



# LEATHER & LEATHER GOODS

STEP IT UP

DISCOVER  
LIMITLESS  
OPPORTUNITIES



# ABOUT BANGLADESH

- Strategic hub in South Asia linking India, China, and ASEAN countries
- 5-year GDP growth at a CAGR of 7%, one of the fastest growing economies in the world
- 41st largest economy, poised to become the world's 25th largest economy by 2035
- 10.5% annual growth in country's middle & affluent class population, projected to reach 34 million by 2025

## ACCOLADES & CREDENTIALS

- A 'Next-11' country, Bangladesh is poised to become one of the largest economies of the 21st century, according to Goldman Sachs
- Credit rating of BB- by Standard & Poor in 2021 indicates long-term stability
- As per JETRO survey on Business Conditions of Japanese Companies, 70% of surveyed firms present in Bangladesh want further 'expansion'

## LEATHER & LEATHER GOODS SECTOR AT A GLANCE



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Leather and leather goods sector is Bangladesh's **second largest export earner** after apparels



Global market size **USD 241 billion**

Domestic market **USD 3 billion**, CAGR of 5% from 2014 to 2020



Bangladesh accounts for 3% share in the global leather and leather goods market

Nearly **60% of annual output** is exported



Bangladesh's footwear market is **growing at 10-15% per annum** and per capita consumption has increased to 3 pairs from 1.7 pairs



Large **domestic raw material** base, especially cow and goat hide

Environmentally **sustainable production** of processed rawhide and leather products



**Immense backward linkage potential**

**250+** tanners  
**3500+** small and medium manufacturing units  
**90+** large manufacturers

## DEMAND DRIVERS



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**Growing Middle class purchasing power:**  
By 2025, 30 to 40 million people will join middle income class and another 30 million will reach emerging middle class



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**Demand from export markets:** Growth of the footwear industry increased to **60.90%** of total sectoral export earnings in FY 2017-18 from 36.64% in FY 2007-08

## GROWTH DRIVERS

- Availability of skilled and affordable workforce, which is growing by nearly 2 million every year.
- Duty/quota free access to countries such as EU, UK, Japan, Canada, Russia and Australia.
- Availability of linkage and support industries since there are 250+ tanners, 3500+ small & medium manufacturing units and 90+ large manufacturers.
- Three industrial estates dedicated for leather and tannery industries being set-up by the government in Rajshahi, Savar and Chattogram.
- Top priority sector in the Export Policy and National Industrial Policy 2016 because of the potential for high value addition, significant growth and employment opportunities.
- Wide range of incentives to boost export earnings addressed in Leather and Leather Products Development Policy 2019.

# SECTOR-SPECIFIC INCENTIVES

- Reduced Corporate Income Tax (CIT) for 5 to 10 years depending on location.
- Import duty exemption on capital machineries.
- Regulatory/supplementary duty exemption for footwear producer using materials such as tube, pipe, plastic, PVC screen, textile/knitted fabric.

## For exporters

- 50% tax exemption for income derived from export.
- No VAT imposition on export goods.
- Bonded warehousing facility for large import of materials.
- 15% cash incentive on export value of leather goods/footwear, and 5% on crust leather for industries in Savar Estate.





# Important transport connectivity and trade gateways



-   
**LAND PORT**
-   
**DEMETIC AIRPORT**
-   
**INTERNATIONAL AIRPORT**
-   
**OPERATIONAL SEAPORT**
-   
**PROPOSED SEAPORT**
-   
**ASIAN HIGHWAYS (AH)**
-   
**PADMA MULTI-PURPOSE BRIDGE**



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