

Leather & Leather Goods.pdf - Nitro Pro 8

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Leather & Leather Goods

Sectoral heads of leather and Leather goods

	Present scenario
Employment	1m
Local :import(source of leather products)	80-20
shoe making units the domestic market	3500+
Export oriented production Unit	110+
Market size(Local +Overseas)	\$ 1.5Bn (\$+1)
Finished Leather production Unit(Tannery)	250+
Export Volume	\$.93 Bn
Export growth of leather sector	37%
Hide and leather Quality ranking	2nd (After France)
Export Growth	37%
finished leather production	220-300 m SQF
Value Addition Possibility	90%
Investment Opportunity (Indigenous raw material source)	\$ 3-5 Bn
Raw material availability (high standard) from local source	90%

Highlights

- The Labor-intensive leather industry is well suited to Bangladesh having low labor cost and abundant labor.
- Bangladesh has a domestic supply of good quality raw material as hides and skins are a by product of a large livestock industry
- Adequate government support in the form of tax holi-days, duty free imports of raw materials and machin-ery for export oriented leather market.

Leather and Leather goods Subsectors

Leather Tanning

Leather Footwear

Leather

Strength

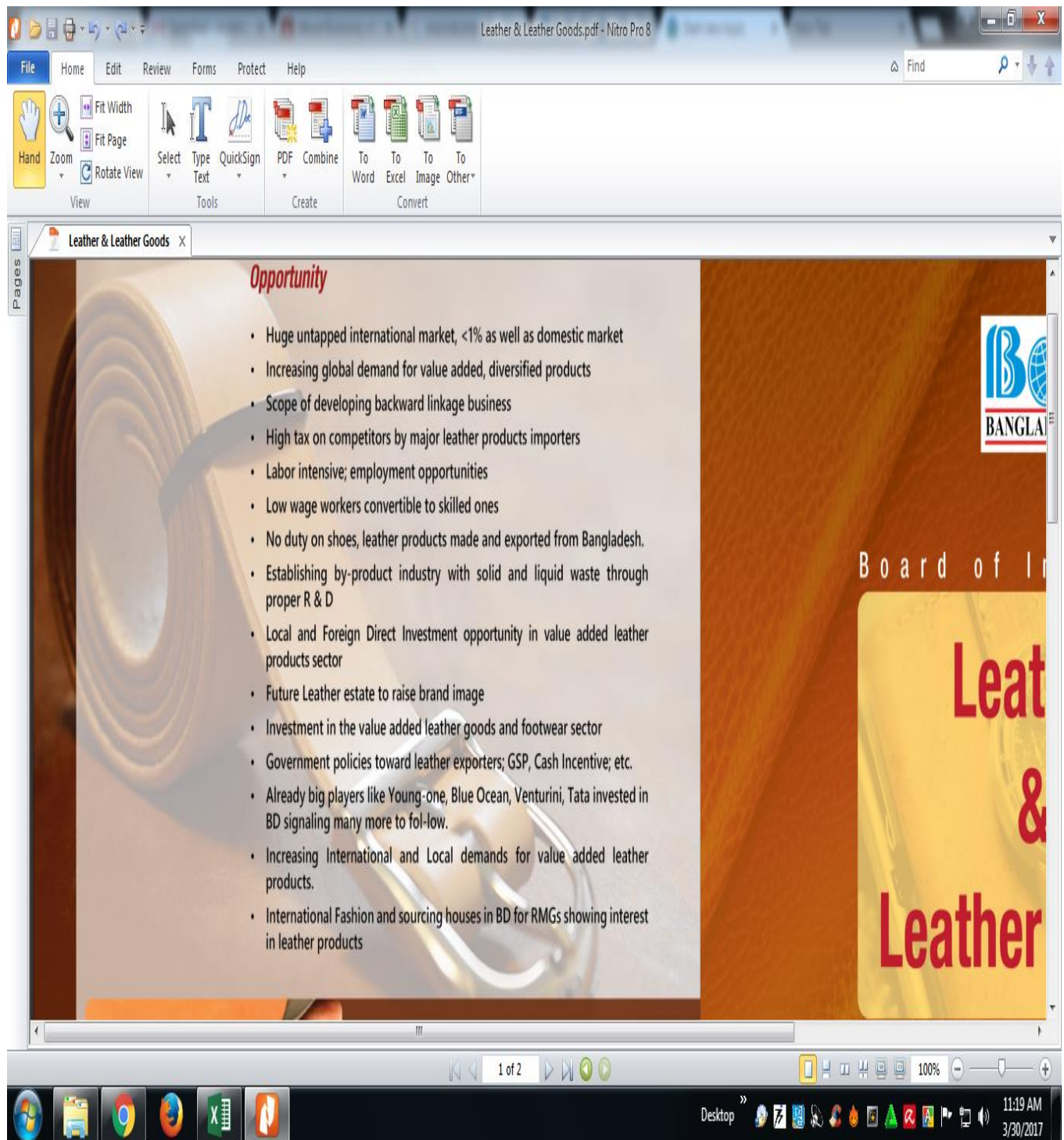
- Governments declared "Thrust sector"; highest priority is F
- Renewable natural re-sources
- The growth rate of Bang-ladesh's live-stock popula-tion hav
- 90% materials locally availa-ble
- Unique grain pattern and fiber structure of cattle, high nat-ural leather
- Adequate competitive workforces, availability of labor and
- Comparative price advantage in international market
- The sector has favorable conditions for high value additio
- RMG sector has value addition scope ~40%

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100%

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Opportunity

- Huge untapped international market, <1% as well as domestic market
- Increasing global demand for value added, diversified products
- Scope of developing backward linkage business
- High tax on competitors by major leather products importers
- Labor intensive; employment opportunities
- Low wage workers convertible to skilled ones
- No duty on shoes, leather products made and exported from Bangladesh.
- Establishing by-product industry with solid and liquid waste through proper R & D
- Local and Foreign Direct Investment opportunity in value added leather products sector
- Future Leather estate to raise brand image
- Investment in the value added leather goods and footwear sector
- Government policies toward leather exporters; GSP, Cash Incentive; etc.
- Already big players like Young-one, Blue Ocean, Venturini, Tata invested in BD signaling many more to fol-low.
- Increasing International and Local demands for value added leather products.
- International Fashion and sourcing houses in BD for RMGs showing interest in leather products



Board of Investment

Leather
&
Leather Goods