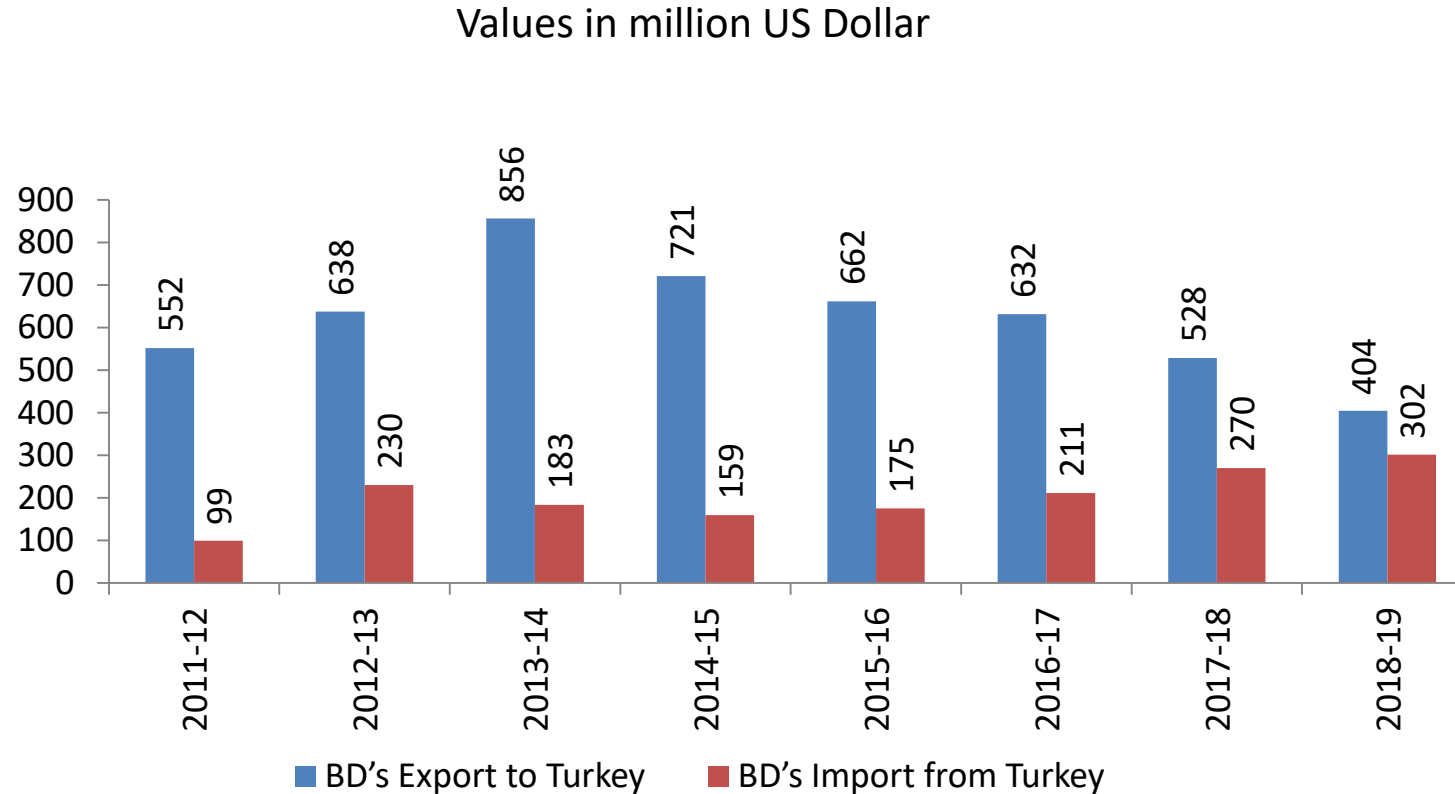


Bangladesh- Turkey Trade

October 2020

Bilateral Trade Between Bangladesh and Turkey



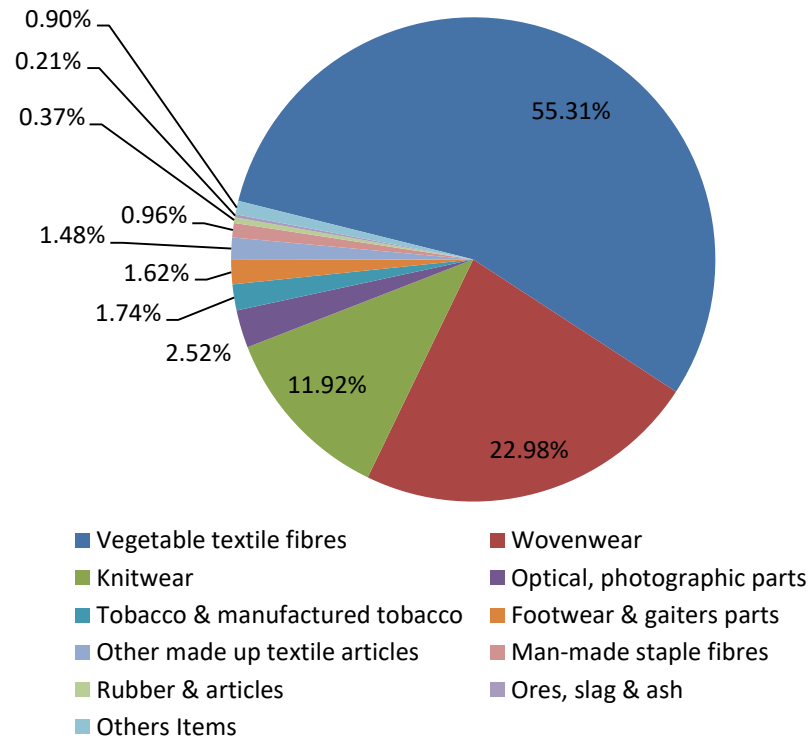
Source: EPB, Bangladesh Bank

- During Fiscal Year 2018-19, bilateral trade between Bangladesh and Turkey was worth US\$706 million.
- The annual average growth rate of bilateral trade between the two countries in last 7 years is 1.17% CAGR.
- Bangladesh had a trade surplus of 103 million dollars with Turkey in FY2018-19.

Bilateral Trade Between Bangladesh and Turkey

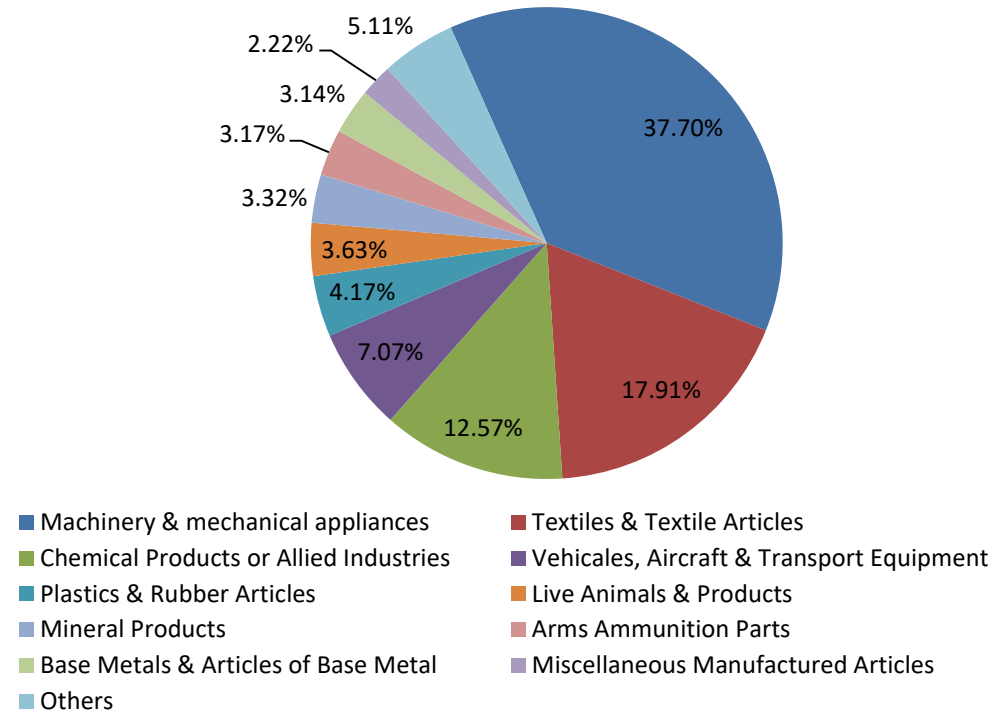
Bangladesh's Major Export to Turkey in 2019-20

Share % in \$ value



Bangladesh's Major Import from Turkey in 2018-19

Share % in \$ value



Source – EPB, Bangladesh

In last 10 years

**Bangladesh's
garment export to**

TURKEY

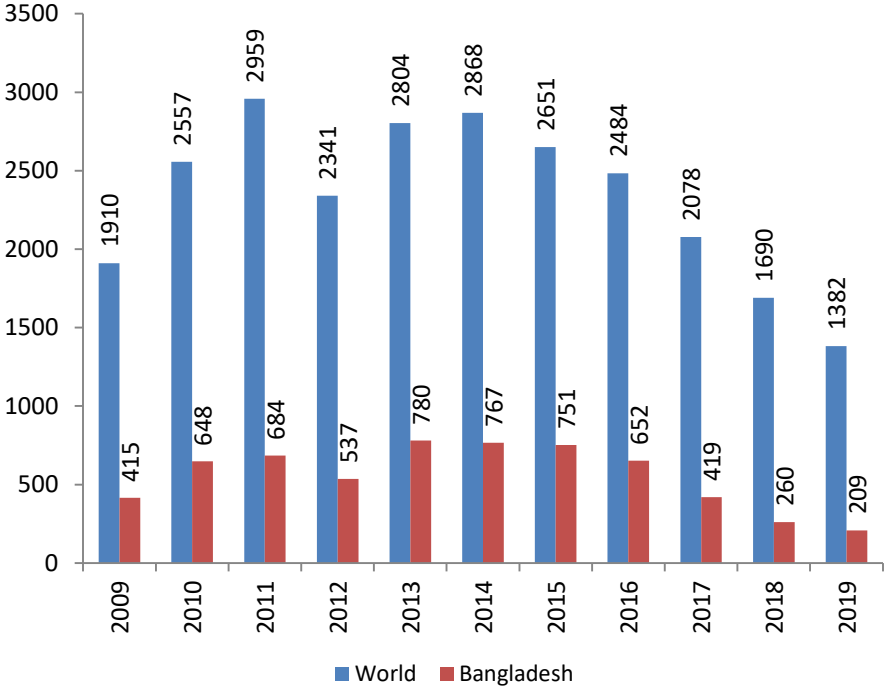
decreased by 0.31 times

from \$518 million

to \$158 million

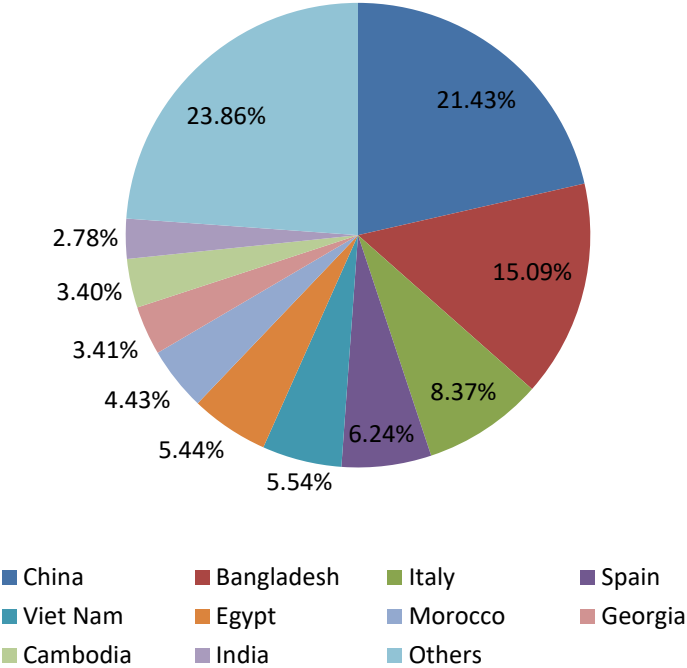
Turkey's Apparel Import

Turkey's RMG Import from world
Value in Million USD



Source – ITC
Data differs between ITC & EPB

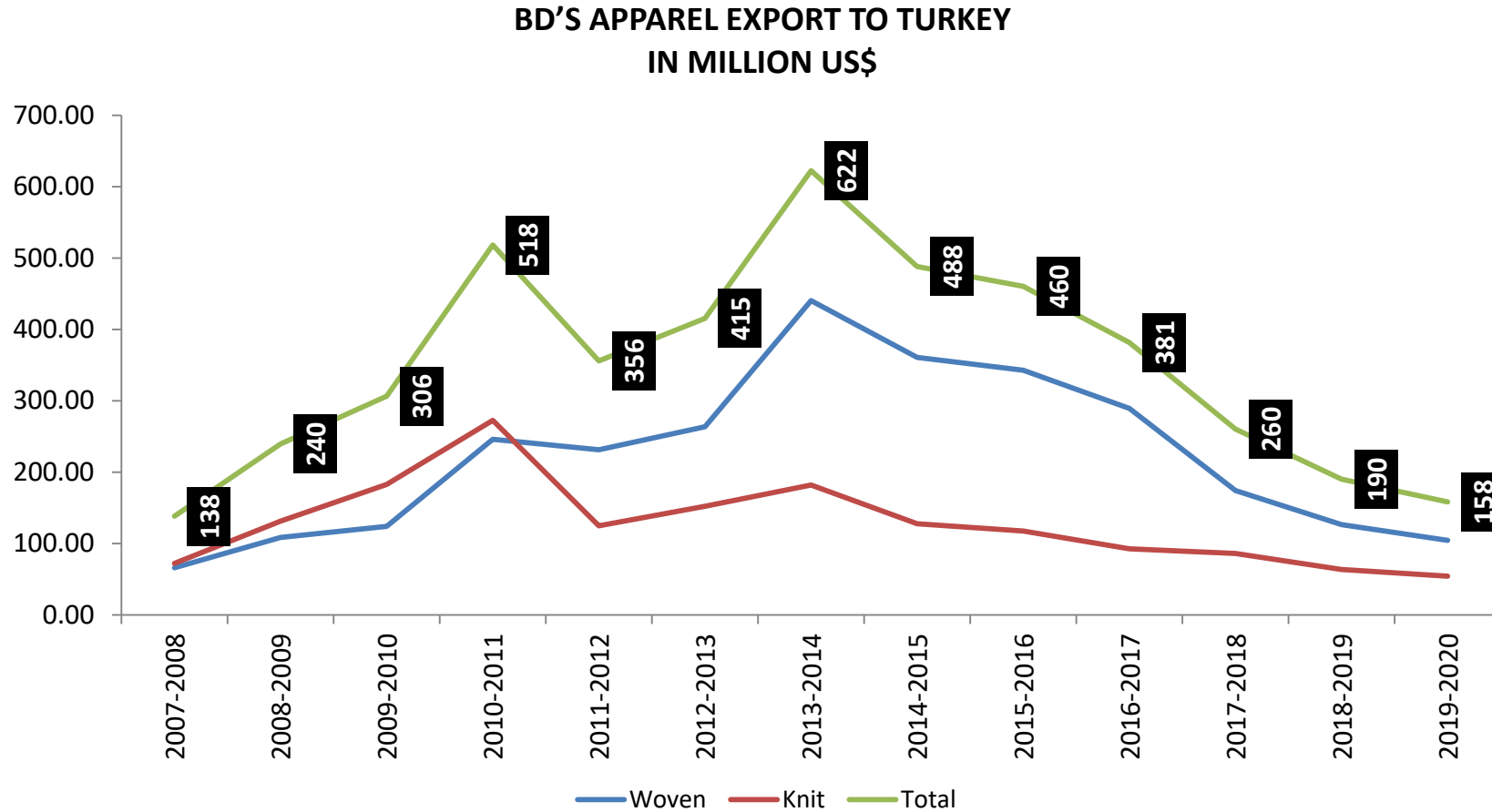
Turkey's Major Sources of Apparel Imports
in % in 2019



10 years CAGR of apparel import: World -3.19%, Bangladesh -6.66%

Bangladesh's Apparel Export to Turkey

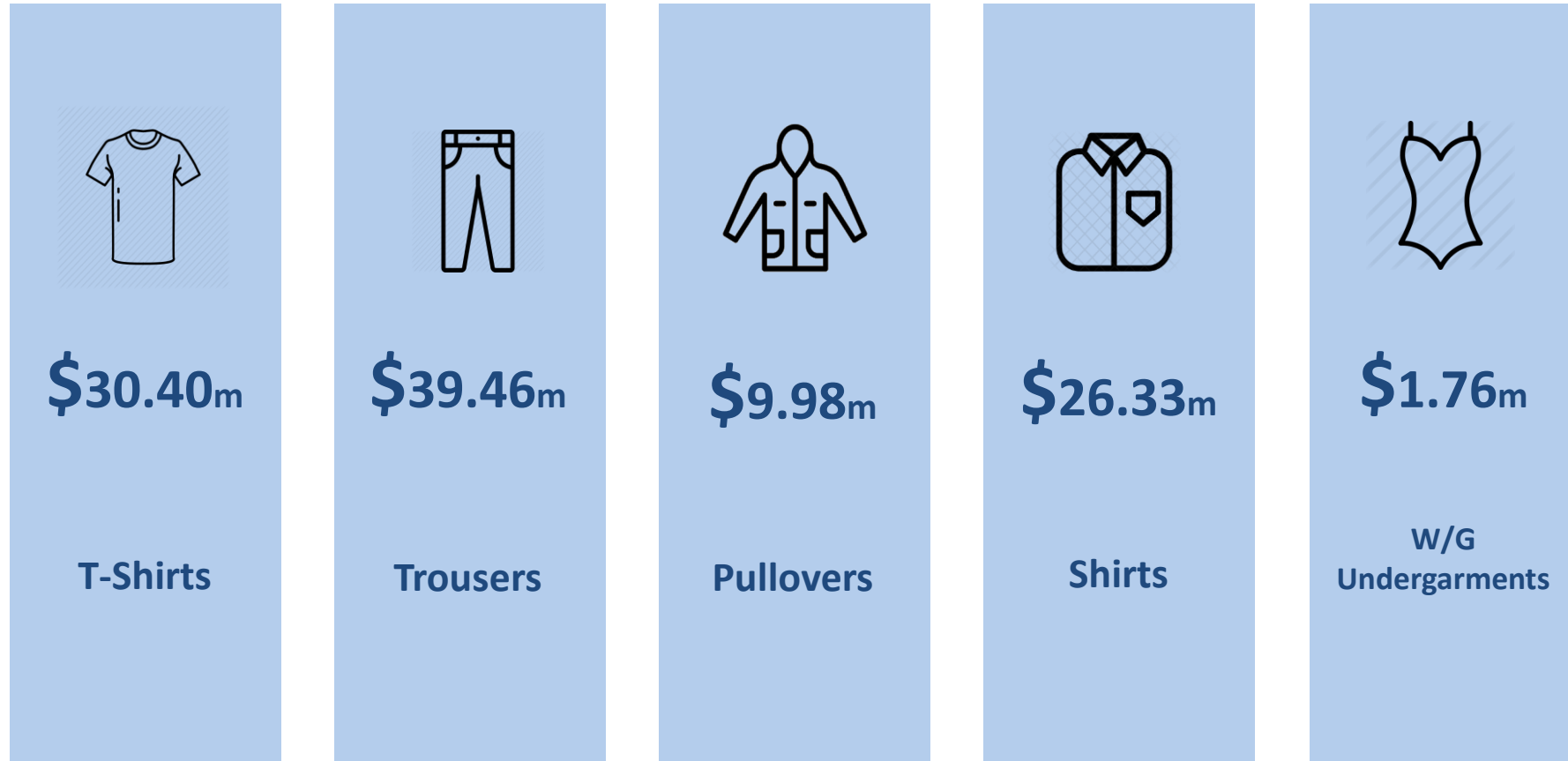
Values in Million US dollar



Source – EPB, Bangladesh

BD's Major Apparel Items Exported to Turkey, 2019-20

Major apparel items



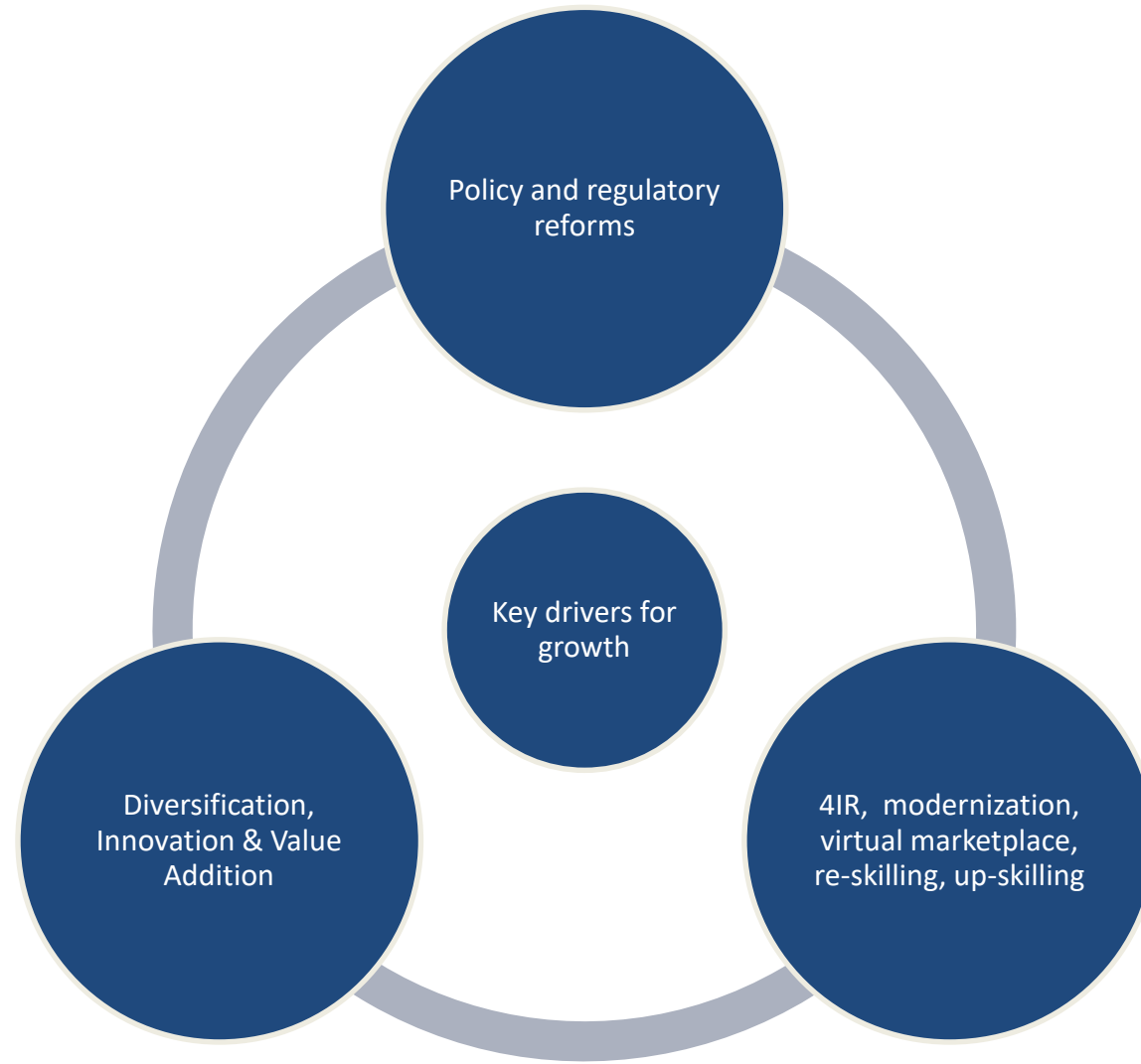
PRODUCTS MISMATCH OF BD'S EXPORT AND TURKEY'S IMPORT

	<i>World</i>	<i>Bangladesh</i>
W/G MMF WOVEN ANORAKS	\$45.12 m	\$5.16 m
W/G NON COTTON WOVEN TROUSERS	\$19.59 m	\$2.76 m
W/G SYNTHETIC WOVEN TROUSERS	\$19.48 m	\$1.70 m
W/G COTTON WOVEN DRESSES	\$14.73 m	\$1.00 m
M/B SYNTHETIC KNITTED TROUSERS	\$11.85 m	\$0.40 m
M/B NON COTTON WOVEN GARMENTS	\$11.44 m	\$1.65 m
W/G SYNTHETIC KNITTED SWIMWEAR	\$11.27 m	\$0.61 m
W/G NON COTTON WOVEN DRESSES	\$9.50 m	\$0.56 m
W/G SYNTHETIC WOVEN JACKETS	\$8.64 m	\$0.24 m
KNITTED OVERCOATS, CAR COATS, CAPES & WIND-JACKETS	\$8.53 m	\$0.40 m

SOURCES OF THE MISMATCHED RMG ITEMS IMPORTED BY TURKEY

TURKEY'S IMPORT OF MAJOR APPAREL ITEMS IN '000 US DOLLARS, 2019

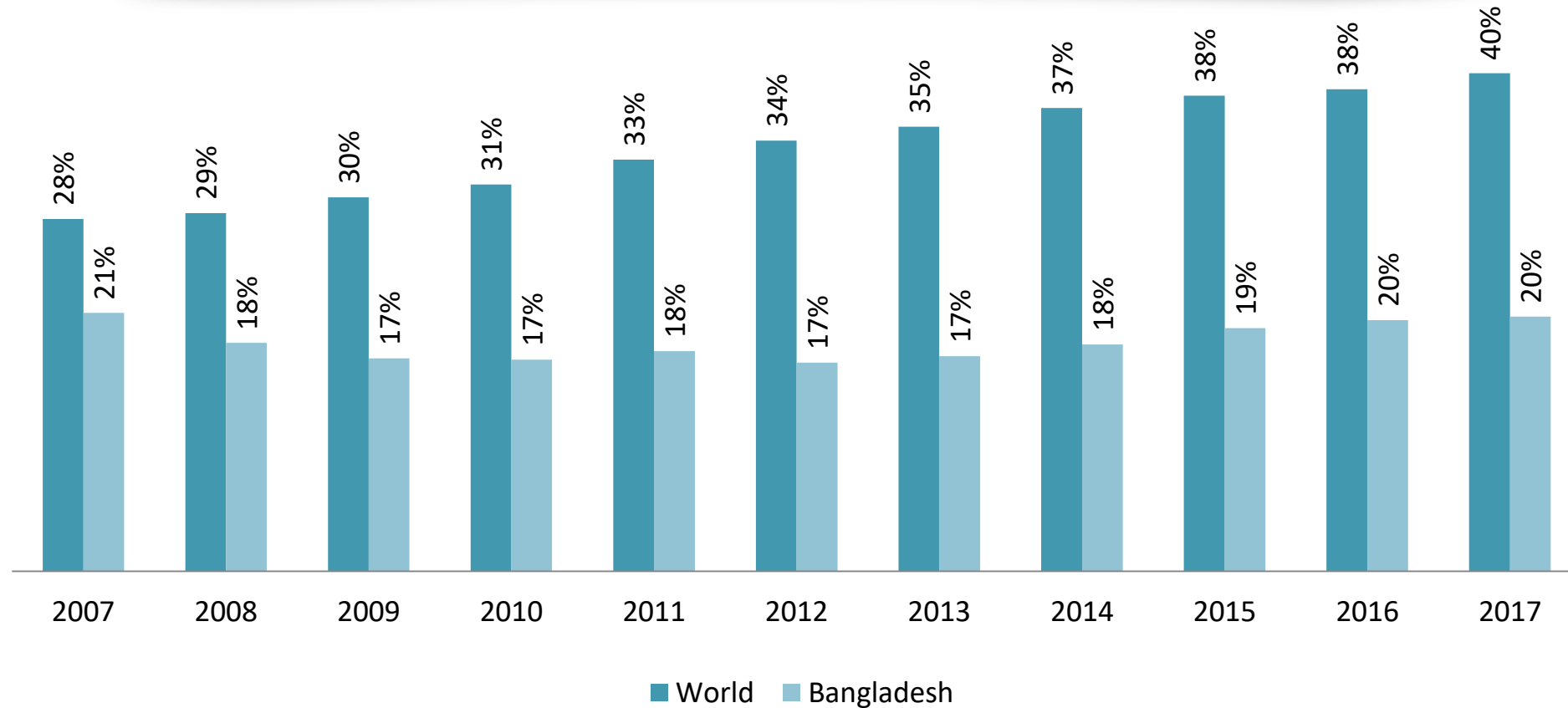
HS6	PRODUCT DESCRIPTION	World	China	Vietnam	Myanmar	BD	Spain	Armenia	Romania	Cambodia	Italy	Indonesia	Morocco	Egypt	India
620293	W/G MMF woven anoraks	45,122	16,831	8,744	8,543	5,162	995	800	754	637	548	507			
620469	W/G non cotton woven trousers	19,592	2,115	696	1,506	2,763	2,379			656	1,793		2,381	1,501	
620463	W/G synthetic woven trousers	19,477	3,692	2,369	595	1,698	4,304		245	710	782	512	1,883	50	
620442	W/G cotton woven dresses	14,729	1,815	159	27	996	669		190	53	1,839	33	1,364	5	3,227
611241	W/G synthetic knitted swimwear	11,273	3,444	867	32	608	61		6	326	425	191	1,143	0	4
620449	W/G non cotton woven dresses	9,499	1,962		134	555	80		552	49	2,575	21	639	0	591
620433	W/G synthetic woven jackets	8,636	2,595	1,472	176	240	749	0	61	162	693	161	1,198	0	



POTENTIAL AREAS OF COLLABORATION

Bangladesh is a greenfield for FDI / JVs in non-cotton textiles

TREND OF MMF BASED APPAREL PRODUCTS Values in million US dollars



Source - UN Comtrade; PwC Analysis

Bangladesh's next 25 RMG items where FDI / JVs are encouraged

Values in million US dollars

SL	HS Code	Products Description	BD's export to world (2018-19)	World import-2018	BD's share	BD's export trend 5 years CAGR
1	621210	Woven Brassieres	500	10134	4.93%	20.66%
2	610990	Non-cotton knitted T-shirts	458	13807	3.32%	11.40%
3	611120	Babies cotton knitted garments	432	6496	6.66%	30.84%
4	620193	M/B MMF woven anoraks & wind-cheaters	405	9969	4.06%	20.03%
5	610821	W/G cotton knitted briefs & panties	400	2722	14.68%	13.06%
6	610711	M/B cotton knitted underpants & briefs	392	3758	10.43%	16.30%
7	610342	M/B cotton knitted trousers	317	3797	8.36%	5.45%
8	620293	W/G MMF woven anoraks & wind-cheaters	290	9492	3.06%	33.36%
9	620630	W/G cotton woven blouses & shirts	275	4765	5.78%	-2.43%
10	620469	W/G non cotton woven trousers & breeches	273	3475	7.87%	-8.99%
11	610442	W/G cotton knitted dresses	268	2668	10.05%	18.32%
12	620640	W/G MMF woven blouses & shirts	248	8874	2.80%	66.02%
13	620463	W/G synthetic woven trousers & breeches	237	6288	3.77%	4.37%
14	621040	M/B woven garments of rubberised or coated fabrics	226	3447	6.55%	14.80%
15	620442	Cotton woven dresses	222	3348	6.64%	31.08%
16	610310	M/B knitted sports Suits	53	133	39.87%	38.65%
17	620312	M/B synthetic woven suits	15	605	2.46%	24.71%
18	620419	W/G non cotton woven suits	11	178	6.45%	36.36%
19	610413	W/G synthetic knitted suits	7	135	5.22%	34.72%
20	620311	M/B woolen woven suits	6	1877	0.34%	54.06%
21	620411	W/G woolen woven suits	6	81	7.38%	60.41%
22	610419	W/G non cotton knitted suits	6	243	2.37%	27.75%
23	620412	W/G cotton woven suits	4	66	5.42%	-7.80%
24	620319	M/B non-cotton woven suits	3	275	1.01%	-3.46%
25	620413	W/G synthetic woven suits	2	143	1.49%	-6.46%

Other potential areas of investment in RMG & textiles in Bangladesh

Circular economy: RMG industry produces around 400,000 tons leftover annually which can be recycled for making yarns and garments that could be worth of USD 4 billion.

RMG & Textile sector different a wide range of spare parts. Top 27 spare parts imported in 2018-19 was worth of USD 1605 million, which can be produced here.

Bangladesh's textile chemicals market is forecast to grow to USD 1.38 billion by 2024 from USD 864 million in 2019 registering an 8 % CAGR.

'RMG Plus': Leading the Sector Diversification Dialogues

Given the economic growth vision of the government and to address vulnerability caused by over-concentration on a few industries, sector diversification is of critical importance.

This would also add value to the economy by way of generating employment and substitute imports.

1. Recycled Yarn
2. Polyester Staple Fiber (PSF)
3. Solar PV Module Assembly
4. Light engineering like manufacturing spare parts for industrial washing machine, sewing machine, vacuum pump, gas compressor, centrifuges, boilers, etc.
5. Personal Protective Equipments (PPEs)
6. Automotive Upholstery
7. Fashion and hair accessories
8. Travel & Camping Goods
9. Plush Toys
10. Dyes & Chemicals

'RMG Plus': Leading the Sector Diversification Dialogues

SL	HS Code	Product description	2017-18	2018-19
1	84029000	Parts Of Sheam On Oth.Vapour Genrtng.Boilers & Super-Heated Water Boiles	38.48	133.68
2	84039000	Parts Of Central Heating Boilers	0.71	36.59
3	84821000	Ball Bearings	33.20	34.02
4	84149090	Parts Of Air/Vacum Pumps, Of Air/Gas Compressors, Nes	11.29	22.47
5	84818029	Hand diaphragm valve	11.70	20.74
6	40169300	Gaskets, Washers And Other Seals, Of Vulcanized Rubber	15.40	18.17
7	84483900	Parts And Accessories Of Machines Of 84.45, Etc, Nes	16.27	17.22
8	84485100	Sinkers, needles and other articles used in forming stitches	18.27	16.67
9	39234010	Bobbins; Sliver/spinning can	10.88	11.79
10	84519000	Parts Of Machines For Cleaning, Drying, Ironing, Etc	12.08	11.77
11	84483300	Spindles, spindle flyers, spinning rings and ring travellers	14.17	11.42
12	84529090	Other parts of sewing machines	11.52	11.18
13	84484900	Parts And Accessories Of Weaving Machines (Looms), Nes	10.25	9.52
14	85044020	UPS/IPS (Capacity upto 2000 VA)	11.38	8.19
15	90321000	Thermostats	4.03	6.94
16	85049090	Parts Of Transformers, Inductors And Static Converters, Nes	18.21	6.25
17	73182990	Screw,bolts,nuts,coach,screws,screw hooks,river,cotters,cotter-pins,washers...,NES	4.92	6.07
18	84523000	Sewing Machine Needles	6.41	5.83
19	59119000	Textile Articles For Technical Uses, Nes, As Specified In Chapter Note 7	2.74	5.52
20	84841000	Gaskets... Of Metal Combined With Other Materials Or >1 Metal Layer	6.89	4.73
21	90303900	Instruments... For Measu./Check. Volt.,Current, with a recoding device	4.33	4.03
22	85322990	Fixed electrical capacitors, nes, Excl capacitors imp by VAT reg comp. manu.	0.03	2.91
23	84814090	Safety or relief valves, Excl. diameter <= 1 Inch	6.00	2.89
24	84814019	Safety or relief valves, Inner dia. <= 1 inch., Excl. Safety or relief valve for LPG	3.05	2.88
25	40103990	TRANSMISSION BELTS OR BELTING,NES OTHER THAN RUBBER BELT ROUND<10" dia/Flat	2.58	2.78
Total			314.88	441.59

Bangladesh's machinery spare parts import value

Value in MN USD

SL	HS Code	Product description	2017-18	2018-19
26	84481100	Doobies And Jacquards; Card Reducing, Copying... Machines	2.69	2.34
27	84813019	Check (nonreturn) valves, inner diameter <= 1 inch.	2.27	2.22
28	85321000	Fixed Capacitors For 50/60 Hz Circuits Having Power Capacity >=0.5kvar	7.65	2.19
29	73072200	Threaded Elbows, Bends And Sleeves Of Stainless Steel	6.66	2.01
30	56029000	Felt, Nes (Exl. Needleloom, Wool, Text Material, Jute, Other Than Jute)	1.55	2.00
31	84484210	Reeds And Wire Healds, For Loom	1.28	1.87
32	84483200	Parts And Accessories Of Machines For Preparing Textile Fibres, Nes	1.18	1.79
33	84482090	Parts And Accessories Of Machines Of 84.44 Or Their Auxiliary Machinery	1.60	1.71
34	84812010	Valves for oleohydraulic or pneumatic transmission, inner diameter not exceeding 1 inch	2.31	1.54
35	40101200	Conveyor Belts/Belting Of Vulcanised Rubber Reinf'D Only With Textile Mats	1.62	1.48
36	56031390	Nonwovens, Of Man-Made Filaments, Weighing >70g/M2 But <=150g/M2	0.55	1.37
37	84824000	Needle Roller Bearings	0.66	1.21
38	73269010	Steel bobbin	1.03	1.19
39	84484290	Other Reeds For Looms Healds And Heald-Frames	0.50	1.15
40	90328100	Automatic Regulating... Instruments/Apparatus, Hydraulic Or Pneumatic	3.91	1.08
41	40103910	RUBBER BELT ROUND NOT EXCEEDING 10 in DIA/FLAT	0.86	1.08
42	85052000	Electro-Magnetic Couplings, Clutches And Brakes	1.00	0.89
43	75081000	Cloth, Grill And Netting Of Nickel Wire	0.25	0.17
44	85322900	Fixed Electrical Capacitors, Nes	2.55	0.03
Total			314.88	441.59

Cooperation in the area of Automation and Fourth Industrial Revolution

A. Product up-grading:

1. Capacity building for the industry in the area of virtual sampling and proto-typing, digital 3D designs, and bring sustainable apparel design to scale.
2. How can Bangladesh increase its presence in the ever increasing global virtual market, and how technologies can help.
3. Marketing and promotion online in the pandemic situation – are we ready?

B. Process up-grading:

From ready-to-wear knits manufactured instantly to customized dresses produced on inkjet printers, apparel industry is turning to state-of-the-art technology. An exclusive investment collaboration between local and foreign entrepreneurs would bring desired pace in technology excellence to adapt end-to-end digital workflow.

C. Skills upgrading:

1. Digital literacy is a critical skill for the future of work.
2. Nearly 30% of the workers have been displaced from the sweater sub-sector of the readymade garment sector because of automation. We should impart skills training to them so that they can make themselves competent for advanced jobs.
3. Women are typically concentrated in the lower tiers of the supply chain, primarily clothing construction, and not likely to receive technical training. As a result, women are being left behind.

Areas of bilateral cooperation between Bangladesh & Turkey: SUMMARY

Since Bangladesh and Turkey has respective strengths to complement each other, the prospect of design collaboration, training, and joint marketing pitch could be a win-win.

Enhanced B-2-B connection between businessmen and investors of Bangladesh and Turkey supported by G-2-G collaboration to eliminate tariff, para tariff and non-tariff barriers.

Exchange of technological know-how and expertise.

Given Bangladesh's focus on high-end garments and diversify its product basket mainly through diversification from cotton to non-cotton items, there is a clear opportunity for Turkey to invest in the high-end backward linkage textile sector in Bangladesh, either 100% FDI or Joint Venture.

Bangladesh can be a potential source for Islamic fashion outfits for Turkey

Turkey may explore the potentials of investment in Bangladesh in the area of light engineering, especially the spare parts and machineries that we import to meet the need of our industries.

Initiate a bilateral FTA with Turkey is crucial since otherwise availing preferential market access is not possible. The government of Bangladesh and Turkey had taken an initiative to sign Turkey-Bangladesh Free Trade Agreement in 2012 but the initiative has made no headway since.

THANK YOU