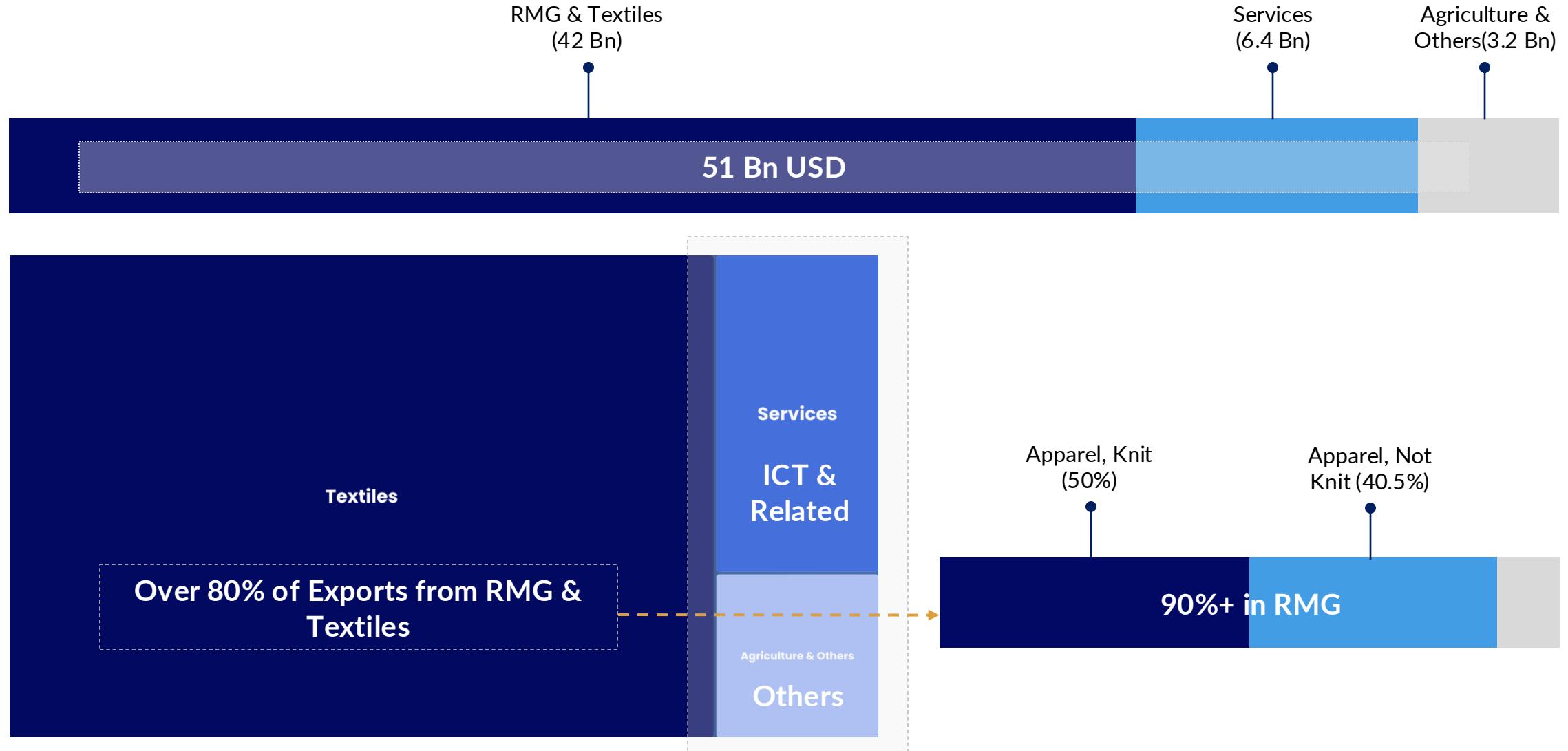


A high-angle aerial photograph of a bustling port. In the foreground, a massive cargo ship is docked at a pier, its deck covered with a dense array of colorful shipping containers. The pier is lined with several tall, white industrial cranes. In the background, the vast expanse of the ocean stretches to the horizon under a clear blue sky. The overall scene conveys a sense of global trade and industrial activity.

Why Bangladesh Cannot Rely on RMG Alone: The Case for Export Diversification

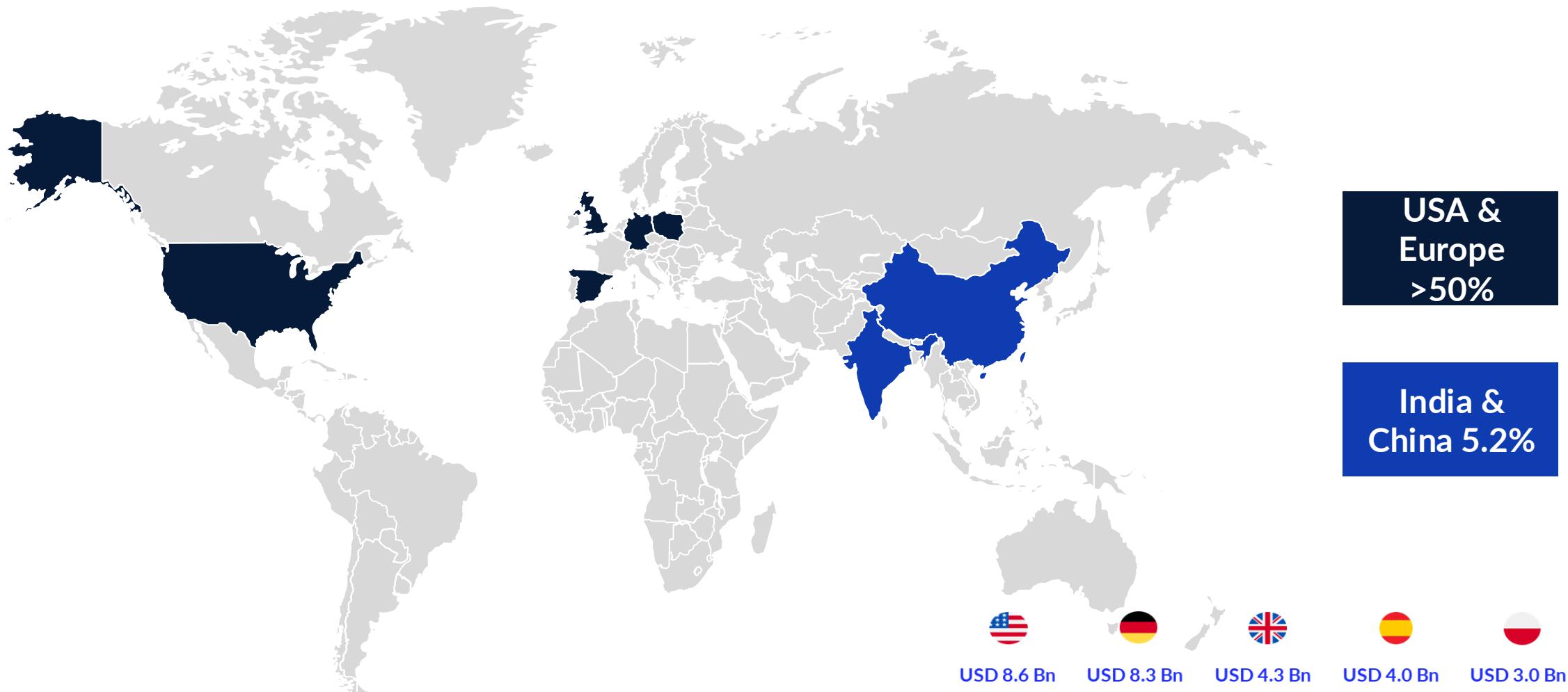
Bangladesh's Export Portfolio is heavily concentrated on RMG & Textiles

Over 80% of exports come from textiles, of which ~90% is RMG



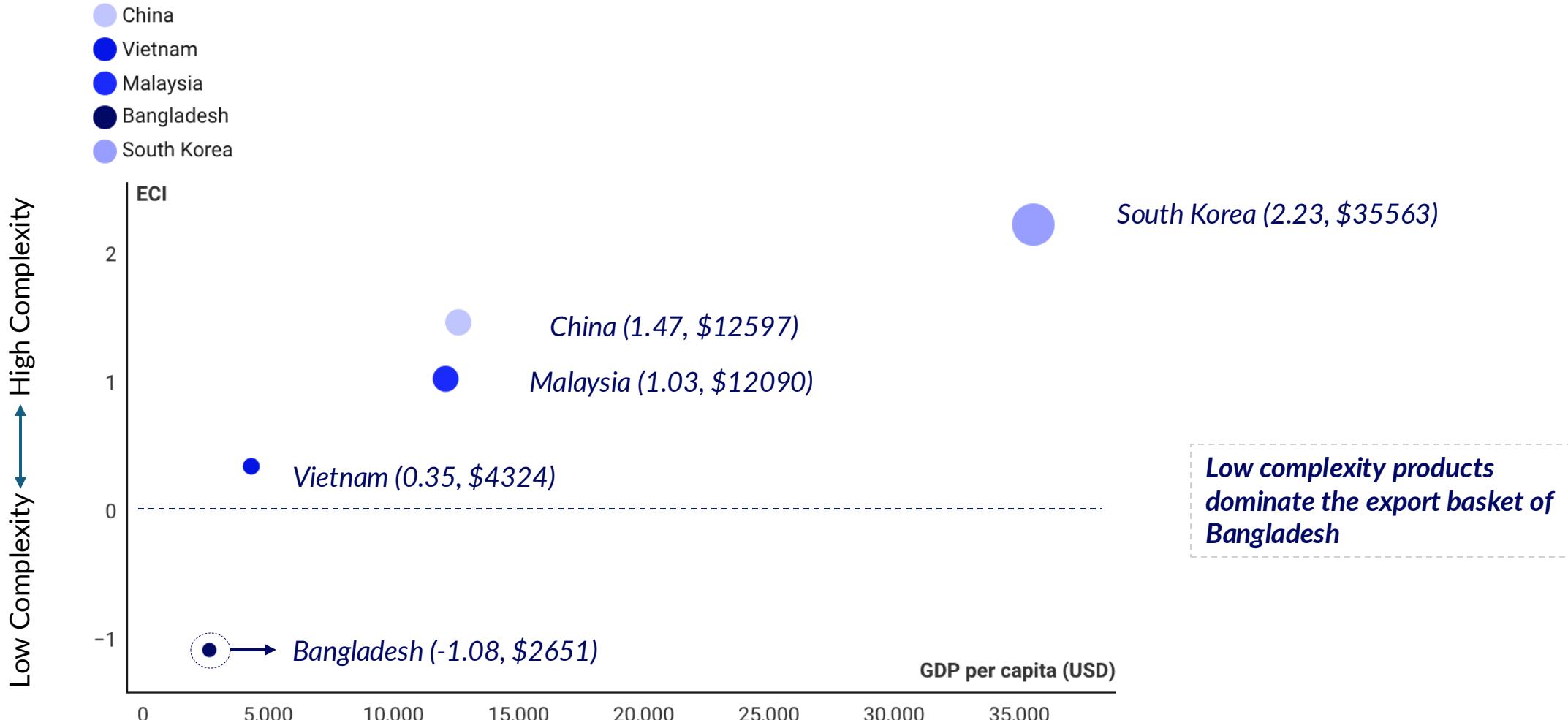
Bangladesh's export exposure is largely tied to Western markets

The United States and key European markets account for over 50% of exports



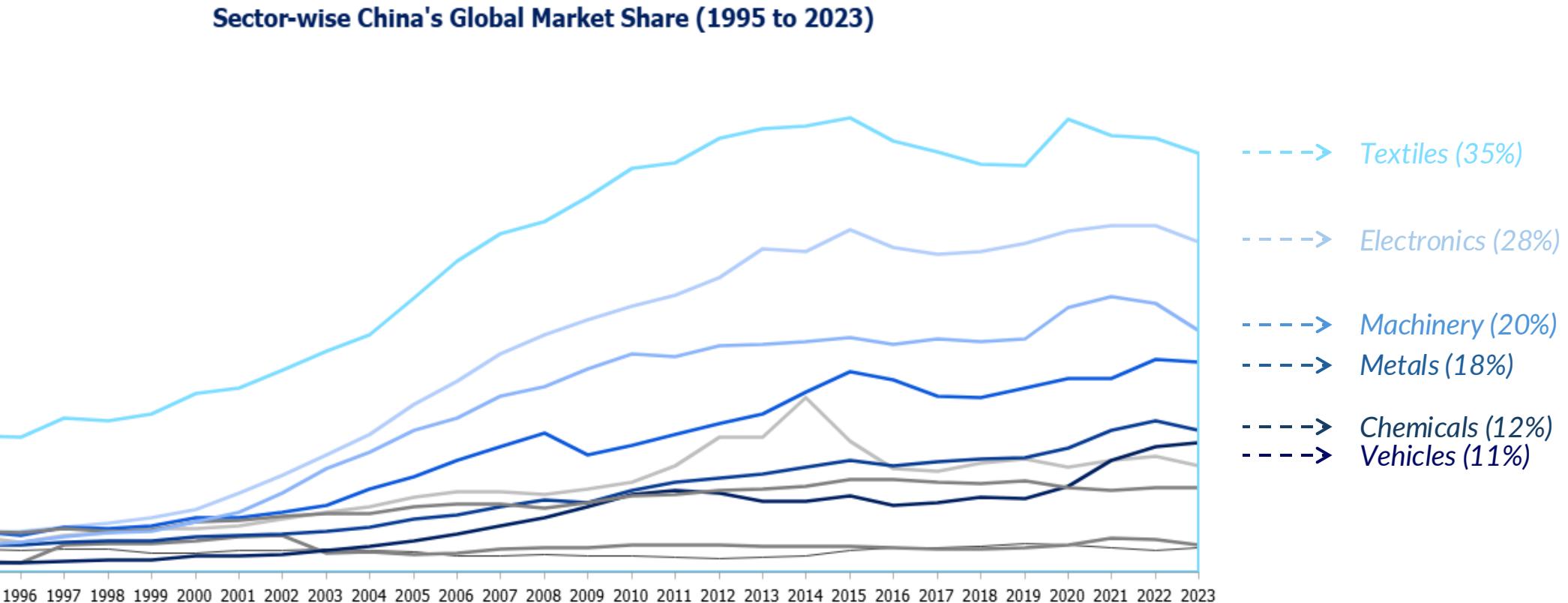
What Bangladesh's Export Basket Says About Capabilities

Countries with more complex exports sustain higher income levels



China's GDP per Capita Increased by ~2,020%, Since 1995

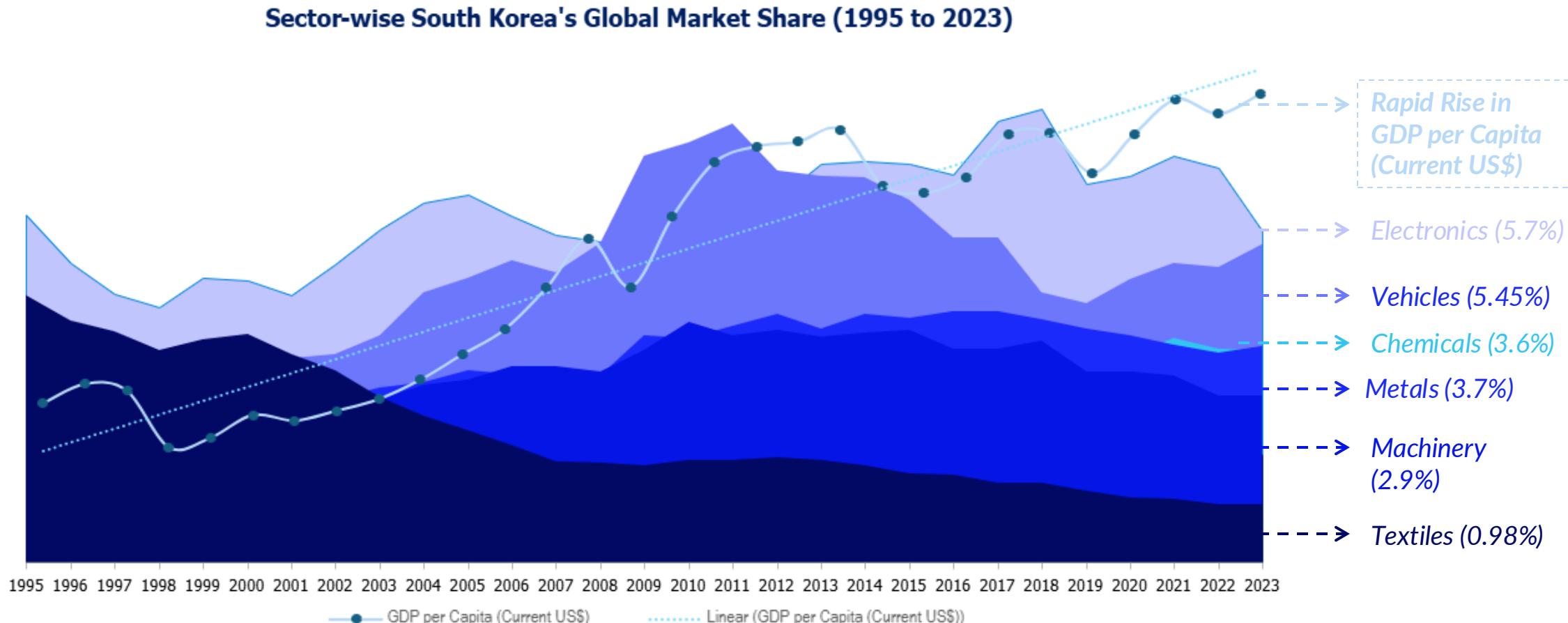
Harvard shows that countries with higher-than-expected export complexity grow faster



China's export basket is quite balanced and maintains a high economic complexity, with an ECI of 1.47 in 2023

South Korea Ranks 3rd Globally in Economic Complexity

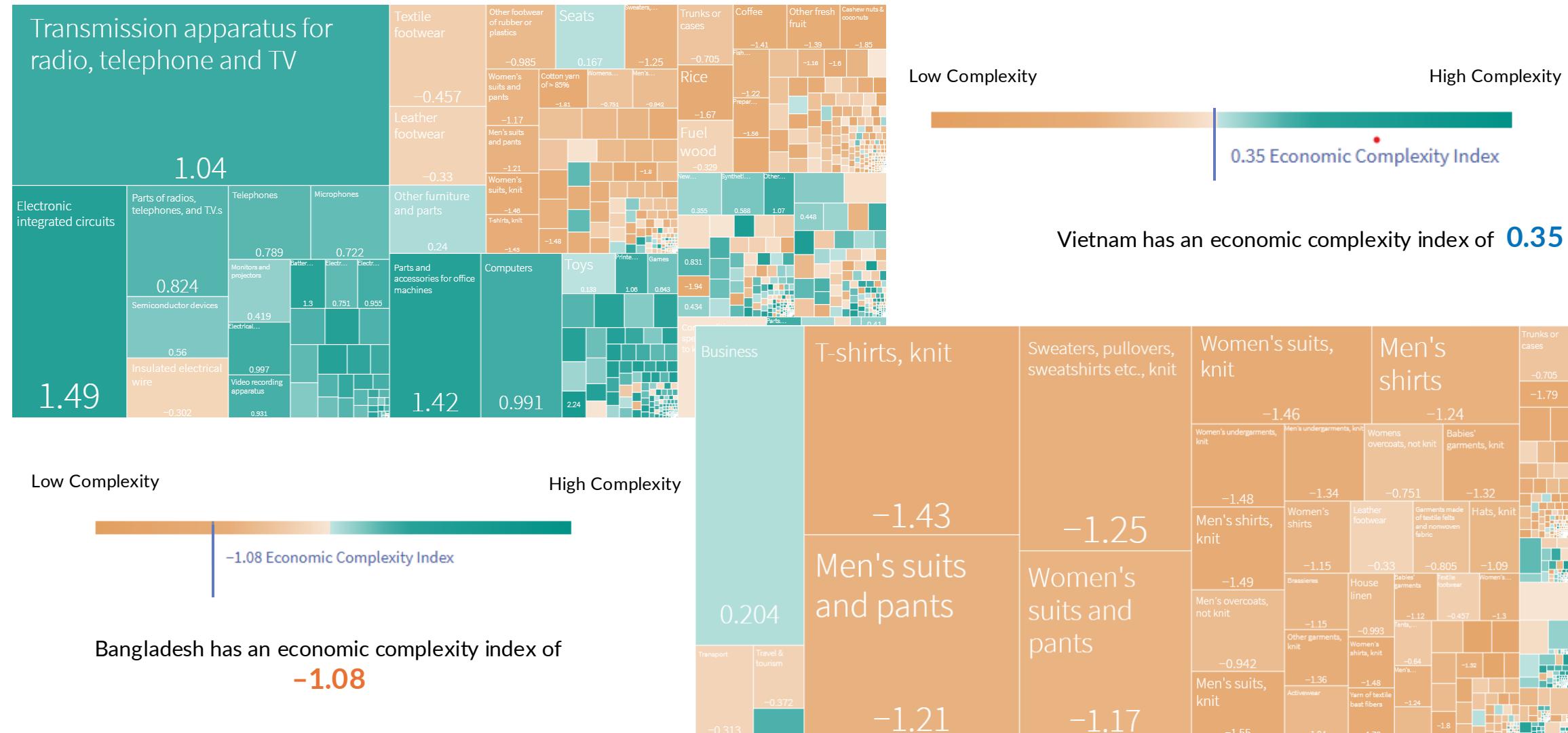
Among highly complex economies for improvement in economic complexity (2011-2021)



Starting with **Garments and Textiles** in the 1960s, South Korea diversified and now maintains a high economic complexity, with an ECI of 2.23 in 2023

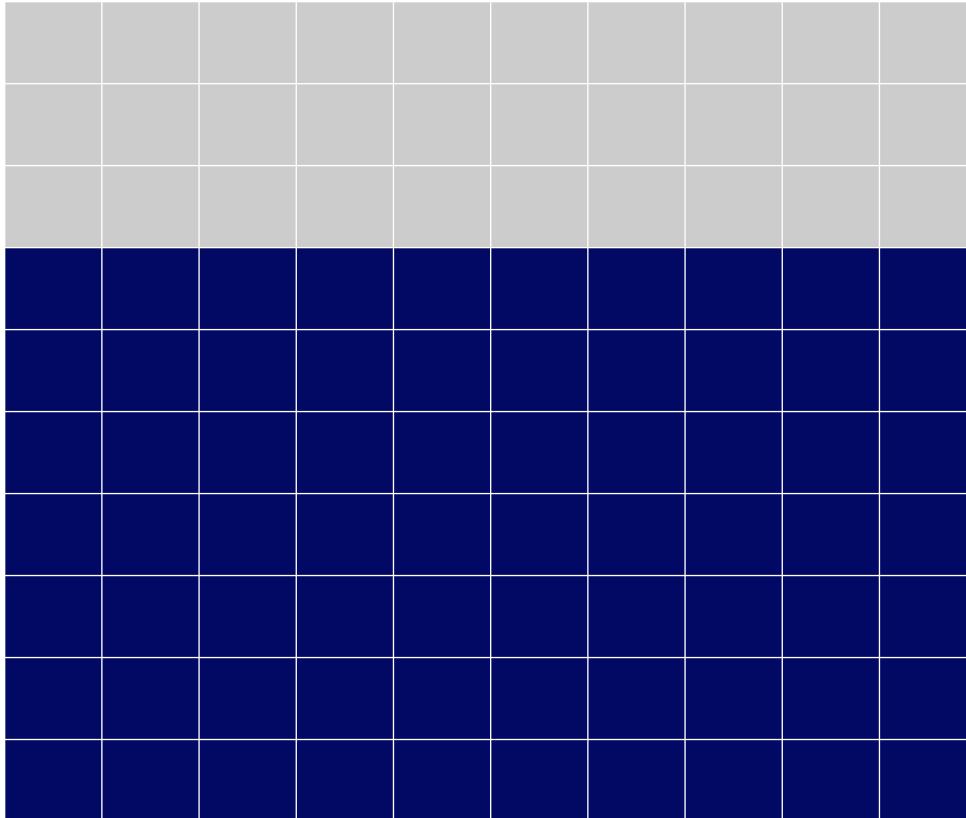
Vietnam: Faster Growth, Similar Starting Point

Diversification into higher-complexity sectors has raised Vietnam's ECI to 0.35



Export Diversification Enables Efficiency-Seeking FDI

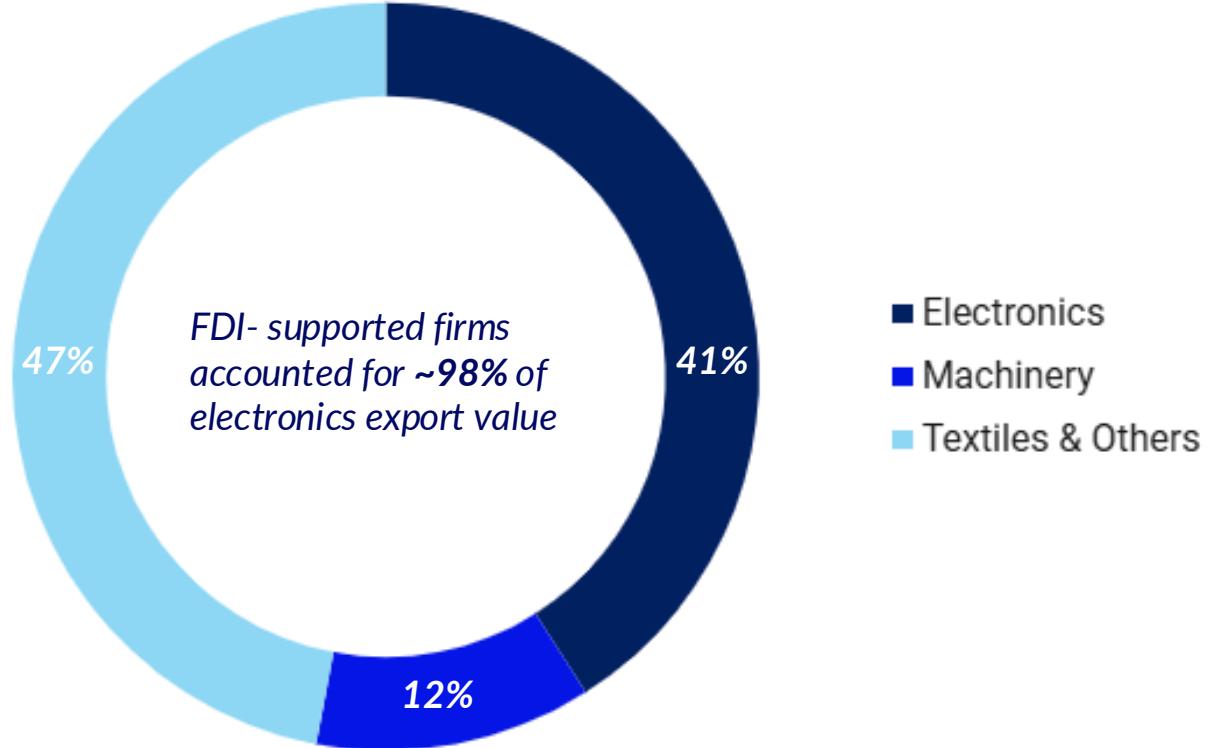
Nearly two-thirds of Vietnam's FDI is concentrated in export-oriented manufacturing



Manufacturing FDI Inflow

Non-manufacturing FDI Inflow

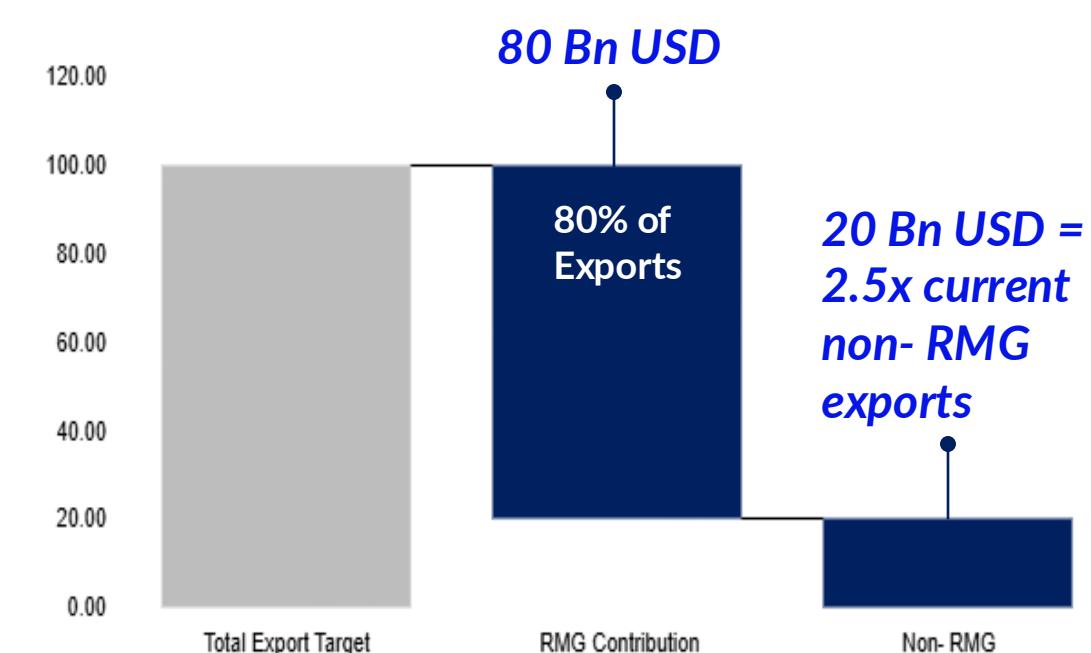
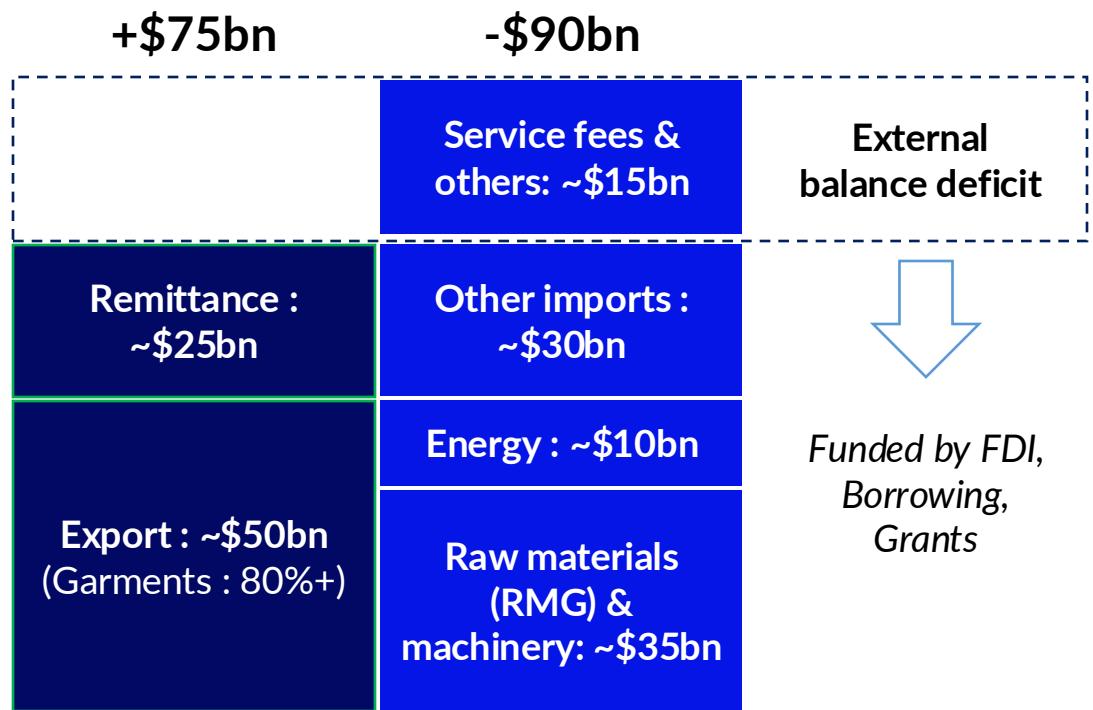
Export Concentration by Sector



Efficiency-seeking FDIs led by firms such as Samsung, Intel, and LG account for the bulk of Vietnam's electronics exports.

Why Export Diversification is an Imperative

Export targets of Bangladesh cannot be met through RMG alone

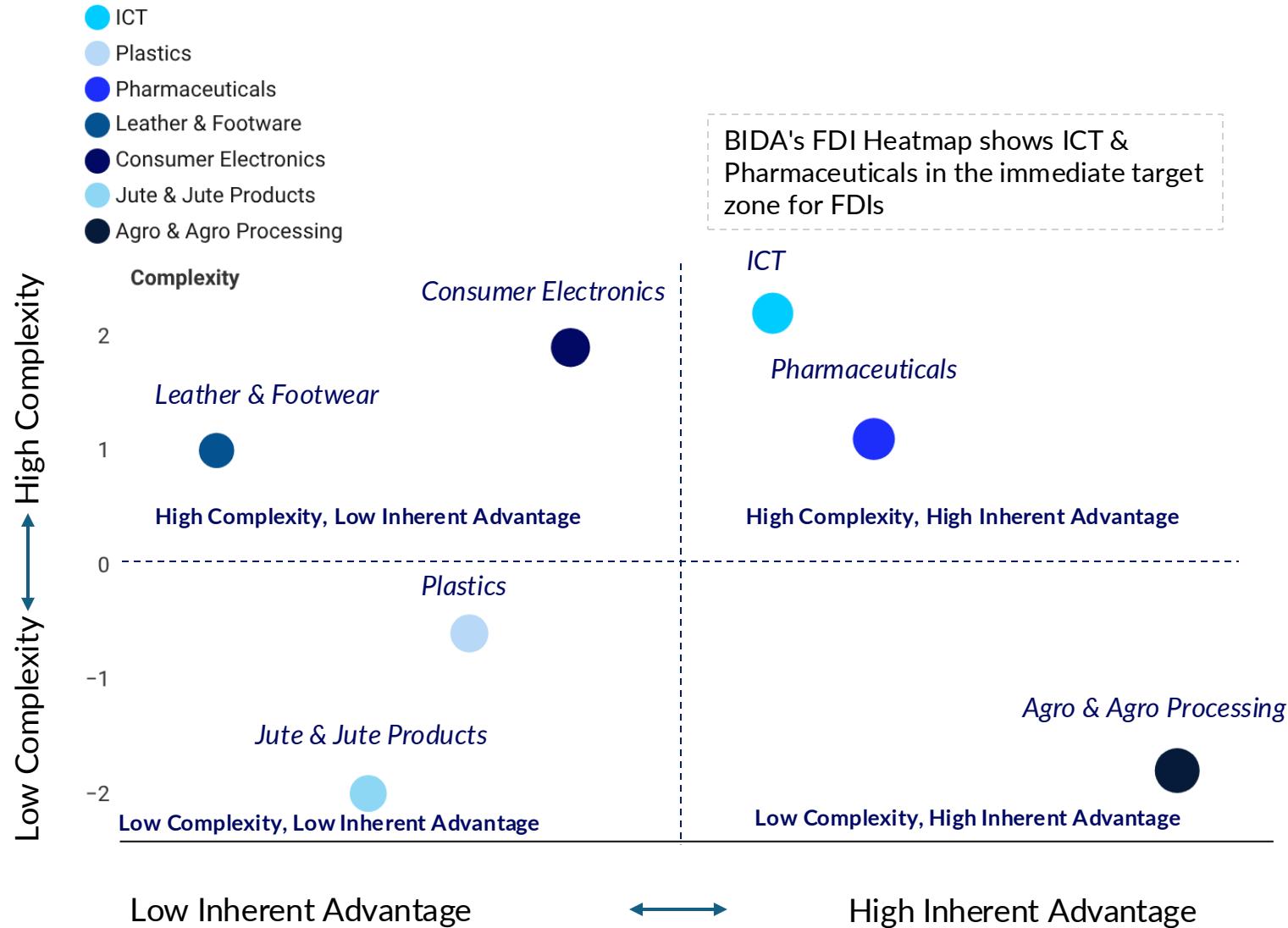


For Bangladesh Export Diversification is a mathematical reality

If we target 100Bn USD Exports by 2030, Non-RMG

Export Diversification Priorities: Complexity vs Inherent Advantage

ICT, Plastics, Pharmaceuticals, Agro & Agro Processing and 3 other priority sectors mapped



Inherent Advantage Estimated Based on 3 factors:

- Input factor
- Technological readiness
- Established market access

Complexity is based on PCI (Product Complexity Index):

- How many countries can export a product competitively, and
- What else those countries can export (their overall capability set)

Thank You _____

Bangladesh Office:
214/D, Navana Osman @ Link, 3rd Floor
Gulshan-Tejgaon Link Road, Dhaka 1208,
Bangladesh.

Singapore Office:
30 Cecil Street # 19-08 Prudential Tower
Singapore 049712

USA Office:
3921 W ST NW, #3, Washington DC,
20007, USA.

Email: info@lightcastlepartners.com
Mobile: +88 01744 736 621, +88 01711 385 988
Web: www.lightcastlepartners.com
Other Platform: www.investbangladesh.co