

EXPORT POTENTIAL AND CHALLENGES OF BANGLADESH'S PACKAGING INDUSTRY IN THE GLOBAL MARKET

KEYNOTE PAPER

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WHY PACKAGING MATTERS

Backbone of global trade & value chains

Critical for RMG, FMCG, Food, Pharma,
Electronics

From “Support Industry” to “EXPORT Industry”



GLOBAL PACKAGING MARKET SNAPSHOT

Global market size: ~USD 700 billion

Fastest-growing segments:

- Flexible packaging
- Sustainable & eco-friendly packaging
- Smart & value-added packaging
- Major export hubs: China, Vietnam, India, Indonesia



BANGLADESH'S GLOBAL POSITION TODAY



Robust Domestic Base

Bangladesh has developed a strong internal market supported by an export-oriented manufacturing and support structure.



Significant Export Performance

Direct packaging exports contribute USD 1.5–2.0 Billion annually, with RMG and FMCG sectors adding much more through deemed exports.



Under-Representation in Global Markets

Despite competitive strengths, Bangladesh is still under-represented internationally, presenting opportunities for further expansion and recognition.



BANGLADESH'S COMPETITIVE EDGE

Cost-Competitive Labour

Bangladesh attracts global investors with its efficient, cost-competitive workforce, boosting business profitability and growth.

Strong Industrial Base

A rapidly growing industrial base supports the country's robust economic expansion and diversification.

Export-Oriented Manufacturing

Experience from the successful Ready-Made Garment sector drives Bangladesh's excellence in global export manufacturing.

Strategic Regional Location

Located between South and Southeast Asia, Bangladesh enhances regional connectivity and trade opportunities.



UNLOCKING EXPORT OPPORTUNITIES

Growing Flexible Packaging Demand

Flexible and custom packaging solutions are experiencing a surge in global demand, opening new export opportunities for manufacturers.

Shift to Paper-Based Products

Paper-based alternatives to plastic are gaining attention as sustainable options, aligning with environmental trends and export potential.

Economic Growth Potential

Strategic investments and innovation in packaging can transform the sector into a multi-billion-dollar export industry, supporting economic development.

HIGH-POTENTIAL EXPORT SEGMENTS

1. Flexible Packaging Growth

Flexible packaging is durable and drives market expansion in food and FMCG exports. Its adaptability suits diverse products worldwide.

2. Paperboard and Carton Versatility

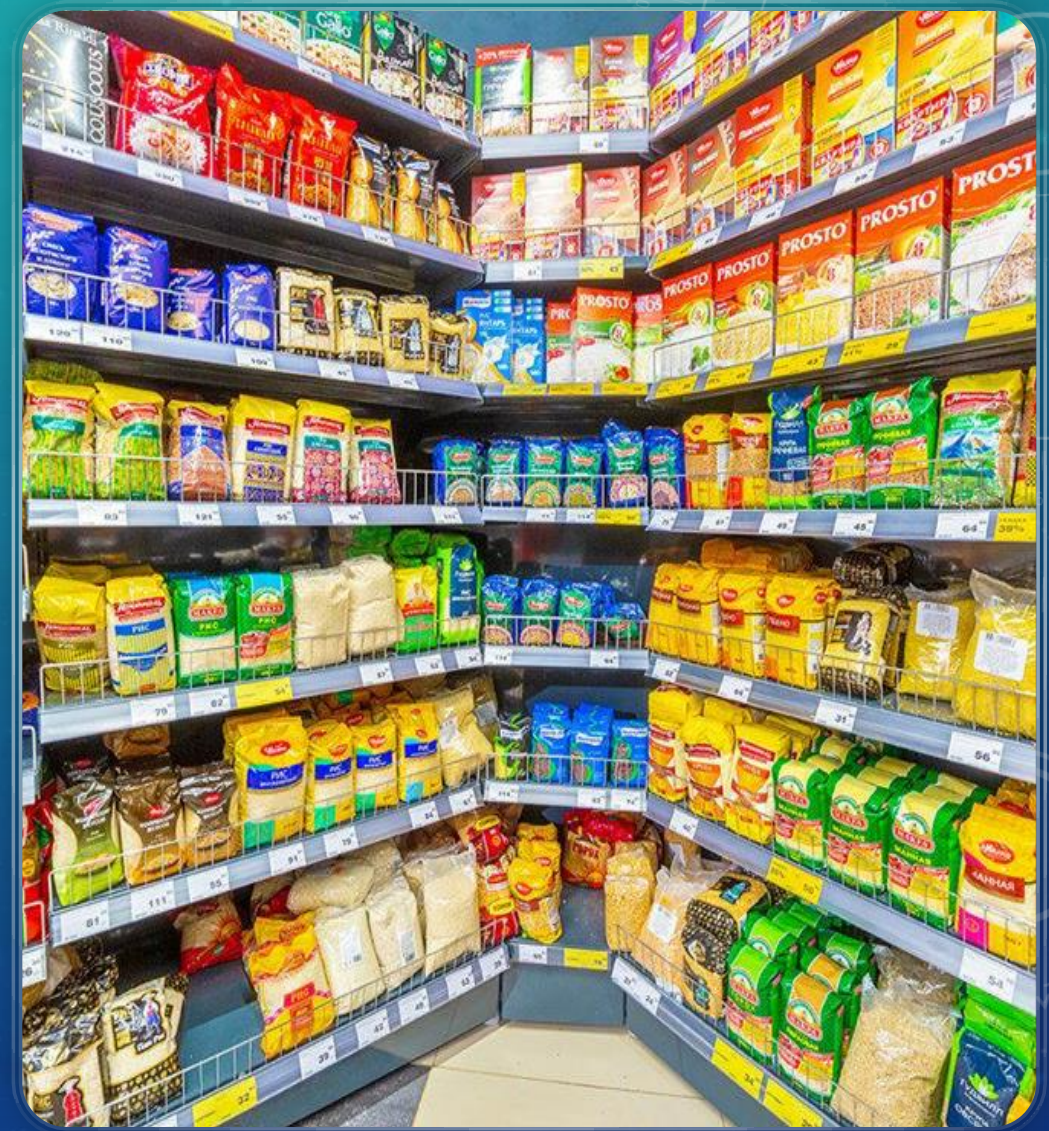
Paperboard and carton packaging are preferred for their versatility and printability, supporting strong brand identity in exports.

3. Pharmaceutical Safety Standards

Pharmaceutical packaging demands strict safety and compliance, protecting products and consumers in international markets.

4. Sustainable Packaging Appeal

Eco-friendly, recyclable packaging attracts environmentally conscious consumers, supporting global trends toward sustainability.



KEY EXPORT MARKETS TO TARGET

Europe's Sustainability Opportunities

European markets are attractive due to their strong demand for sustainable and eco-friendly products, driving new export openings.

North America's Packaging Growth

North America offers significant growth potential in high-value packaging, especially for advanced and premium product segments.

Middle East FMCG and Food Expansion

The Middle East is rapidly expanding, with rising demand in fast-moving consumer goods and the food sector, creating export opportunities.

Africa and ASEAN Emerging Potential

Africa's rising consumer markets and ASEAN's regional supply chain integration make them promising targets for export market expansion.



CORE POLICY CHALLENGES

Exclusion from Incentives

Packaging does not benefit from export cash incentive schemes, making the industry less competitive internationally.

No Bonded Warehouse Benefits

Unlike other sectors, packaging lacks bonded warehouse advantages, resulting in increased operational expenses.

High Duties on Raw Materials

Packaging faces higher raw material duties than regional competitors, raising production costs and reducing profitability.

Absence of Export Policy

No sector-specific export policy limits strategic growth and restricts global market access for packaging.



NAVIGATING COST CHALLENGES

Dependency on Imports

Relying on imported raw materials makes the sector vulnerable to sourcing disruptions and fluctuating prices, challenging consistent production costs.

High Duties on Inputs

Duties on essentials like paper, films, and chemicals significantly increase input costs for businesses in the sector.

Currency and Operational Pressures

Currency fluctuations and elevated energy and logistics costs inflate expenses, reducing profit margins and impacting sector profitability.



BRIDGING TECHNOLOGY & QUALITY GAPS



Limited Automation & Modern Machinery

Automation and machinery lag behind, leading to inefficiencies and inconsistency in operations and output quality.

Inconsistent Quality for EU/US Standards

Products often fail to meet strict international standards, restricting entry to lucrative markets like the EU and US.

Certification Gaps Limit Opportunities

Absence of certifications such as ISO, Food-Grade, or Pharma-grade further constrains business growth and market opportunities.

Limited R&D and Innovation

Limited research and design capabilities reduce innovation, competitiveness, and product development potential.

FINANCING & INVESTMENT CONSTRAINTS

Limited Financing Access

Businesses often struggle to obtain long-term financing, which restricts their ability to grow and maintain stability.

High Interest Rates

Higher interest rates compared to competitors can reduce profitability and make businesses less competitive.

Limited Support for Technology Upgradation

Limited financial support for upgrading technology hinders innovation and slows business progress.

Strict Lending Criteria

Banks' elevated risk perception often leads to stricter lending criteria, making it tough for firms to secure funding.



SUSTAINABILITY: A DOUBLE-EDGED SWORD



Rise of Eco-Friendly Packaging

Industries globally are adopting sustainable packaging solutions to meet growing eco-conscious buyer demands and compliance requirements.



Bangladesh's Opportunity

Bangladesh can benefit from sustainable practices with the right policy and technology support, enhancing its position in global trade.



Risk of Market Exclusion

Without timely adaptation to sustainability standards, industries risk being excluded from lucrative international markets.

LEARNING FROM REGIONAL COMPETITORS

Export Incentives and Trade Agreements

Vietnam's strategy uses export incentives and free trade agreements to increase international trade and market access.

Technology Upgrades for Competitiveness

India prioritises upgrading technology and scaling industries to remain competitive in the global marketplace.

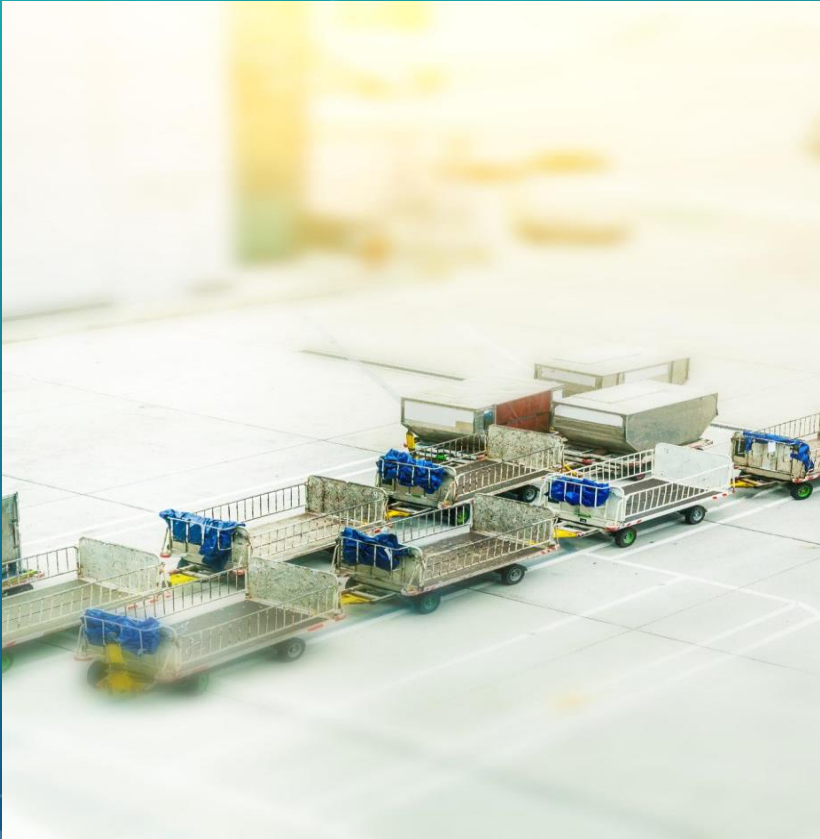
Efficient Production Integration

China achieves efficiency by integrating design, materials, and machinery seamlessly within its production system.

Policy and Investment Synergy

Combining sound policies with strategic investment is crucial for driving export success and industrial growth.

POLICY PRIORITIES FOR CHANGE



Export Incentive Inclusion

Introducing export incentives enhances sector competitiveness and encourages businesses to expand into global markets.

Duty Rationalisation on Raw Materials

Reducing duties on raw materials lowers production costs and promotes greater efficiency in manufacturing.

Bonded Facilities for Export Packaging

Bonded facilities simplify packaging logistics and compliance, making export processes smoother and more efficient.

Priority Export Sector Recognition

Designating the sector as a priority attracts investment and policy support, driving growth and global market access.

KEY INDUSTRY ACTION POINTS

Automate and Ensure Quality

Investing in automation and quality control systems enhances operational efficiency and delivers consistent, high-quality products.

Focus on Certification & Compliance

Certification and compliance with standards are essential for entry into global markets and maintaining product standards.

Drive for Innovation and Design

Product innovation and strong design capabilities are crucial for building competitiveness in the industry.

Develop Industry Clusters

Cluster-based development encourages collaboration, resource sharing, and supports growth in specific industrial regions.



DRIVING GROWTH TOGETHER

(ROLL OF PUBLIC-PRIVATE COLLABORATION)



Government Policy and Incentives

Government drive growth through policy setting, providing incentives, and facilitating access to trade opportunities.

Industry Investment and Governance

Industry contributes with investments, improving product quality, and practising good governance for sustainable growth.

Financial Sector Support

Financial institutions help growth by providing customised export financing and supporting business expansion.

Academic Skills and Research

Academia bridges knowledge gaps by developing skills and conducting research to strengthen collaborative outcomes.

VISION 2030 PACKAGING POTENTIAL

Export Diversification Driver

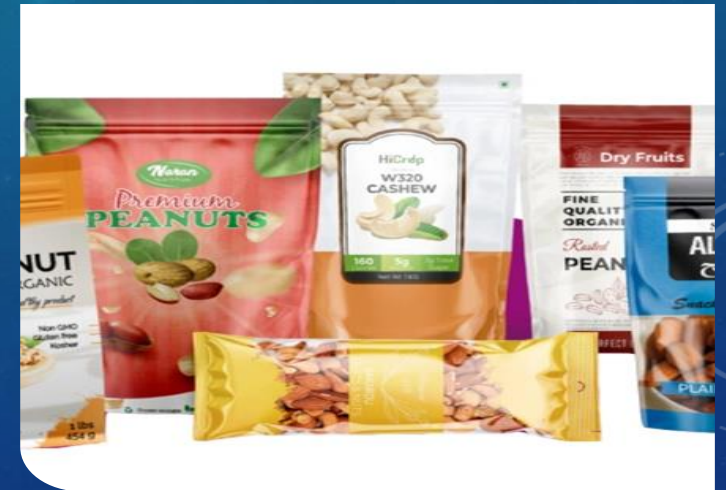
Positioning packaging as a strategic pillar diversifies exports, strengthening economic resilience and promoting substantial growth.

Global Supply Chain Integration

Integration into global supply chains boosts competitiveness, facilitating access to new international markets for local industries.

Sustainable Packaging Hub

Developing a sustainable packaging hub attracts investment, generates foreign exchange, and creates jobs, leading to lasting prosperity.



KEY TAKEAWAYS (SUMMARY)

Major Growth Opportunity

Bangladesh is poised for impressive development due to significant global opportunities and market potential.

Strong Economic Fundamentals

Robust economic foundations support positive future prospects and long-term stability for Bangladesh.

Addressable Challenges

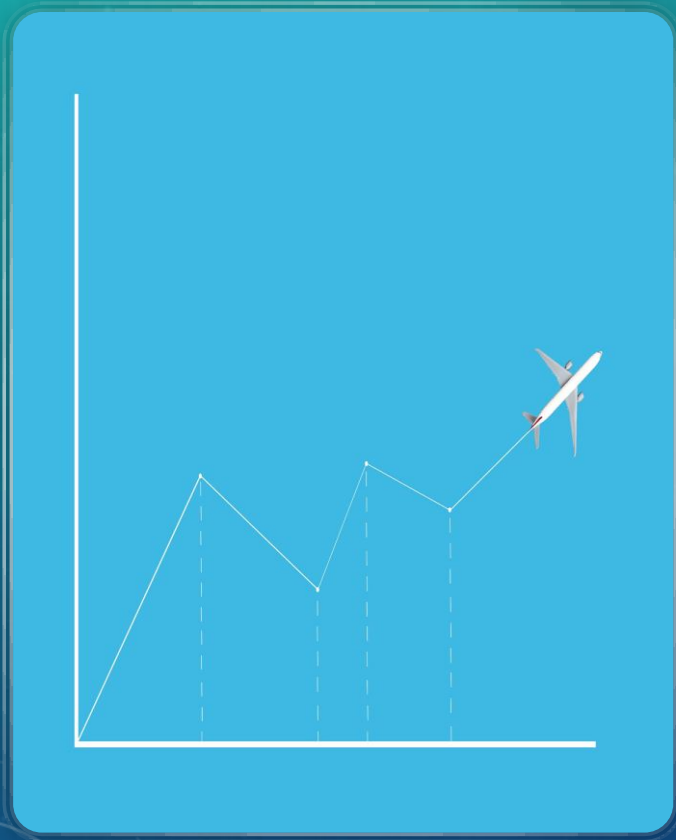
Existing challenges are not structural and can be overcome with targeted solutions.

Right Policies for Exponential Growth

Effective policies have the potential to unlock exponential growth and propel the country forward.



“FROM SUPPORT TO EXPORT CHAMPION”



Innovation as a Foundation

Embracing new ideas and technologies is crucial for building a globally competitive industry and achieving export success.

Meeting International Standards

Adapting to global standards ensures products meet export requirements and strengthens international reputation.

Strategic Investment and Partnerships

Investing strategically and building partnerships worldwide fosters sustainable growth and boosts export competitiveness.



THANK YOU