, extending provision of primary education, improving basic health care and decreasing reliance on imported sources of energy.

FIGURE 1: GDP BY ECONOMIC SECTORS 1960-1980[1/]



1/ At constant 1975 prices in million US dollars.

Source: UNIDO data base. Information supplied by the United Nations Office of Development Research and Analysis, with estimates by the UNIDO secretariat.

Note: Mining and quarrying accounted for less than 0.1 per cent of GDP and utilities for less than 0.3 per cent throughout the period.

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Approximately 55 per cent of the total investment envisaged in the Second Plan was expected to be met from foreign aid. Reductions of anticipated levels of development assistance required major revisions to be made in April 1983. An important feature in the revision is the increased reliance on the private sector to undertake a greater share of the investment required.

Elaboration of the Third Five-Year Plan, 1985-1990 is underway. By 1990 GNP per capita levels of US$ 206 at 1985 prices are anticipated with GDP real growth rates to average 6.8 per cent annually, as compared to 5.4 per cent for 1980-85. Some shift in priorities and government expenditures are expected from agriculture to manufacturing. Particular emphasis is also continued on development of natural gas resources to reduce energy imports.

1.3 Overview of the manufacturing sector

Output and employment in manufacturing industry rose rapidly during the 1960s but subsequently declined in the first part of the 1970s. Industrial growth has been restricted by dependence on imports for machinery and raw materials and low capital and labour productivity. The capacity utilization in this sector remains unsatisfactory due to the existence of management bottlenecks, inadequate distribution facilities, inconsistancy in the supply of imported materials, market constraints and inadequate financial support. Liberalization of industrial policy since 1976 has been designed to encourage increased private investment.

There is little agricultural output available on a commercial scale for the processing industry (except for traditional products such as jute, sugar cane and tea). Moreover, the country has experienced poor agricultural performances in the last two decades, which in turn undermines the existing base for the manufacturing sector. The industrial strategy for the present decade is stuctured around the agricultural development programme. The highest priorities are on strengthening agro-processing, manufacture of agricultural inputs and consumer goods industries in rural areas. An important related objective is to create the maximum possible employment, placing much importance on the location of enterprises in rural areas and on labour-intensive products and technologies.

The most important industrial branch is jute processing, which is responsible for about half of industrial employment and of total fixed capital investment in industry, although it produces only one-third of the total value added. Second to jute processing is the production of cotton textiles. Other industries of some importance are tea, sugar refining, cigarettes and paper.

The availability of natural gas has led to the establishment of a chemical industry, mainly engaged in the production of fertilizers. At present there are two urea fertilizer plants with a combined capacity of some 400,000 tons. A steel mill at Chittagong has an installed capacity of 750 tons of ingots per day. Development of metallurgy and engineering industries is to be emphasized in the Third Plan and to receive high priority for public investment.

Manufacturing processes are basically labour intensive and industries consist mostly of small-scale enterprises producing mainly for the domestic market, except the jute textile industry which is export-oriented. Small-scale industries employ an estimated 5 million persons, while large-scale industries provide employment opportunities for about 400,000 workers.

A dominant role in terms of production and employment is played by the cottage industries. Handloom units constitute the most important cottage industry in Bangladesh. The 1978 Census of Handloom Industries, which is the latest available, found 197,000 such units, most of which are located in rural areas.

In the 1979/80 - 1984/85 Development Plan, a real growth rate of 8.6 per cent per annum is expected for the industrial sector, compared with an average rate of 5.8 per cent in the five years between 1974/75 - 1979/80. In the Third Five-Year Plan, 1985-1990, the contribution of manufacturing to GDP is expected to reach 13.2 per cent with annual average growth rates of 11.0 per cent.

In June 1982 the Government announced the launching of a New Industrial Policy (NIP). The new policy, in accordance with shifts in the Government's priorities, seeks to limit the role of the public sector and to encourage

growth of investment in the private manufacturing sector; to promote export industries while protecting domestic ones; and to promote dispersal of manufacturing to less developed and rural areas as a means of increasing employment opportunities. The policy includes a divestment programme and by June 1983, 33 cotton textile mills and 35 jute mills had been returned to their previous owners.

2. STRUCTURE AND PERFORMANCE OF THE MANUFACTURING SECTOR

2.1 Growth and structural changes of value added in manufacturing

Manufacturing is a dynamic sector of the Bangladesh economy. Over the period 1970-1981, the average growth of manufacturing value added in constant 1975 prices was about 5 per cent per annum (see Table 1). In the last year of the decade it fell to 3.4 per cent.

The average annual growth rate of MVA was highest in the non-metallic goods sector (26.7 per cent), followed by petroleum refineries (15.9 per cent), electric machinery (17.7 per cent), and non-electrical machinery (11.5 per cent). The high average growth rates for non-metallic mineral products and petroleum refineries are mainly due to unprecedented growth in 1973/74, 145.5 per cent and 130 per cent respectively.

Bangladesh has succeeded in strengthening a few consumer goods industries such as textiles, food, chemicals, etc., but no major structural change in the manufacturing sector has yet been achieved and most industrial goods produced are light consumption goods. The share of food products in total manufacturing rose from 13.2 per cent in 1970 to 16.7 per cent in 1981 (Table 2). The textile goods subsector continues to predominate manufacturing activities but has declined somewhat from its peak level of 49.3 per cent in 1972 to 38.9 per cent in 1981.

During the same period the share of industrial chemicals and iron and steel in total industrial production increased, from 1.5 and 4.0 per cent to 1.7 and 4.8 per cent respectively. A small upward trend can also be traced in the production of electric and non-electrical machinery. However, the share of transport equipment has declined and capital and intermediate goods constitute a relatively small proportion of total industrial production. The metallurgy and engineering subsectors are to be given a relatively high priority in the 1980s in an attempt to develop a stronger industrial base for the economy.

TABLE 1. ANNUAL GROWTH RATES OF REAL MANUFACTURING VALUE ADDED, 1971-1981
(PERCENTAGES ON THE BASIS OF VALUES IN 1975 US$ CONSTANT PRICES)

ISIC	ISIC-DESCRIPTION	71/72	72/73	73/74	74/75	75/76	76/77	77/78	78/79	79/80	80/81	##/##
3110	Food products	5.9	8.9	5.1	-2.9	35.0	17.0	-15.2	-10.4	15.0	25.4	6.4
3130	Beverages	6.6	8.6	13.6	0.0	-1.0	30.3	27.9	-8.5	-2.0	12.8	8.7
3140	Tobacco	7.0	8.7	-12.0	13.6	-2.0	3.1	12.9	2.6	6.8	6.4	4.1
3210	Textiles	7.7	9.2	-4.7	-2.0	-1.0	14.1	-1.8	0.9	8.9	-3.3	2.4
3220	Wearing apparel,except footwear	...	...	...	...	...	...	...	...	...	...	...
3230	Leather products	...	...	...	...	...	...	...	...	...	...	...
3240	Footwear,except rubber or plastic	...	...	...	...	...	...	...	...	...	...	...
3310	Wood products,except furniture	-44.0	25.0	30.0	9.9	-41.0	-16.9	2.0	0.0	0.0	0.0	-6.0
3320	Furniture,except metal	...	...	...	...	...	...	...	...	...	...	...
3410	Paper and products	7.5	8.8	18.5	-32.0	18.0	32.2	0.6	7.0	-8.3	11.0	4.7
3420	Printing and publishing	...	...	...	...	...	...	...	...	...	...	...
3510	Industrial chemicals	2.5	21.0	-49.0	100.0	19.0	-13.4	29.1	-0.8	17.4	-5.8	8.1
3520	Other chemicals	10.0	8.0	-4.2	9.9	8.0	8.3	18.8	12.9	6.4	10.2	8.8
3530	Petroleum refineries	12.5	11.1	130.0	8.7	18.0	-3.4	14.0	1.5	-0.8	-6.9	15.9
3540	Misc. petroleum and coal products	...	...	...	...	...	...	...	...	...	...	...
3550	Rubber products	10.5	11.1	21.4	17.6	-21.0	7.6	-51.8	-4.9	10.3	-11.6	-6.1
3560	Plastic products	...	...	...	...	...	...	...	...	...	...	...
3610	Pottery,china,earthenware	...	...	...	...	...	...	...	...	...	...	...
3620	Glass and products	12.2	10.9	1.0	-2.9	4.0	29.8	13.3	5.9	-28.4	45.7	6.6
3690	Other non-metallic mineral products	11.1	10.0	145.5	23.5	96.0	8.7	-5.2	5.0	1.9	-4.6	26.9
3710	Iron and steel	16.4	9.9	3.8	23.5	12.0	8.0	26.4	-9.2	9.4	-14.5	9.5
3720	Non-ferrous metals	.	.	.	.	.	.	.	.	.	.	...
3810	Fabricated metal products	...	...	...	...	...	...	...	...	...	...	...
3820	Machinery,except electrical	7.1	8.6	130.5	-73.5	53.0	-26.8	9.8	192.7	64.4	-15.7	11.5
3830	Machinery electric	9.8	10.4	17.6	14.9	35.0	50.4	15.3	8.1	-12.3	5.4	17.7
3840	Transport equipment	11.5	10.3	0.8	-22.5	108.0	-31.3	0.0	26.6	-11.6	-7.5	4.3
3850	Professional & scientific equipment	...	...	...	...	...	...	...	...	...	...	...
3900	Other manufactured products	13.6	8.7	-41.0	69.5	45.0	-47.6	9.2	6.0	-22.7	4.4	-1.7
3000	TOTAL MANUFACTURING	7.7	9.2	-2.1	5.9	3.3	10.9	2.4	2.0	9.0	3.4	4.9

SOURCE: UNIDO Data Base; Information supplied by the United Nations Statistical Office, with estimates by the UNIDO Secretariat.

##/ The initial- and/or the end-year of the trend-growth, is always the first and/or the latest year shown in the year-to-year-growth

NOTE: TOTAL MANUFACTURING is the sum of the available components and does not necessarily correspond to ISIC 300

TABLE 2 COMPOSITION OF MANUFACTURING VALUE ADDED (AT 1975PRICES),1972-1981
(PERCENTAGES)

Description (ISIC)	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981
TOTAL MANUFACTURING(300)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Food products(311)	13.2	13.2	14.2	13.0	17.0	17.9	14.9	13.0	13.8	16.7
Beverages(313)	0.6	0.6	0.6	0.6	0.6	0.7	0.9	0.8	0.7	0.8
Tobacco(314)	14.7	14.6	13.1	14.1	13.4	12.4	13.7	13.8	13.5	13.9
Textiles(321)	49.3	49.3	48.0	44.4	42.6	43.8	42.0	41.6	41.6	38.9
Wearing apparel,except footwear(322)	...	...	...	0.1	...	...	...	...	...	...
Leather products(323)	...	...	...	0.9	...	...	...	...	...	...
Footwear,except rubber or plastic(324)	...	...	...	0.3	...	...	...	...	...	...
Wood products,except furniture(331)	0.3	0.3	0.4	0.4	0.2	0.2	0.2	0.2	0.2	0.2
Furniture,except metal(332)	...	...	...	0.7	...	...	...	...	...	...
Paper and products(341)	2.0	2.0	2.4	1.5	1.8	2.1	2.1	2.2	1.8	1.9
Printing and publishing(342)	...	...	...	0.6	...	...	...	...	...	...
Industrial chemicals(351)	1.5	1.6	0.8	1.6	1.8	1.4	1.8	1.7	1.9	1.7
Other chemicals(352)	10.9	10.7	10.5	10.9	11.4	11.1	12.9	14.3	14.0	14.9
Petroleum refineries(353)	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.1
Misc. petroleum and coal products(354)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rubber products(355)	0.1	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Plastic products(356)	...	...	...	0.1	...	...	...	...	...	...
Pottery,china,earthenware(361)	...	...	...	0.3	...	...	...	...	...	...
Glass and products(362)	0.5	0.5	0.5	0.4	0.4	0.5	0.6	0.6	0.4	0.5
Other non-metallic mineral prod.(369)	0.3	0.3	0.7	0.8	1.6	1.6	1.5	1.5	1.4	1.3
Iron and steel(371)	4.0	4.1	4.3	5.0	5.4	5.3	6.5	5.8	5.9	4.8
Non-ferrous metals(372)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fabricated metal products(381)	...	...	...	1.3	...	...	...	...	...	...
Machinery,except electrical(382)	1.1	1.1	2.6	0.6	0.9	0.6	0.7	1.9	2.9	2.4
Machinery electric(383)	0.4	0.4	0.5	0.6	0.7	1.0	1.1	1.2	1.0	1.0
Transport equipment(384)	0.8	0.8	0.8	0.6	1.2	0.7	0.7	0.9	0.7	0.6
Professional & scientific equipm.(385)	...	...	...	0.3	...	...	...	...	...	...
Other manufactured products(390)	0.4	0.4	0.3	0.4	0.6	0.3	0.3	0.3	0.2	0.2
TOTAL MANUFACTURING IN THOUSANDS US $	524379	572563	560685	593600	612961	679926	696234	710249	773912	800195

Source: Statistics and Survey Unit, UNIDO.Based on data supplied by the UN Statistical Office, with estimates by the UNIDO Secretariat.

Note: TOTAL MANUFACTURING is the sum of the available components and does not necessarily correspond to ISIC 300 total.

2.2. Performance and efficiency of the manufacturing sector

Manufacturing was a leading growth sector in the Bangladesh economy during 1970-1981. In terms of gross output, it grew at a real annual rate of almost 12 per cent. Its share of GDP rose from 4.9 per cent in 1970 to 7.6 per cent in 1971.

Unfortunately statistics on employment are not available for the same period, but for the period 1970-79. If this lag is ignored, Table 3 shows that, in general, employment expanded rapidly in the branches with high rates of MVA growth. However, it also expanded in a few branches which were characterized by moderate MVA growth rates such as transport equipment and furniture. Total employment almost doubled during this period. The number of manufacturing establishments rose by about 66 per cent and the total wage bill increased more than seven fold.

Table 4 presents selected indicators of industrial performance in Bangladesh. The share of value added in total output fell from 44.4 per cent in 1970 to 37.8 per cent in 1979. However, the share of wages in value added also fell from 36.4 per cent to 31.9 per cent over this period. This would indicate that investable surplus generated per unit of production rose marginally.

If non-wage value added per employee is taken as a measure of performance, other manufactured products, furniture, petroleum refineries, textile and plastic products are seen to be the least "remunerative" industrial branches. As against this, the share of non-wage value added is highest in leather products, tobacco, beverages and industrial chemicals. These branches have in general recorded impressive growth rates of non-wage value added over this period.

Figures presented in Table 4 are of course in current prices and due to the existence of substantial inflationary pressure in Bangladesh, they are somewhat misleading.

TABLE 3: EMPLOYMENT, WAGES AND SALARIES, AND NUMBER OF ESTABLISHMENTS 1970 AND 1979*

ISIC	ISIC-DESCRIPTION	Number of establishments		Employment employees		Wages and salaries (In Taka thousands)	
		1970	1979	1970	1979	1970	1979
3000	TOTAL MANUFACTURING	1580	2780	206050	401160	442600	3279500
3110	Food products	253	413	26350	36500	48100	257800
3130	Beverages	4	5	420	780	1490	9500
3140	Tobacco	18	22	4190	5470	12760	64800
3210	Textiles **	430	997	130820	271220	270400	2090300
3220	Wearing apparel, except footwear	59	52	490	490	590	1900
3230	Leather products	71	99	2130	2060	4300	12900
3240	Footwear, except rubber or plastic	21	12	430	840	1500	10300
3310	Wood products, except furniture	7	16	230	1350	380	11800
3320	Furniture, except metal	27	17	580	1090	940	7700
3410	Paper and products	18	26	3200	7920	9700	86200
3420	Printing and publishing	92	115	2560	4620	6200	39600
3510	Industrial chemicals	19	19	2350	5300	11400	66500
3520	Other chemicals	218	355	13480	23740	33100	232200
3530	Petroleum refineries	3	1	30	450	100	15700
3540	Misc. petroleum and coal products	0	0	0	0	100	0
3550	Rubber products	8	28	930	2230	1640	19800
3560	Plastic products	14	28	180	640	210	3600
3610	Pottery, china, earthenware	2	5	100	1270	220	8300
3620	Glass and products	20	42	1310	1800	2100	14000
3690	Other non-metallic mineral products	14	15	1140	2730	2900	23400
3710	Iron and steel	22	41	2090	8660	5300	116100
3720	Non-ferrous metals	0	0	0	0	0	0
3810	Fabricated metal products	115	229	3860	8280	8300	52200
3820	Machinery, except electrical	60	95	2510	3700	5300	26300
3830	Machinery electric	18	45	1370	5350	3510	65800
3840	Transport equipment	24	22	3080	3720	7800	38500
3850	Professional & scientific equipment	18	81 a/	1820	950 a/	3800	4300 a/
3900	Other manufactured products	25	...	400	...	550	...

SOURCE: UNIDO Data Base, Information supplied by the United Nations Statistical Office, with estimates by the UNIDO Secretariat.

Footnotes:

a/ 3850 3900

* Not including establishments with fewer than 10 workers

** Not including handloom factories

TABLE 4 SELECTED INDUSTRIAL INDICATORS, BY BRANCH OF MANUFACTURING.
(AT CURRENT PRICES)

(currency=Taka)

Description (ISIC)	Value added per employee		Wages and salaries per employee		Share of value added in gross output (percentage)		Share of wages and salaries in value added (percentage)	
	1973	1979	1973	1979	1973	1979	1973	1979
TOTAL MANUFACTURING(300)	7540	25593	2744	8175	44.4	37.8	36.4	31.9
Food products(311)	5913	29342	1907	7063	32.1	30.7	32.3	24.1
Beverages(313)	23810	130769	3619	12179	76.9	76.1	15.2	9.3
Tobacco(314)	51882	250274	3715	11846	67.3	67.9	7.2	4.7
Textiles(321)	4997	12344	2666	7707	44.4	37.8	53.4	62.4
Wearing apparel,except footwear(322)	3793	8163	1690	3878	25.3	20.0	44.5	47.5
Leather products(323)	9241	139320	2595	6262	20.1	20.6	28.1	4.5
Footwear,except rubber or plastic(324)	3871	59524	2032	12262	36.4	41.7	52.5	20.6
Wood products,except furniture(331)	6429	31111	1429	8741	40.9	60.0	22.2	28.1
Furniture,except metal(332)	5714	11009	2607	7064	42.7	40.0	45.6	64.2
Paper and products(341)	10607	30051	3447	10884	58.3	33.3	32.5	36.2
Printing and publishing(342)	5616	16234	3726	8571	51.2	38.3	66.3	52.8
Industrial chemicals(351)	5042	130943	5084	12547	28.6	59.9	100.8	9.6
Other chemicals(352)	15575	36099	3406	9781	50.1	41.1	21.9	27.1
Petroleum refineries(353)	...	55556	...	34889	...	1.3	...	62.8
Misc. petroleum and coal products(354)	...	...	...	...	...	...	...	...
Rubber products(355)	10649	20628	3519	879	47.7	30.7	33.0	43.0
Plastic products(356)	4583	9375	1875	5625	39.3	24.0	40.9	60.0
Pottery,china,earthenware(361)	8475	20472	2780	6535	61.7	54.2	32.8	31.9
Glass and products(362)	3043	17778	1913	7778	29.2	45.7	62.9	43.8
Other non-metallic mineral prod.(369)	5185	68864	2481	8571	58.3	42.2	47.9	12.4
Iron and steel(371)	12216	134296	3641	13406	35.3	45.3	29.8	10.0
Non-ferrous metals(372)	...	...	...	...	...	...	...	...
Fabricated metal products(381)	6783	10507	2897	6304	36.6	21.7	42.7	60.0
Machinery,except electrical(382)	5370	14595	2931	7108	49.8	36.5	54.6	48.7
Machinery electric(383)	16283	53271	4478	12299	60.9	42.5	27.5	23.1
Transport equipment(384)	6047	52688	2744	10349	38.6	55.5	45.4	19.6
Professional & scientific equipm.(385)	27244	10581	2874	4302	18.3	26.5	10.5	40.7
Other manufactured products(390)	4474	10000	2237	6667	45.9	56.3	50.0	66.7

Source: Statistics and Survey Unit, UNIDO.Based on data supplied by the UN Statistical Office, with estimates by the UNIDO Secretariat.

Note: TOTAL MANUFACTURING is the sum of the reported ISICs and does not necessarily correspond to ISIC 300 total.

Table 5 presents indicators of industrial growth by manufacturing branches at constant 1975 prices. Here it is apparent that whereas MVA grew at a real rate of 5 per cent, MVA per employee measured in real terms grew at a much lower rate due to growth in employment. Some branches such as food products, wood, petroleum refineries, rubber and machinery had negative MVA per employee growth rates. Substantial growth in productivity was recorded by industrial chemicals, glass products and beverages. Employment contracted in other manufactures, wearing apparel, and leather products. The performance of other non-metallic mineral products (ISIC 369) was particularly impressive. MVA rose by 22 per cent per annum, employment by 11 per cent and MVA per employee by 9 per cent. The share of non-wage value added in this branch was as high as 87 per cent in 1979.

The detailed figures presented in Tables 1-5 cannot be updated at a branch level for 1982-1983. Some aggregate figures are however available. These show that since 1982 Bangladesh has entered a period of industrial recession. MVA grew at a rate of 1.1 per cent in 1982 and fell by 2 per cent in 1983. In section 1.1 the causes of this recession have been discussed. As Table 6 shows, industrial production declined significantly in jute manufacturing, sugar, petroleum products, iron and steel, tobacco, pharmaceuticals and tea during 1983.

The industrial recession is also reflected in the earnings of the public sector manufacturing enterprises which still account for about 10 per cent of manufacturing production. The net loss of the public manufacturing enterprise sector during 1982 amounted to 904 million taka and four of the eight holding companies made substantial losses. The figures for 1983 are more satisfactory but the results of the main loss earners of 1982 - Bangladesh Jute Mills and Bangladesh Textiles are not included in Table 7. The overall pattern of performance is said to have improved during 1984 due to the successful divestment programme undertaken by the government since 1983. The sale of public units to the private sector has been accompanied by the rationalisation of industrial regulations and controls. The encouragement of export orientation has been a key element in the new industrial policy of the government.

TABLE 5 INDICATORS OF INDUSTRIAL GROWTH, BY BRANCH OF MANUFACTURING.

BANGLADESH (Annual averages : per cent)

Description (ISIC)	Growth of value added at 1975 prices	Growth of employment	Growth of value added per employee
	1974-1979	1974-1979	1974-1979
TOTAL MANUFACTURING(300)	5.17	3.29	1.82
Food products(311)	5.27	5.41	-0.13
Beverages(313)	11.66	5.61	5.73
Tobacco(314)	5.42	0.81	4.58
Textiles(321)	2.64	2.37	0.26
Wearing apparel,except footwear(322)	...	-8.23	...
Leather products(323)	...	-1.76	...
Footwear,except rubber or plastic(324)	...	3.19	...
Wood products,except furniture(331)	-13.95	93.42	-55.51
Furniture,except metal(332)	...	12.36	...
Paper and products(341)	6.79	3.03	3.65
Printing and publishing(342)	...	13.17	...
Industrial chemicals(351)	17.23	3.42	13.36
Other chemicals(352)	11.45	3.71	7.47
Petroleum refineries(353)	7.58	72.84	-37.76
Misc. petroleum and coal products(354)	...	...	...
Rubber products(355)	-16.94	6.73	-22.18
Plastic products(356)	...	20.50	...
Pottery,china,earthenware(361)	...	7.51	...
Glass and products(362)	11.47	-0.81	12.38
Other non-metallic mineral prod.(369)	22.15	11.11	9.94
Iron and steel(371)	12.28	2.89	9.13
Non-ferrous metals(372)	...	...	...
Fabricated metal products(381)	...	10.85	...
Machinery,except electrical(382)	0.19	8.07	-7.29
Machinery electric(383)	26.75	42.71	-11.18
Transport equipment(384)	7.07	9.07	-1.83
Professional & scientific equipm.(385)	...	0.65	...
Other manufactured products(390)	2.29	-36.81	61.88

Source: Statistics and Survey Unit, UNIDO.Based on data supplied by the UN Statistical Office, with estimates by the UNIDO Secretariat.

Note: TOTAL MANUFACTURING is the sum of the reported ISICs and does not necessarily correspond to ISIC 300 total.

Table 6. INDICES OF INDUSTRIAL PRODUCTION, 1976-1983

(1974 = 100)

	Weight (Percentage)		1976	1979	1980	1981	1982	1983
I. Main Indices								
Industrial Production	100.0		105.2	133.3	133.8	144.8	145.6	139.4
Manufacturing Production	97.3		104.9	132.4	132.5	143.2	143.1	136.1
(Public Sector)	(75.4)		(105.4)	(128.6)	(126.9)	(136.9)	(135.7)	(135.9)
(Private Sector)	(21.9)		(103.4)	(145.2)	(151.1)	(164.3)	(166.3)	(166.6)
II. Major Manufacturing Subsectors								
A. Primarily Public Industries	Public	Private						
Jute Manufacturing	24.3	--	96.2	98.2	105.4	114.4	114.3	114.1
Cotton Textiles	22.6	--	92.2	86.5	104.9	115.4	105.0	111.7
Chemical Fertilizer	4.9	--	115.7	123.7	150.8	146.0	143.4	156.5
Sugar	4.9	--	96.6	146.6	104.7	159.8	222.3	202.0
Petroleum Products	1.4	--	253.3	329.7	334.0	333.0	312.7	228.7
Iron and Steel	8.5	3.6	128.4	196.3	178.9	194.6	166.9	64.1
B. Primarily Private Industries								
Tobacco Products	1.3	12.4	100.1	113.8	117.2	125.4	132.7	121.9
Medicines & Pharmaceuticals	0.2	2.7	105.7	148.5	181.7	190.6	243.6	222.2
Tea	0.7	1.9	106.5	114.6	125.5	137.1	130.5	128.1

Source: Bangladesh Bureau of Statistics.

2.3 Exports and imports of manufactured goods

During fiscal 1983 manufactured exports amounted to US$ 407 million. They accounted for 65 per cent of total export earnings. Manufacturing exports were expected to reach US$ 451 million in 1983. For fiscal 1984 the

Table 7. NET PROFIT (LOSS) OF SELECTED PUBLIC SECTOR CORPORATIONS, BOARDS, AND AUTHORITIES, 1976-1983
(Tk million)

	1976	1979	1980	1981	1982	1983/a
Manufacturing /b	(507)	(489)	876	586	(904)	949
Bangladesh Jute Mills Corp./c	(365)	(585)	1,062	338	(655)	-
Bangladesh Jute Mills Corp./d	-	-	780	255	(462)	231
Bangladesh Textile Mills Corp. /c	24	(36)	-351	(332)	(681)	-
Bangladesh Textile Mills Corp./d	-	(12)	(179)	(184)	418	110
Bangladesh Steel & Engineering Corp.	79	111	147	124	(120)	(266)
Bangladesh Sugar & Food Industries Corp.	21	16	40	390	469	445
Bangladesh Chemical Industries Corp.	(265)	23	-23	56	71	396
Bangladesh Forest Industries Corp.	(1)	(18)	1	10	12	33

Source: Ministry of Finance and Planning, October 1983.

/a Provisional accounts (which take into account recent denationalization of selected jute and textile mills).
/b Does not include Zia Fertilizer Corporation.
/c These are the accounts of all the mills, including those that were transferred to the private sector in 1983.
/d These are the accounts of the mills that remained in the public sector as of 1982/83.

manufactured export target is US$ 477 million. Export earnings have slumped both due to a decline in Bangladesh's terms of trade, and the falling value of the Bangladesh taka, which did not induce sufficient increase in demand for Bangladeshi exports.

Annex tables I-III summarise the structure of Bangladesh's manufacturing trade. The export structure is dominated by a few products. The main exported manufactures are textiles, yarn, fabrics, and made-up articles, followed by leather manufactures and tea. These three groups of manufactures alone amounted to over 90 per cent of the manufactured goods exported in 1982. The largest increases in exports in the year up to 31 May 1983 relative

to the previous year were in garments (up 72 per cent), frozen foods (58 per cent), tea (42 per cent), and jute and jute manufactures (28 per cent). The principal destination of textile exports is other developing countries (44 per cent) while the bulk of leather manufactures are sent to Europe.

The share of manufactured goods in total imports was 81 per cent. Goods with a high level of processing comprised over 60 per cent of total imported goods. Machinery and transport equipment, manufactured goods classified by material, chemicals and petroleum products are the major imported manufactures.

In 1982, the main destination of Bangladesh's manufactured exports were developing countries which absorbed 49.8 per cent of total manufactured goods. The share of developed market economy countries was 37.17 per cent. The centrally planned developed countries' share was 12.5 per cent.

The developing countries are also important suppliers of manufactured goods to Bangladesh. In 1982, their share in total manufactured imports accounted for 51.4 per cent. The share of the developed market economy countries was 41.9 per cent.

The major goal of the export policy for 1983-84 was to increase export earnings and significantly improve the balance of payments. To this end, three important objectives are outlined in the policy: to diversify export products, including increasing the share of manufactured goods; explore new markets; and simplify procedures and improve facilities for exporters. The major obstacles to be overcome in meeting these objectives are the limited range of export products produced by Bangladesh and the high production costs for non-traditional manufactures which are heavily dependent on imported intermediate goods, machinery and raw materials. The overriding concerns are to bring down production costs and increase competitiveness on the world markets and to find ways of translating the economic recovery in industrialized countries into increased imports from Bangladesh.

A variety of incentives have been offered to exporters in recent years. The interest rate for export credit was lowered (to around 9 per cent) in late 1983, currency restrictions were eased, and incentives such as duty drawbacks

are being extended to locally produced materials used directly in manufacturing export goods in an attempt to increase the domestic value added in final exports. Products identified as special priorities for export efforts are garments, hosiery, silk, handloom products and spices. Four more product areas were included in this list in 1983: animal by-products, forestry products, cane furniture and flowers and green plants.

Improving the domestic and international performance of the Bangladesh manufacturing sector required dealing with some important structural characteristics which have developed over the past decade. These relate to the sectoral division between the public and private sector on the one hand and the non-optimal size and location of manufacturing units on the other. Both these issues are discussed below.

2.4 Ownership and investment patterns in manufacturing

Before independence the country had a predominantly private enterprise industrial economy. With the emergence of Bangladesh in 1971, the new government changed the framework of industrial policy and ownership. In 1972, the government nationalized some 85 per cent of large-scale industry in the country, including jute mills, cotton textiles and sugar mills. Sectoral corporations were established for jute, textiles, sugar, steel, engineering and shipbuilding, fertilizers, chemicals and pharmaceuticals and food and allied products. Nearly 250 enterprises with 89 per cent of all industrial fixed assets were brought under public ownership. In 1979, the public sector enterprises accounted for 65 per cent of manufacturing value added, 85 per cent of exports and 80 per cent of industrial investment outlays.

Since 1982, while retaining some industries under state control, the government has been following a policy of divestment, selling some nationalized plants to their original owners or to other private entrepreneurs. It has been encouraging the private sector within limits set in terms of fixed assets for any single unit or enterprise. It also permits foreign private investment as a minority shareholder in association with a public corporation.

The New Industrial Policy adopted in 1982 encourages denationalization. Apart from textile-weaving dominated by handloom and cottage weavers, the private sector plays an important role in industries like edible oils, food processing, textile garments, leather products, consumer chemicals, meat products, small-scale engineering and repairs, furniture and various types of consumer goods. It is foreseen that only such industries as power generation, air transport, forestry, and telecommunications will remain wholly under state management.

Since 1980, the private sector has been allowed into both the jute and textile sector. In the divestment programme, 33 cotton textile mills and 35 jute mills have been returned to their former owners. This part of the programme is considered completed and at present other industries are in the process of divestment.

The share of private investment in the manufacturing sector has more than doubled from 9.2 per cent in 1973/74 to 19.8 per cent in 1978/79, while the share of public investment gradually decreased from 90.8 per cent to 80.2 per cent over the same period (Table 8).

TABLE 8. ESTIMATES OF INVESTMENT IN THE MANUFACTURING SECTOR (1973-79)

Year	Private		Public	
	Taka Million	Percentage Share	Taka Million	Percentage Share
1973/74	53.0	9.2	525.1	90.8
1974/75	64.0	9.0	650.0	91.0
1975/76	133.0	10.2	1,166.2	89.9
1976/77	198.0	12.2	1,430.2	87.8
1977/78	450.0	19.2	1,900.0	80.8
1978/79	750.0	19.8	3,040.0	80.2

Source: UNIDO, "Public Sector Industrial Enterprises in Bangladesh", UNIDO/IS.365, 5 January 1983.

The attitude of the Bangladesh government towards private investment has become much more favourable in recent years, as portrayed in the Foreign Private Investment (Promotion and Protection) Act which came into force in March 1980 and encourages potential foreign investment in the country. Bangladesh is actively seeking private foreign investment during its current Five-year plan (1981-85). In April 1981 investment protection and double taxation prevention agreements were concluded with EEC countries. Foreign investment, however, is permitted only in collaboration with the public sector or as a joint venture with the local private sector.

In the private sector, foreign investment is particularly welcomed in industries where:

- technical know-how is not available locally;
- the technology involved is complex;
- capital outlay is high;
- the raw material is found locally;
- the product is intended primarily for the export market.

The government has allowed foreign firms to repatriate freely their profits and dividends.

The increased emphasis on domestic and foreign private investment originates from a general disatisfaction with the performance of public manufacturing enterprises. Divestment has been proceeding rapidly. By the end of 1983, 70 major unit in the manufacturing sector (including 28 jute mills and 28 textile mills) had been transferred to private ownership. More than 100 units are currently listed for divestment and the sale of shares to the general public is encouraged in some profitable public enterprises. The process of divestment was expected to have been completed by middle of 1984.

It is of course too early to tell whether the transfer to the private sector has enhanced industrial productivity. The Government has initiated a series of measures to enhance efficiency in public enterprises also. It is not the legal ownership of a unit which determines its efficiency but the policy adopted by the owners to face up to the environmental challenges and opportunities. Private sector enterprises in erstwhile East Pakistan were notoriously inefficient and chronically dependent on state support. If a

reversion to such a situation is to be avoided, efforts must be made to improve both the size and the geographical distribution of manufacturing enterprise in Bangladesh.

2.5 Size and geographical distribution of manufacturing enterprise

The 1970s revealed a moderate trend towards centralization of industrial enterprises in almost all subsectors. Between 1970 and 1981 total employment in manufacturing doubled, while the number of establishments increased by only 75 per cent, which does not include establishments with fewer than 10 workers.

The average size of an establishment, as measured by the number of employees per unit is highest in petroleum refineries (450); however, there was only one refinery operating in 1979. Industrial enterprises employing on average more than 200 workers include paper and paper products (304), industrial chemicals (280), textiles (272), pottery, china and earthenware (254), tobacco (248), and iron and steel (211). The second group comprises industrial units with an average number of employees between 100 and 200: other non-metallic mineral products (182), beverages (156), transport equipment (169), and electrical machinery (119). In the remaining subsectors establishments employ on average fewer than 100 workers.

The geographical distribution of the manufacturing industry in Bangladesh is very uneven. Industries have tended to concentrate in some areas which have developed a tradition of manufacturing activity, have skilled entrepreneurs and administrative and service facilities.

The pattern of distribution is as follows:

- Dhaka district. There are large industrial complexes at Narayanganj, Demra, Tongi, Joydevpur, Ghorasal and Narsiugdi. Main industries - cotton textiles, fruit processing, oil milling, matches, fertilizers, pharmaceuticals and other chemicals, paper and paper board, basic metal working, metal products, non-metallic products, engineering industries and transport equipment and miscellaneous industries, printing and publishing, leather, jute textiles.

- Chittagong district. Main industries - cotton textiles, salt, fish processing, fertilizers, chemicals, paper and paper board, basic metal industry, non-metallic products, engineering industries, and transport equipment, printing and publishing, leather, and jute textiles.

- Khulna district. Fish processing, matches, paper and paper board, engineering industries and transport equipment, leather and jute textiles.

- Noakhali district. Salt, fish processing, oil milling, metal products, printing and publishing, and leather.

- Sylhet district. Tea

In 1973-74, there were 62 cotton textile mills. Out of this total, 14 mills were located in Chittagong and 27 mills in the Dhaka area and the remainder located throughout the country. Of the 77 jute mills existing in 1976-77, employing some 132,000 permanent workers, most were located in the Dhaka, Khulna and Chittagong areas. These two industries are highly concentrated and together accounted for an employment of 226,350 persons out of a total industrial employment of 373,900 persons in 1975-76.

Handloom factories are mostly located in certain specific areas such as the Pabna district, whereas the small-scale and cottage industries in other activities are widely dispersed.

The present policy of the government encourages regional dispersal of industrial activities and the location of new industrial enterprises in the non-metropolitan areas. The development of rural industries is regarded as crucial for the provision of employment and increasing incomes in rural areas.

It is planned to develop export processing zones at Dhaka, Chittagong and Khulna. Industries to be established have been classified into three categories - 100 per cent foreign owned, 100 per cent Bangladeshi owned and joint ventures between foreign and domestic companies. It is expected that industries attracted to the zones will be based mainly on textiles, furniture, leather goods, jewelry and engineering goods.

The relatively small size and strong geographical concentration of Bangladeshi industry indicates two important structural weaknesses of the Bangladesh manufacturing sector. On the one hand, they do not generate high levels of employment; on the other they are not integrated with the rural agricultural sector. This second characteristic became evident during 1983 when the revival in agricultural production did not lead to a corresponding rise in the demand for industrial products. This reflects a problem of the maldistribution of income - the bulk of those dependent on agriculture simply cannot afford to increase their consumption of industrial products. It also reflects the fact that the industrial sector produces very few agricultural inputs - such as fertilizers, pesticides or agricultural production equipment.

There is an urgent need for correcting these structural defects. The development of key integrative industries is vital if the backward and forward linkages of Bangladesh manufacturing are to be strengthened. Similarly the sector has to be restructured in a manner which makes it capable of playing a crucial role in absorbing the growth of Bangladeshi labour. Landless labourers currently account for just over 50 per cent of the work force. This proportion will continue to rise up to the turn of the century and it has been estimated that at least three-fourths of the expected increase in the work force will have to be absorbed outside agriculture. The rapid development of rural industry employing labour intensive techniques of production must be a priority concern for the industrial planners of Bangladesh. As the following section demonstrates industrial policy makers have been concious of this need.

3. INDUSTRIAL DEVELOPMENT STRATEGIES, POLICIES, PLANS AND INSTITUTIONS

3.1 Goals of industrial policy

In 1978, the Government announced its intention to introduce longer-term development planning involving a proposed Twenty-Year Prospective Plan starting in July 1980 and initially running concurrently with the Second Five-year Plan (1980-85).

The Second Plan envisages an overall growth rate of 7.2 per cent. During this period, manufacturing is envisaged to grow at the rate of 8.6 per cent. The Plan places a definite priority on agriculture, but also seeks to lay the foundation for rapid industrial growth by the end of the Plan period. The industrial programme of the Plan has been devised to meet the entire requirement of urea fertilizer domestically, to provide basic items like cotton, cloth, paper, construction materials and pharmaceuticals and to supply irrigation pumps and engines and electrical equipment from local industry.

The Third Five-year Plan (1986-90) will be a continuation of the Second Plan in that it will proceed with the implementation of the Twenty Year Prospective Plan. Industry will be given a slightly higher priority in the Third Plan. During the plan period the contribution of manufacturing to GDP is expected to increase to about 13.24 per cent with a growth rate of about 11.0 per cent per annum.

In the Second Five-Year Plan, the main emphasis in the industrial sector is placed on the development of industries supporting agriculture, broadening the role of private investment, and encouraging foreign investment. Particular importance is given to the development of consumer goods industries in rural areas.

Bangladesh wishes to establish export-oriented industries, in order to increase export earnings. Expansion of the industrial base also requires further emphasis on the development of engineering, metallurgy and chemicals. The development of management and labour skills and the use of labour-intensive technology have also been given attention.

The main objectives of the industrial development strategy in the Second Five-year Plan (1980-85) are as follows:

a) To further consolidate the foundation for a sound growth of the economy through the domestic manufacture of as much machinery, implements and supplies as feasible;

b) To support the rapid expansion of the food and agricultural sector through supplies of essential agricultural inputs and equipment, and through the development of agro-based and agro-support industries;

c) To meet the basic needs of the people by increasing production of essential consumer goods like cloth, medicine, paper, etc;

d) To create wider employment opportunities with special emphasis on rural employment through promotion of rural industries;

e) To promote a balanced and harmonious development of the country through the dispersal of industries and the development of rural industries;

f) To enhance self-reliance by maximising the use of local raw materials and local skills;

g) To improve the balance of payments position through accelerated growth of export-oriented and import-substitution industries;

h) To develop an indigenous technology base to accelerate economic development.

The planning and priorities for the industrial sector took on a new emphasis with the announcement of the New Industrial Policy (NIP) in June 1982. The most important objectives of this policy are:

- to increase the participation of the private sector; in a sharp reversal of the nationalization policies of the 1970s, the public sector is to be limited to a very few basic and strategic industries such as telecommunications, air travel, forestry and power generation;

- to encourage investments in intermediate and basic industries;

- to promote export-oriented industries (including greater emphasis on quality control) also encouraging economic import substitution, including reasonable tariff measures for infant industries;

- to promote geographical dispersal of industries, primarily to increase productive employment opportunities in rural areas;

- to encourage stronger linkages between the large and medium-sized industries with the small-scale sector, also intended to increase the viability and unemployment opportunities in rural areas.

A few selected industrial output targets during the Second and the Third Plans are given in Table 9.

Table 9: INDUSTRIAL PRODUCTION, SELECTED TARGETS FOR 1984-85 AND 1989-90

Item	Unit	1979-80	1984-85	1989-90
Jute textiles	'000 tons	592	736	195
Cloth	mn. yards	618.35	1,203.17	1,680.00
Steel	'000 tons	140	225	441
Cement	'000 tons	390	535	1,200
Fertilizer	'000 tons	429	1,428	2,000
Petro-Chemicals	'000 tons	...	5,000	8,425
Paper and pulp	'000 tons	31	45	76

Source: Bangladesh, Country presentation, Country Review Meetings, UN Conference on the Least Developed Countries, LDC/CP/2. Paris, 1981.

3.2 Recent changes in industrial policy

Since 1982 the Government has embarked upon a comprehensive programme of industrial liberalisation and rationalisation. It has sought to expand the currently small base of non-traditional exports and increase the competitiveness of domestic industry. In collaboration with the International Development Agency (IDA) a large-scale trade and industrial policy reform project has been launched with a view to strengthening the Tarriff Commission, implement an effective protection study, improve private industrial investment promotion, identify and develop new export product lines and improve national industrial statistics. Policy recommendations are gradually being generated.

The Government has also taken a number of other measures. The investment approval process has been simplified by increasing the sanctioning authority delegated to financial institutions and providing greater flexibility in controls exercised by Government departments. There now exists an automatic registration system for projects financed by non-Government foreign exchange. The number of sectors in which joint ventures with foreign enterprise are permitted has been increased . A number of joint commercial banks - including the Islamic Bank, the Saudi Bangladesh Industrial and Agricultural Company and the Industrial Promotion and Development Company of Bangladesh - have recently been established with the explicit purpose of financing joint ventures. Foreign investment has however not yet been sufficiently stimulated.

A reform of import policy has also been underway. There has been an introduction of the option of financing imports through a secondary foreign exchange market (WES) where demand and supply determine the price and allocation of foreign exchange. Over the period 1979 to 1983 the proportion of total imports financed through WES increased from 8 per cent to 24 per cent. The list of commodities importable exclusively through WES has been expanded. Public sector importers are expected to finance 40 per cent of their imports through WES. Liberalisation of export credit and expediting export rebates has been permitted to stimulate foreign exchange earnings.

Since 1982 there has also been increasing concern about improving the performance of the public enterprise sector. In 1983, the Report of the Committee for the Reorganisation of the Public Statutory Corporations was published. It argued for a substantial contraction of the role of the public

enterprise sector and recommended large-scale divestment. The Committee further recommended:

1. the formulation of clear definitions of goals to be achieved and criteria for evaluating performance.
2. the granting of more operational autonomy and freedom from ministerial interference for public enterprise management.
3. the assurance of greater flexibility in hiring and firing workers.
4. the granting of explicit subsidies in deserving cases and
5. the equalisation of the salary scales of public and private sector management.

Many of the recommendations have already been implemented. It is clear that the present administration is committed to a comprehensive reorganisation of industrial and economic administration. The institutional framework described below is thus likely to see some important changes in the near future.

3.3 Institutional framework for industry

The institutional framework to support industrial development in Bangladesh consists of the following bodies, broken down into seven broad categories: */

I. Institutions which are concerned with the formulation of national industrial plans and policies and with the determination of industrial priorities as part of the overall plans and economic policies:

1. The National Economic Council and its Executive Committee is the link between the Cabinet and the National Planning Commission and approves national plans and annual development programmes before submission to the Cabinet.

2. The Ministry of Planning and the Planning Commission prepare all Plans and formulate policies for their implementation.

3. The Ministry of Industry formulates development and investment policies for both the public and private sectors, except for jute

*/ For further descriptions of the functions of these institutions, see the UNIDO publication, "Country Industrial Development Profile of Bangladesh", UNIDO/ICIS.123, 17 October 1979, (pp. 33-46).

and cotton textiles which have separate ministries. Its Department of Industry acts as secretariat of the Investment Board and prepares Industrial Investment Schedules to direct private investment into desired areas; thus it is the principal government body responsible for formulating industrial policy.

II. Various public corporations were established by the Government for the development, administration and supervision of the public sectors or subsectors of industry after 1972, including:

1 Bangladesh Chemical Industries Corporation
2 Bangladesh Fisheries Development Corporation
3 Bangladesh Forest Industries Development Corporation
4 Bangladesh Jute Mills Corporation
5 Bangladesh Mineral Exploration and Development Corporation
6 Bangladesh Oil and Gas Corporation (Petro Bangla)
7 Bangladesh Steel and Engineering Corporation
8 Bangladesh Sugar and Food Industries Corporation
9 Bangladesh Textile Mills Corporation

As discussed above (Section 2.4), only forestry, power generation, telecommunications, and air transport continue to be entirely in the public domain at present. In addition, the Small and Cottage Industry Corporation is entrusted with the promotion of cottage industries and development of traditional arts and crafts.

III. Investment promotion and financing bodies or corporations which finance industries in both public and private sectors, in addition to the Ministry of Finance and Ministry of Commerce:

1. The Board of Investment
2. Investment Advisory Centre - assists entrepreneurs in the private sector
3 Industrial Promotion and Development Co. of Bangladesh
4. Bangladesh Shilpa Bank (Industrial Development Bank)
5. Bangladesh Shilpa Rin Sangstha (Industrial Credit Corporation)
6. Small and Cottage Industries Bank
7. Islamic Bank of Bangladesh, founded in 1983, on Islamic principles.

IV. Institutions concerned with the training of management personnel as well as the on-the-job training of persons engaged in industry or enrolled in training institutes:

1. Management Development Centre, under Ministry of Industry
2. Institute of Business Administration, Dhaka University

V. Institutions concerned with such specific responsibilities as the determination of standards and quality of industrial products:

1. Standards Institution, under the Ministry of Industry */
2. Central Testing Laboratories, under the Ministry of Industry */
3. Industrial and Technical Assistance Centre; was established to increase technical know-how and provide training and consultancy services.
4. Jute Goods Inspection - sets up standards for all jute products, carries out pre-shipment inspections and issues quality certificates.

VI. Industrial research institutions.

1. Council of Scientific and Industrial Research; under the Ministry of Scientific and Technical Research, promotes and guides research bearing on problems in establishing and developing industries; provides patents and promotes utilization of processes developed in the institutes and laboratories.
2. Jute Research Institute; engages in agricultural research to increase and promote productivity and in technological research to develop new uses of jute in manufacturing.
3. Bangladesh Institute for Development Studies.

VII. Private organizations such as industrial associations concerned with the general or specific problems and interests of industry.

1. Industrial Relations Institute, under Ministry of Labour
2. Dhaka Chamber of Commerce and Industries

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*/ It is planned to unite these two institutions under the name Bangladesh Standards and Testing Institution.

4. RESOURCES FOR INDUSTRIAL DEVELOPMENT

4.1 Human resources

In 1982, the total labour force was estimated at 31.8 million. About three quarters of the labour force are engaged in subsistence agriculture and less than 2 per cent, about 400,000, are employed in industry. The government estimates that an additional 5 million people work in household industries, primarily in handloom and similar textile activities.

It is estimated that between a quarter and a third of the available labour force is either unemployed or underemployed. While there is an acute shortage of technically qualified personnel in the country, there are no jobs in the labour market for nearly three-quarters of a million high school and college graduates.

The essential aim of the human resource development strategy is to raise the technical capability of the people through education and training, research, and the provision of institutions with appropriate linkages among all these elements. A particular emphasis of the agricultural development programme is to provide better training and greater incoming earning opportunities to women in rural areas and to increase enrolment of girls in primary schools.

4.2 Raw material resources

Agriculture

Sustained self-sufficiency in foodgrain production is the primary objective of agricultural development, embodied in the Medium-Term Foodgrain Production Plan (MTFPP). Government efforts to meet this goal by 1985 are aimed at improving irrigation and drainage, increasing the availability of modern farming inputs such as fertilizer and high yield seeds, and supporting higher and stable prices for farm products. The Agricultural Development Corporation oversees these programmes.

Agriculture is a major supplier of raw materials for industry, jute and tea being the main cash crops. Jute is of particular importance to the economy as it provides the raw material for the country's largest industry and as a raw material is the largest source of export earnings. Output declined steadily after 1978/79 but has recently turned upwards. The jute industry's most important market is United States carpetmakers.

In developing the agricultural sector, difficult choices are encountered between encouraging increased acreage of jute, in order to raise export earnings, as against foodgrains, for achieving self-sufficiency in food. The government's objective is to increase the quality of jute for export but at the same time increase the land intensiveness of its production so as to open more land to wheat and rice.

Fisheries

The fishing industry contributes about 5 per cent of the GDP and constitutes about 80 per cent of the population's supply of animal protein.

In 1981/82, out of the total catch of 640,000 tons, 517,000 tons came from the marine sector and 123,000 tons from the inland water sector.

In the marine sector, where most fishing is mainly by traditional methods, from small boats, it is planned to raise the number of trawlers from 30 in 1980 to 240 by 1985 and the number of mechanical boats from 1,400 to 7,000.

Forestry

Forests cover about 16 per cent of the total land area. The contribution of forestry to GDP is estimated to be about 5 per cent.

The availability of timber for commercial felling is limited primarily to the Chittagong, Khulna and Sylhet regions. Its output is used for the production of pulp, paper, newsprint and rayon. Timber production in 1979/80 was estimated at 1.05 million cu.ft. which is not sufficient to satisfy demand

and has to be supplemented by imports. There is also a small rubber extraction sector which the government is planning to expand.

Mineral Resources

Bangladesh is poor in mineral resources. Except for natural gas, there are few other mineral resources easily accessible in the country. The deposits of coal, limestone and hard rock are at great depth; their exploitation involves sophisticated technology and substantial resource input. Known resources also include rock salt, glass sand and other aluminium clays.

Total recoverable reserves of natural gas have been estimated at between 15 and 20 trillion cubic feet (tcf), but exploration continues. Two new natural gas fields have been discovered in Sylhet and Noakhali districts which together have estimated reserves of 1.5 tcf.

The reserves of limestone and coal are also important. Reserves of limestone at Jaipurhat are estimated at 100 million tons. The proven coal deposits in Jamalgonj is estimated to be 700 to 1,000 million tons. Coal is also found, on a smaller scale, in the Sylhet district. Most of the country's coal requirements, however, are satisfied through imports.

Small quantities of peat are extracted; reserves are estimated at 145 million tons, mainly at Chanda-Baghila in Faridpur district.

4.3 Energy Resources

It has been estimated that some 75 per cent of the country's energy requirements come from traditional sources such as firewood, straw, bagasse and cowdung. Per head consumption of primary energy in 1978 was 45 kg which is extremely low compared to the average of 497 kg for developing countries.

Domestic primary energy production accounts for only 43 per cent of consumption, the balance being made up with imports of crude petroleum, petroleum products and solid fuels (Table 10).

Table 10: COMMERCIAL PRIMARY ENERGY BALANCE, 1981

('000 tons coal equivalent)

Production		Apparent consumption	
Natural gas	1,862	Solid fuels[b]	182
Hydroelectricity[a]	275	Liquid fuels[c]	2,029
Crude petroleum & natural gas liquids	9	Natural gas[b]	1,862
		Hydroelectricity[a]	275
Total production	2,146	Total consumption	4,348
Imports		Exports	
Solid fuels	182	Petroleum products	150
Crude petroleum	1,897		
Petroleum products	730		
Total imports	2,809	Total exports	150
Drawdown of crude stocks	12	Bunkers	110
Drawdown of petroleum product stocks	22	Balancing item[d]	381
Total supply	4,989	Total demand	4,989

a The amount of energy a thermal power station of average (28 per cent) efficiency would require to produce the same amount of electricity

b Apparent consumption assuming nil change in stocks

c Including refinery consumption

d Comprises output of 134,000 tons of non-energy petroleum products (e.g., naphtha), unidentified changes in crude stocks and statistical discrepancies

Source: The Economist Intelligence Unit, Quarterly Economic Review of Pakistan, Bangladesh and Afghanistan, Annual Supplement 1983.

Bangladesh's main energy source is natural gas. Total production during 1981/82 was 65 billion cubic feet, allocated among power generation (39 per cent), fertilizer production (38 per cent), industry (1[illegible] per cent) and commercial and residual (6 per cent).

The country's oil supplies come mainly from the Middle East. The only oil refinery, at Chittagong, which has a capacity of 1.5 million tons, produced 1.2 million tons of refined petroleum products in 1979/80. A second refinery with a 2 million tons a year capacity is expected to be built at Khulna. Exploration for petroleum is underway with financial and technical assistance from the Asian Development Bank, the UK, the FRG, and the USSR.

In 1980, total installed electricity generating capacity was estimated at 795 MW, of which only about 75 per cent was operational. Of the installed capacity, 55 per cent consisted of stream turbines, 20 per cent gas turbines, 12 per cent hydroelectric and the remainder diesel. Most of the capacity is located in the east of the country. The target capacity for 1984 is 1,035 MW.

The Third Plan (1985-90) will attempt to base energy generation on locally available gas and profitable development of nuclear and solar energy.

4.4 Financial Resources

According to the Second Five-Year Plan (1980-85), investment in the industrial sector will amount to Tk. 43,850 million (or 17.1 per cent of total planned investment) with nearly 75 per cent originating in the public sector (Table 11). During the Third Plan period (1985-90) the investment allocation for industrial development will rise to Tk. 85,150 million. Out of this, about Tk. 56,610 million (66.5 per cent) may be earmarked for the public sector, and the rest, Tk. 28,540 (33.5 per cent), for the private sector.

TABLE 11: INDUSTRIAL DEVELOPMENT ALLOCATIONS IN THE SECOND AND THIRD PLANS, 1980-90 (in Tk. billion)

Second Plan (1980-85)			Third Plan (1985-90)		
Total	Public	Private	Total	Public	Private
43.85 (100.0%)	32.75 (74.7%)	11.10 (25.3%)	85.15 (100.0%)	56.61 (66.5%)	28.54 (33.5%)

Source: Bangladesh, Country Presentation, Country Review Meetings, UN Conference on the Least Developed Countries, Paris, 1981, LDC/CP/2.

In the public sector, the largest investment allocations in the Second Plan have been earmarked for the fertilizer and chemicals sector (Tk. 10,770 million or 33 per cent), steel, engineering and shipbuilding (Tk. 7,660 million), mining and mineral based activities (Tk. 4,400 million), cotton textiles (Tk. 4,350 million) and sugar and food (Tk. 2,450 million) (Table 12).

In order to carry out its development programmes Bangladesh is heavily dependent on long-term and short-term loans from international institutions and from foreign governments. For example, the Second Plan budgets for 54 per cent of the programme to come from foreign aid. The twenty-eight international agencies and nations of the Bangladesh aid group have agreed to provide US$ 1.7 billion in 1983/84. Foreign aid is expected to finance about 35 per cent of the toal outlay of the Third Five-year Plan. The World Bank has in 1984 recommended a 5 per cent growth in the annual disbursement of foreign aid to Bangladesh.

Bangladesh has faced difficulties due to long delays in the disbursement of multilateral commitments. Thus in 1983 the disbursement rate of World Bank project funds was only 13 per cent as against 22 per cent in India and 32 per cent in Pakistan.

TABLE 12: PLANNED ALLOCATIONS FOR THE PUBLIC SECTOR INDUSTRIES IN THE SECOND PLAN (1980-85) (in TK. millions)

Industry	For on-going projects	For new projects	Total	Allocation (in per cent)
Jute textile	...	1,000	1,000	3.05
Cotton textile	697	3,653	4,350	13.28
Steel, shipbuilding and engineering	1,200	6,460	7,660	23.39
Fertilizer and chemicals	6,869	3,901	10,770	32.89
Sugar and food	272	2,178	2,450	7.48
Mining and minerals	2,140	2,260	4,400	13.44
Forest	20	150	170	0.52
Cottage, small and rural	532	918	1,450	4.43
Miscellaneous	285	215	500	1.52
TOTAL	12,015	20,735	32,750	100.00

Source: Bangladesh, Country Presentation, Country Review Meetings, UN Conference on the Least Developed Countries, Paris, 1981, LDC/CP/2.

As far as industry is concerned, financial constraints have eased during 1984. The increased flexibility permitted in terms of price management by public corporations has reduced the public sector's need for credit. It is hoped that industrial credit will be more readily available due to the de-nationalisation of two large commercial banks and the granting of greater autonomy to the management of the nationalised banks. The two major development financing institutions The Bangladesh Shilpa Bank (BSB) and the Bangladesh Shilpa Rin Sangatha (BSRS) are constrained by the fact that collections from private sector borrowers have been generally low. Efforts are being made to reduce the volume of defaults and a UNDP study has been launched to carry out an institutional review and portfolio audits of BSB and BSRS. It is further hoped that the recently established foreign joint venture banks will play a major role in the financing of Bangladesh industry. The crucial problem however is the generation of an adequate level of surplus by the enterprises themselves and the channeling of this surplus into appropriate

avenues of industrial investment. The paucity of figures on gross domestic capital formation within the manufacturing sector - the latest estimates available are for 1973 - make it difficult to develop a realistic assessment of the resource utilisation capacity of Bangladeshi manufacturing enterprise.

5. TECHNICAL ASSISTANCE TO INDUSTRY

UNIDO is involved in a number of industrial projects in Bangladesh (Annex IV). The most important of these include assistance for the development of the textile industry, the operation and management of fertilizer plants, the organisation and financing of jute products research and the establishment and operation of the Pilot Plastic Processing, Testing, Training and Information Centre. Other important projects include aid for the development of the Chittagong export zone which has faced considerable difficulties during 1983 and 1984. UNIDO also participates in providing assistance for the operation of the Bangladesh Machine Tool Factory and for the development of the local ceramics industry. Other UN agencies including ILO, IMO and UNCTAD are also providing assistance for the industrial development of Bangladesh.

There exists considerable scope for the expansion of the UN programme for Bangladeshi industrialisation. This survey has emphasized the need for a rapid growth of the Bangladesh manufacturing sector. Without such growth urban unemployment will rise to unmanagemeable proportions within the course of the next decade. Moreover the expansion of the manufacturing sector is also essential to sustain and accelerate growth of agricultural productivity. There is a need for the rapid development of a range of industries producing agricultural inputs, such as fertilizers, agricultural machine tools and other production equipment. The capital goods industry is almost non existent in Bangladesh. Careful planning for its development and linkage to agriculture can play a crucial role in integrating the rural and urban sectors of the Bangladesh economy.

Another important area for UNIDO support is the development of export-oriented industries. Over the years 1982-1984, the seven South Asian countries - Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka - have gradually developed a tentative policy framework for regional economic co-operation. Programmes are needed for identifying national comparative advantages within the region and for establishing appropriate regional industries. There is also a need for the support of regional attempts at the harmonisation of national industrial investment and manpower planning policies within a regional framework. In general, expanding the manufacturing export base is of considerable importance for increasing the foreign resources of Bangladesh and reducing the international dependence of the country.

Statistical Annex

Annex Table I: THE COMPOSITION AND VALUE OF MANUFACTURING TRADE IN 1981 and 1982

Description of traded goods (SITC)	Imports (Percentage of total trade)		Exports (Percentage of total trade)		Trade balance (Exports less imports in 1000 US $)	
	1981	1982	1981	1982	1981	1982
OILS AND FATS						
Animal oils and fats(411)	0.5	0.4	...	...	...	...
Fixed vegetable oils and fats(421/2)	5.6	4.5	0.0	0.0	-100895.2	-78705.3
Processed animal and vegetable oils and fats(431)	0.3	1.9	0.0	0.0	-4827.5	-33756.5
CHEMICALS						
Organic chemicals(512)	1.1	1.2	0.1	0.1	-18513.2	-20859.9
Inorganic chem., oxides and halogen salts(513/4)	1.3	1.2	0.0	0.0	-23324.1	-21175.7
Dyeing, tanning and colouring materials(531)	0.5	0.4	...	0.0	...	-7824.3
Medicinal and pharmaceutical products(541)	1.5	1.2	0.0	0.0	-26895.6	-21544.2
Plastics, cellulose and artificial resins(581)	0.8	0.7	...	0.0	...	-12051.8
FERTILIZERS						
Nitrogenous fertilizers & related materials(5611)	1.7	2.3	0.4	0.2	-28295.9	-39024.8
Phosphatic fertilizers and related materials(5612)	3.5	2.2	...	...	...	...
Potassic fertilizers and related materials(5613)	0.6	0.7	...	...	...	...
PETROLEUM						
Petroleum, crude or partly refined(331)	...	...	...	...	...	...
Petroleum products(332)	6.1	11.3	0.0	2.2	-109352.3	-181577.0
RUBBER						
Crude rubber, synthetic and reclaimed(231)	0.1	0.1	...	...	...	...
Rubber materials, e.g.sheets, threads, piping(621)	0.3	0.1	...	...	...	...
Articles of rubber, e.g. tyres, tubes(629)	1.2	1.0	0.0	0.0	-22021.3	-17482.8
WOOD AND FURNITURE						
Wood, shaped or simply worked(243)	0.0	0.0	...	...	...	...
Pulp paper, including waste(251)	0.3	0.2	...	0.1	...	-2183.7
Veneers, plywood, improved wood(631)	0.0	0.0	...	...	...	...
Wood manufactures(632)	0.0	0.0	0.0	0.0	-53.0	-55.8
Paper and paperboard(641)	0.9	0.6	0.5	0.8	-13601.4	-5810.1
Articles of pulp, paper or paperboard(642)	1.3	0.0	0.0	0.0	-23121.0	-837.2
Furniture(821)	0.0	0.0	0.0	0.0	-814.7	-537.5
TEXTILES AND CLOTHING						
Wool and other animal hair(262)	0.0	0.0	0.0	...	-603.5	...
Cotton(263)	4.9	3.9	0.1	...	-87172.7	...
Jute(264)	...	...	15.6	14.9	...	...
Vegetable fibres, flax and hemp(265)	0.0	0.0	0.0	0.1	26.2	337.8
Synthetic and regenerated fibres(266)	0.3	0.1	...	0.0	...	-831.4
Textile yarn and thread(651)	2.7	2.2	1.6	2.0	-37501.2	-25787.5
Woven cotton fabrics(652)	1.6	0.8	...	0.0	...	-14455.5
Woven textile fabrics(653)	1.0	0.5	27.1	18.6	161346.0	115520.9
Made-up articles chiefly of textiles(656)	0.1	0.0	25.3	24.3	164273.9	163023.1
Travel bags, handbags, etc.(831)	0.0	0.0	0.0	0.0	0.8	3.2
Clothing, excluding leather(841 less 8413)	0.0	0.0	0.7	1.7	4562.9	11282.7
Calf leather(6113)	...	...	0.2	0.2	...	...
LEATHER AND PRODUCTS						
Other leather, including artificial(611 less 6113)	0.0	0.0	8.9	8.2	58384.9	55082.8
Leather manufactures(612)	0.2	0.0	...	0.0	...	-67.2
Apparel and accessories of leather(8413)	0.0	0.0	...	...	...	...
Footwear(85)	...	0.0	0.0	...	...	...
BUILDING MATERIALS AND GLASS						
Lime, cement, fabricated building materials(661)	1.0	3.2	...	...	...	...
Construction and refractory materials of clay(662)	0.1	0.1	0.0	...	-2170.1	...
Glass(664)	0.1	0.2	0.0	...	-1387.6	...
Glassware and pottery(665/6)	0.4	0.1	0.0	0.0	-7352.6	-2455.2

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Annex Table I: THE COMPOSITION AND VALUE OF MANUFACTURING TRADE IN 1981 AND 1982 (CONTINUED)

Description of traded goods (SITC)	Imports (Percentage of total trade)		Exports (Percentage of total trade)		Trade balance (Exports less imports in 1000 US $)	
	1981	1982	1981	1982	1981	1982
IRON AND STEEL						
Iron ore and concentrates(281)	...	...	...	...	...	...
Iron and steel scrap(282)	0.7	...	...	...	...	...
Pig iron and sponge(671)	1.3	0.4	...	...	...	...
Ingots and other primary forms(672)	1.8	0.7	...	...	...	...
Bars, rods, shapes, sections(673)	0.5	0.4	...	...	...	...
Universals, plates and sheets(674)	4.5	2.0	...	...	...	...
Hoop and strip(675)	0.4	0.3	...	...	...	...
Iron and steel wire(677)	0.2	0.1	...	...	...	...
Tubes, pipes and fittings(678)	1.1	1.8	0.0	...	-20496.0	...
Unworked castings and forgings(679)	0.0	...	...	...	...	...
NON-FERROUS METALS						
Non-ferrous ore and concentrates(283)	0.0	0.0	...	...	...	...
Copper, blister, refined, alloys(6821)	0.0	0.0	...	...	...	...
Copper bars, shapes, sections, wire, etc.(6822)	0.7	0.2	...	...	...	...
Aluminium, unwrought or worked(684)	1.1	0.7	...	0.0	...	-11698.1
Lead, unwrought or worked(685)	0.0	0.0	...	...	...	...
Zinc, unwrought or worked(686)	0.1	0.1	...	...	...	...
Tin and alloys, unwrought or worked(687)	0.0	0.0	...	...	...	...
Wire products, e.g. cables, ropes(693)	0.3	0.4	...	...	...	...
SELECTED CAPITAL GOODS						
Hand tools used in agriculture(6951)	0.0	0.0	...	...	...	...
Tools for use in hand or machine(6952)	0.8	0.2	...	0.0	...	-4257.8
Power generating machinery, non-electric(711)	2.1	3.4	0.0	...	-37736.4	...
Agricultural machinery(7121/2)	0.0	0.1	0.0	0.0	-684.7	-1305.5
Dairy equipment(7123)	0.0	0.0	...	...	...	...
Tractors(7125)	0.2	0.2	...	...	...	...
Office machines(714)	0.2	0.1	0.0	...	-3313.8	...
Metal working machinery(715)	0.2	0.4	0.0	...	-3872.2	...
Textile and leather machinery(717)	0.7	0.9	0.0	0.0	-13252.3	-15397.5
Machines for paper, pulp and paper articles(7181)	0.2	0.2	0.0	...	-3440.1	...
Industrial food-processing machinery(7183)	0.6	0.6	...	...	...	...
Machine tools for working minerals,wood,etc.(7195)	0.1	0.0	0.0	...	-1089.0	...
Electrical power machinery and switchgear(722)	1.6	2.2	0.0	0.2	-28444.3	-37398.4
MAJOR CONSUMER DURABLES						
Commercial road vehicles(732 less 7321)	2.1	1.2	0.0	0.0	-37181.0	-20568.4
Passenger motor cars(7321)	1.3	0.4	0.0	0.0	-22484.2	-7027.7
Television and radio sets(7241/2)	0.4	0.3	0.0	0.0	-7637.9	-5117.0
Domestic electrical equipment(725)	0.2	0.1	...	...	...	...
TOTAL OF ABOVE, IN MILLIONS OF US $	1141	1026	532	496	-609	-530
TOTAL TRADE (SITC 0 TO 9), IN MILLIONS OF US $	1803	1742	660	671	-1143	-1071

Source: Statistics and Survey Unit, UNIDO.Based on data supplied by the UN Statistical Office, with estimates by the UNIDO Secretariat.

Annex Table II: ORIGIN OF MANUFACTURING IMPORTS BY INDUSTRY, 1982

Description of traded goods (SITC)	World total (1000 US $)	Developing countries	Developed market economies				Centrally planned economies
			Total	USA	EEC	Japan	
		(Percent of world total)					
OILS AND FATS							
Animal oils and fats(411)	6116.8	0.4	99.6	1.8	0.0	0.0	0.0
Fixed vegetable oils and fats(421/2)	78705.3	65.4	34.6	18.8	3.5	0.0	0.0
Processed animal and vegetable oils and fats(431)	33861.6	8.0	92.0	20.2	50.0	0.0	0.0
CHEMICALS							
Organic chemicals(512)	21614.3	14.1	84.5	21.8	49.0	6.4	1.5
Inorganic chem., oxides and halogen salts(513/4)	21175.7	27.4	53.8	14.8	23.8	10.1	18.5
Dyeing, tanning and colouring materials(531)	7828.4	64.1	33.8	0.8	26.1	4.1	1.7
Medicinal and pharmaceutical products(541)	21652.4	16.5	78.3	4.8	46.4	7.1	5.2
Plastics, cellulose and artificial resins(581)	12056.5	31.2	67.5	0.8	33.0	25.8	0.4
FERTILIZERS							
Nitrogenous fertilizers & related materials(5611)	40509.8	87.1	12.9	2.6	0.0	0.0	0.0
Phosphatic fertilizers and related materials(5612)	38429.5	34.8	51.5	21.7	20.0	0.0	13.7
Potassic fertilizers and related materials(5613)	13059.9	51.2	48.8	22.6	0.0	0.0	0.0
PETROLEUM							
Petroleum, crude or partly refined(331)	...	...	...	...	...	...	...
Petroleum products(332)	196587.9	95.0	1.1	0.0	0.3	0.5	3.9
RUBBER							
Crude rubber, synthetic and reclaimed(231)	1307.4	67.3	32.5	2.2	10.2	17.1	0.0
Rubber materials, e.g.sheets, threads, piping(621)	962.8	31.9	67.8	2.7	26.8	36.4	0.0
Articles of rubber, e.g. tyres, tubes(629)	17489.9	43.2	56.7	39.0	2.4	15.0	0.1
WOOD AND FURNITURE							
Wood, shaped or simply worked(243)	643.9	59.1	40.9	8.5	30.3	2.1	0.0
Pulp paper, including waste(251)	2887.7	1.3	98.7	12.4	0.0	0.0	0.0
Veneers, plywood, improved wood(631)	180.3	78.5	19.3	0.0	0.0	19.3	2.2
Wood manufactures(632)	62.6	22.3	70.7	5.8	59.7	2.0	7.0
Paper and paperboard(641)	11079.1	36.6	61.8	0.8	18.2	26.4	1.6
Articles of pulp, paper or paperboard(642)	867.7	36.0	63.4	1.4	6.6	37.7	0.2
Furniture(821)	540.2	13.4	52.5	39.4	3.9	5.3	34.1
TEXTILES AND CLOTHING							
Wool and other animal hair(262)	339.5	0.0	99.5	0.0	0.0	99.5	0.5
Cotton(263)	68456.0	42.4	35.1	35.1	0.0	0.0	22.5
Jute(264)	...	...	...	...	...	...	...
Vegetable fibres, flax and hemp(265)	10.5	100.0	0.0	0.0	0.0	0.0	0.0
Synthetic and regenerated fibres(266)	879.0	0.0	100.0	0.0	0.0	17.8	0.0
Textile yarn and thread(651)	39194.0	96.2	2.9	0.0	0.2	2.7	0.0
Woven cotton fabrics(652)	14482.9	99.2	0.4	0.0	0.0	0.4	0.3
Woven textile fabrics(653)	9558.7	17.2	82.8	3.2	0.1	79.5	0.0
Made-up articles chiefly of textiles(656)	253.5	1.2	17.9	0.2	17.5	0.1	81.0
Travel bags, handbags, etc.(831)	3.2	18.8	81.2	0.0	71.2	9.4	0.0
Clothing, excluding leather(841 less 8413)	1C7.4	29.5	70.5	0.5	22.3	10.6	0.0
Calf leather(6113)	...	...	...	...	...	...	...
LEATHER AND PRODUCTS							
Other leather, including artificial(611 less 6113)	0.6	0.0	100.0	0.0	100.0	0.0	0.0
Leather manufactures(612)	70.2	26.9	71.5	0.0	9.7	61.8	0.0
Apparel and accessories of leather(8413)	1.0	81.1	18.9	0.0	0.0	18.9	0.0
Footwear(85)	3.1	28.0	72.0	0.0	48.8	23.2	0.0
BUILDING MATERIALS AND GLASS							
Lime, cement, fabricated building materials(661)	55231.8	61.6	6.1	1.3	2.0	2.7	1.5
Construction and refractory materials of clay(662)	1053.5	31.1	27.0	0.6	7.7	15.1	41.9
Glass(664)	2721.5	70.7	28.0	1.0	16.0	8.6	1.3
Glassware and pottery(665/6)	2465.8	77.4	21.9	0.6	14.4	6.3	0.7

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Annex Table II: ORIGIN OF MANUFACTURING IMPORTS BY INDUSTRY, 1982 (CONTINUED)

Description of traded goods (SITC)	World total (1000 US $)	Developing countries	Developed market economies				Centrally planned economies
			Total	USA	EEC	Japan	
		(Percent of world total)					
IRON AND STEEL							
Iron ore and concentrates(281)	...	...	...	...	...	...	...
Iron and steel scrap(282)	...	...	...	...	...	...	...
Pig iron and sponge(671)	7151.7	98.5	1.5	0.0	0.0	1.5	0.0
Ingots and other primary forms(672)	13062.2	72.0	10.7	0.0	2.4	0.0	17.2
Bars, rods, shapes, sections(673)	6234.0	59.9	38.5	0.6	12.4	23.3	0.2
Universals, plates and sheets(674)	35587.9	12.4	87.6	6.9	11.3	43.5	0.1
Hoop and strip(675)	4365.6	2.7	79.6	0.0	54.9	21.2	17.7
Iron and steel wire(677)	2009.4	18.1	81.7	0.0	7.1	74.6	0.2
Tubes, pipes and fittings(678)	31497.6	24.5	74.0	0.3	7.4	65.6	1.4
Unworked castings and forgings(679)	...	...	...	...	...	...	...
NON-FERROUS METALS							
Non-ferrous ore and concentrates(283)	112.9	96.0	4.0	0.0	4.0	0.0	0.0
Copper, blister, refined, alloys(6821)	199.9	2.9	97.1	0.0	97.1	0.0	0.0
Copper bars, shapes, sections, wire, etc.(6822)	4297.1	19.8	45.8	0.0	14.9	12.1	34.4
Aluminium, unwrought or worked(684)	12022.5	32.5	67.0	0.1	8.9	2.9	0.4
Lead, unwrought or worked(685)	107.8	51.7	48.3	0.0	20.0	19.9	0.0
Zinc, unwrought or worked(686)	871.4	6.1	93.9	0.0	17.1	64.5	0.0
Tin and alloys, unwrought or worked(687)	502.9	99.5	0.5	0.0	0.0	0.5	0.0
Wire products, e.g. cables, ropes(693)	7329.7	42.1	56.8	17.8	22.9	13.7	1.1
SELECTED CAPITAL GOODS							
Hand tools used in agriculture(6951)	171.8	86.9	13.1	0.0	1.0	12.1	0.0
Tools for use in hand or machine(6952)	4286.4	46.8	52.6	3.1	18.3	15.0	0.4
Power generating machinery, non-electric(711)	58555.7	8.1	90.3	3.0	23.5	41.4	1.0
Agricultural machinery(7121/2)	1305.5	1.7	98.3	4.2	38.8	23.6	0.0
Dairy equipment(7123)	34.2	99.5	0.5	0.0	0.5	0.0	0.0
Tractors(7125)	2988.7	15.1	61.8	5.5	31.5	21.5	23.0
Office machines(714)	1448.1	24.7	51.9	6.3	28.4	14.2	23.4
Metal working machinery(715)	6176.8	35.8	52.4	1.1	29.3	17.4	11.8
Textile and leather machinery(717)	15421.1	27.1	72.0	0.4	52.2	18.1	0.0
Machines for paper, pulp and paper articles(7181)	3308.0	13.6	86.4	3.5	36.8	5.3	0.0
Industrial food-processing machinery(7183)	9974.8	59.9	36.9	1.7	26.7	2.7	0.2
Machine tools for working minerals,wood,etc.(7195)	331.1	39.9	56.9	2.2	38.4	12.2	3.2
Electrical power machinery and switchgear(722)	38671.4	18.9	67.2	4.3	21.2	29.9	13.8
MAJOR CONSUMER DURABLES							
Commercial road vehicles(732 less 7321)	20619.3	5.7	93.2	1.4	30.2	59.6	0.8
Passenger motor cars(7321)	7188.0	10.0	88.9	3.7	7.9	76.5	1.1
Television and radio sets(7241/2)	5117.0	55.8	38.5	0.0	0.6	37.8	0.0
Domestic electrical equipment(725)	2263.3	59.8	38.9	4.9	7.9	24.5	0.4
TOTAL OF ABOVE	1025746	51.4	41.9	8.3	12.1	12.9	4.8
TOTAL OF ALL MERCHANDISE (SITC 0 to 9)	1742123	41.7	52.5	11.5	14.6	12.6	4.5

Source: Statistics and Survey Unit, UNIDO.Based on data supplied by the UN Statistical Office, with estimates by the UNIDO Secretariat.

Note: Percentages may not add to 100.0 due to the fact that countries report trade to/from "unspecified areas". Selection of products shown in this table was based on the definition of the manufacturing sector used for production statistics (i.e. the ISIC) and the associated raw material supplies. Thus, not all products are regarded as manufactures according to the conventional definitions of manufactured trade (e.g. SITC 5 to 8 less 68).

Annex Table III: DESTINATION OF MANUFACTURED EXPORTS BY INDUSTRY, 1982

Description of traded goods (SITC)	World total (1000 US $)	Developing countries	Developed market economies				Centrally planned economies
			Total	USA	EEC	Japan	
		(Percent of world total)					
OILS AND FATS							
Animal oils and fats(411)	...	...	...	...	...	...	...
Fixed vegetable oils and fats(421/2)	...	...	...	...	...	...	...
Processed animal and vegetable oils and fats(431)	105.1	0.0	100.0	0.0	72.8	19.6	0.0
CHEMICALS							
Organic chemicals(512)	754.4	86.8	13.2	0.0	13.2	0.0	0.0
Inorganic chem., oxides and halogen salts(513/4)	...	...	...	...	...	...	...
Dyeing, tanning and colouring materials(531)	4.1	0.0	100.0	0.0	100.0	0.0	0.0
Medicinal and pharmaceutical products(541)	108.2	47.7	52.3	0.0	52.3	0.0	0.0
Plastics, cellulose and artificial resins(581)	4.7	100.0	0.0	0.0	0.0	0.0	0.0
FERTILIZERS							
Nitrogenous fertilizers & related materials(5611)	1565.0	100.0	0.0	0.0	0.0	0.0	0.0
Phosphatic fertilizers and related materials(5612)	...	...	...	...	...	...	...
Potassic fertilizers and related materials(5613)	...	...	...	...	...	...	...
PETROLEUM							
Petroleum, crude or partly refined(331)	...	...	...	...	...	...	...
Petroleum products(332)	15010.9	100.0	0.0	0.0	0.0	0.0	0.0
RUBBER							
Crude rubber, synthetic and reclaimed(231)	...	...	...	...	...	...	...
Rubber materials, e.g.sheets, threads, piping(621)	...	...	...	...	...	...	...
Articles of rubber, e.g. tyres, tubes(629)	7.1	100.0	0.0	0.0	0.0	0.0	0.0
WOOD AND FURNITURE							
Wood, shaped or simply worked(243)	...	...	...	...	...	...	...
Pulp paper, including waste(251)	704.0	0.0	100.0	0.0	0.0	100.0	0.0
Veneers, plywood, improved wood(631)	...	...	...	...	...	...	...
Wood manufactures(632)	6.7	0.0	100.0	0.0	0.0	0.0	0.0
Paper and paperboard(641)	5269.0	99.9	0.0	0.0	0.0	0.0	0.1
Articles of pulp, paper or paperboard(642)	30.5	100.0	0.0	0.0	0.0	0.0	0.0
Furniture(821)	2.7	100.0	0.0	0.0	0.0	0.0	0.0
TEXTILES AND CLOTHING							
Wool and other animal hair(262)	...	...	...	...	...	...	...
Cotton(263)	...	...	...	...	...	...	...
Jute(264)	100139.1	51.0	23.2	1.6	10.3	2.6	25.8
Vegetable fibres, flax and hemp(265)	348.2	11.2	88.8	0.0	20.1	50.0	0.0
Synthetic and regenerated fibres(266)	47.6	0.0	100.0	0.0	28.2	71.8	0.0
Textile yarn and thread(651)	13406.5	13.2	84.0	3.2	65.9	5.4	2.8
Woven cotton fabrics(652)	27.4	82.0	18.0	0.0	0.0	18.0	0.0
Woven textile fabrics(653)	125079.5	32.3	63.3	41.7	8.6	1.7	4.4
Made-up articles chiefly of textiles(656)	163276.8	72.8	20.6	0.8	7.0	0.2	6.6
Travel bags, handbags, etc.(831)	6.4	0.0	100.0	0.0	60.5	0.0	0.0
Clothing, excluding leather(841 less 8413)	11390.1	0.9	99.1	47.1	36.5	0.2	0.0
Calf leather(6113)	1385.3	3.2	82.6	3.7	74.2	0.0	14.2
LEATHER AND PRODUCTS							
Other leather, including artificial(611 less 6113)	55083.4	21.1	43.3	0.7	39.7	0.1	35.6
Leather manufactures(612)	3.1	0.0	100.0	79.7	20.3	0.0	0.0
Apparel and accessories of leather(8413)	...	...	...	...	...	...	...
Footwear(85)	...	...	...	...	...	...	...
BUILDING MATERIALS AND GLASS							
Lime, cement, fabricated building materials(661)	...	...	...	...	...	...	...
Construction and refractory materials of clay(662)	...	...	...	...	...	...	...
Glass(664)	...	...	...	...	...	...	...
Glassware and pottery(665/6)	10.7	6.8	93.2	0.0	0.0	0.0	0.0

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Annex Table III: DESTINATION OF MANUFACTURED EXPORTS BY INDUSTRY, 1982 (CONTINUED)

Description of traded goods (SITC)	World total (1000 US $)	Developing countries	Developed market economies				Centrally planned economies
			Total	USA	EEC	Japan	
		(Percent of world total)					
IRON AND STEEL							
Iron ore and concentrates(281)	...	...	...	...	...	...	...
Iron and steel scrap(282)	...	...	...	...	...	...	...
Pig iron and sponge(671)	...	...	...	...	...	...	...
Ingots and other primary forms(672)	...	...	...	...	...	...	...
Bars, rods, shapes, sections(673)	...	...	...	...	...	...	...
Universals, plates and sheets(674)	...	...	...	...	...	...	...
Hoop and strip(675)	...	...	...	...	...	...	...
Iron and steel wire(677)	...	...	...	...	...	...	...
Tubes, pipes and fittings(678)	...	...	...	...	...	...	...
Unworked castings and forgings(679)	...	...	...	...	...	...	...
NON-FERROUS METALS							
Non-ferrous ore and concentrates(283)	...	...	...	...	...	...	...
Copper, blister, refined, alloys(6821)	...	...	...	...	...	...	...
Copper bars, shapes, sections, wire, etc.(6822)	...	...	...	...	...	...	...
Aluminium, unwrought or worked(684)	324.4	0.0	100.0	0.0	100.0	0.0	0.0
Lead, unwrought or worked(685)	...	...	...	...	...	...	...
Zinc, unwrought or worked(686)	...	...	...	...	...	...	...
Tin and alloys, unwrought or worked(687)	...	...	...	...	...	...	...
Wire products, e.g. cables, ropes(693)	...	...	...	...	...	...	...
SELECTED CAPITAL GOODS							
Hand tools used in agriculture(6951)	...	...	...	...	...	...	...
Tools for use in hand or machine(6952)	28.6	0.0	100.0	0.0	100.0	0.0	0.0
Power generating machinery, non-electric(711)	...	...	...	...	...	...	...
Agricultural machinery(7121/2)	...	...	...	...	...	...	...
Dairy equipment(7123)	...	...	...	...	...	...	...
Tractors(7125)	...	...	...	...	...	...	...
Office machines(714)	...	...	...	...	...	...	...
Metal working machinery(715)	...	...	...	...	...	...	...
Textile and leather machinery(717)	23.6	0.0	100.0	0.0	82.1	0.0	0.0
Machines for paper, pulp and paper articles(7181)	...	...	...	...	...	...	...
Industrial food-processing machinery(7183)	...	...	...	...	...	...	...
Machine tools for working minerals,wood,etc.(7195)	...	...	...	...	...	...	...
Electrical power machinery and switchgear(722)	1273.0	4.1	95.9	0.0	0.2	56.0	0.0
MAJOR CONSUMER DURABLES							
Commercial road vehicles(732 less 7321)	50.9	85.5	8.5	0.0	8.5	0.0	6.0
Passenger motor cars(7321)	160.3	43.7	49.0	13.9	30.9	0.6	7.3
Television and radio sets(7241/2)	...	...	...	...	...	...	...
Domestic electrical equipment(725)	...	...	...	...	...	...	...
TOTAL OF ABOVE	495637	49.8	37.7	12.4	14.0	1.5	12.5
TOTAL OF ALL MERCHANDISE (SITC 0 to 9)	671078	48.2	41.5	11.2	15.7	6.1	10.3

Source: Statistics and Survey Unit, UNIDO.Based on data supplied by the UN Statistical Office, with estimates by the UNIDO Secretariat.

Note: Percentages may not add to 100.0 due to the fact that countries report trade to/from "unspecified areas". Selection of products shown in this table was based on the definition of the manufacturing sector used for production statistics (i.e. the ISIC) and the associated raw material supplies. Thus, not all products are regarded as manufactures according to the conventional definitions of manufactured trade (e.g. SITC 5 to 8 less 68).

Annex IV.

List of UNIDO's Approved and/or Operational Technical Co-operation Projects to the People's Republic of Bangladesh as of March 1984

Approval Date	Estimated Completion Date	UNIDO Project Number =Registry File=	Project Title
8/80	1984	SM/BGD/80/014*	Assistance to investment promotion in industries
12/81	1983 completed	DP/BGD/81/006	Assistance to Bangladesh Standards Institution - preparatory assistance (deferred)
3/81	1984	DP/BGD/80/022*	Assistance to Chittagong export processing zone
9/78	1983 completed	UC/BGD/78/175 =BGD 54=	Assistance to the furniture industry
6/82	1984	DP/BGD/82/006**	Textile industry development programme
5/76	1984	DP/BGD/75/013** =BGD 45=	Jute products research
12/81	1984	DP/BGD/79/030* =BGD 45=	Central testing laboratories for jute goods
9/81	1985	UD/BGD/78/003* =BGD 49=	The establishment of a rice-bran oil extraction plant in Bangladesh
12/79	1984	DP/BGD/79/036** =BGD 60=	Assistance in operation of Bangladesh Machine Tool Factory
8/78	1984	DP/BGD/77/005* =BGD 53=	Ceramics industry development
11/78	1984	DP/BGD/78/002** =BGD 50=	Operation and management of fertilizer plants
9/75	1983 completed	DP/BGD/73/067* =BGD 29=	Assistance to Petrobangla

6/78	1984	DP/BGD/77/025** =BGD 3=	Pilot Plastics Processing, Testing, Training and Information Centre (Phase II)
12/79	1983 completed	SM/BGD/79/032* =BGD 62=	Assistance to pre-investment studies on basic petrochemical industries
6/82	1984	CD/BGD/82/066**	Textile industry development programme

B. Other Executing Agencies

7/79	1983	ILO**	Assistance to cottage industries
5/79	1983	UNCTAD*	International jute carpet market study
8/80	1984	IMO*	Assistance to dry dock and heavy steel structure works - Chittagong

* Large-scale project (= total allotment $150,000 or above)
** Total allotment $1 million or above

Source: Provided by UNIDO's Division of Industrial Operations, March 1984

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