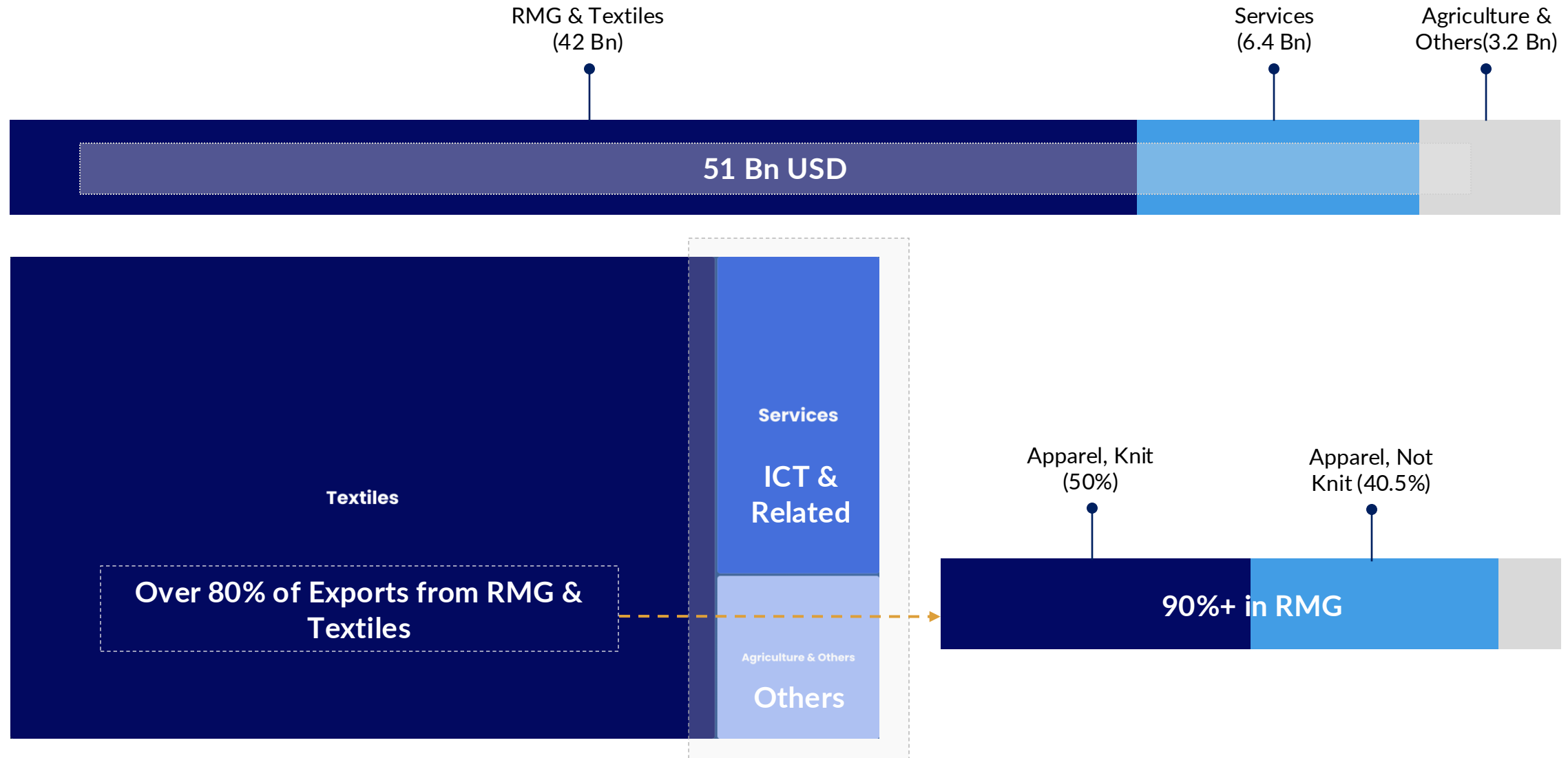


Why Bangladesh Cannot Rely on RMG Alone: The Case for Export Diversification

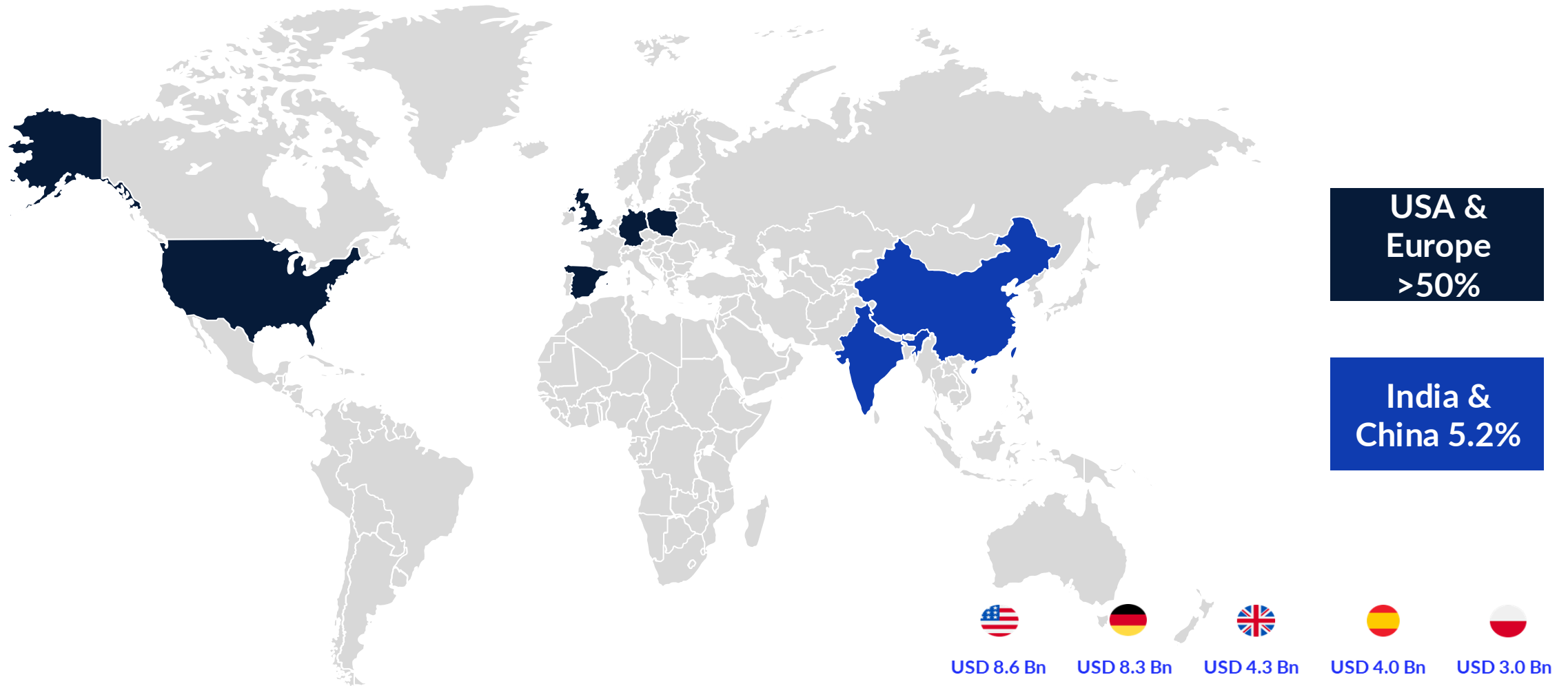
Bangladesh's Export Portfolio is heavily concentrated on RMG & Textiles

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



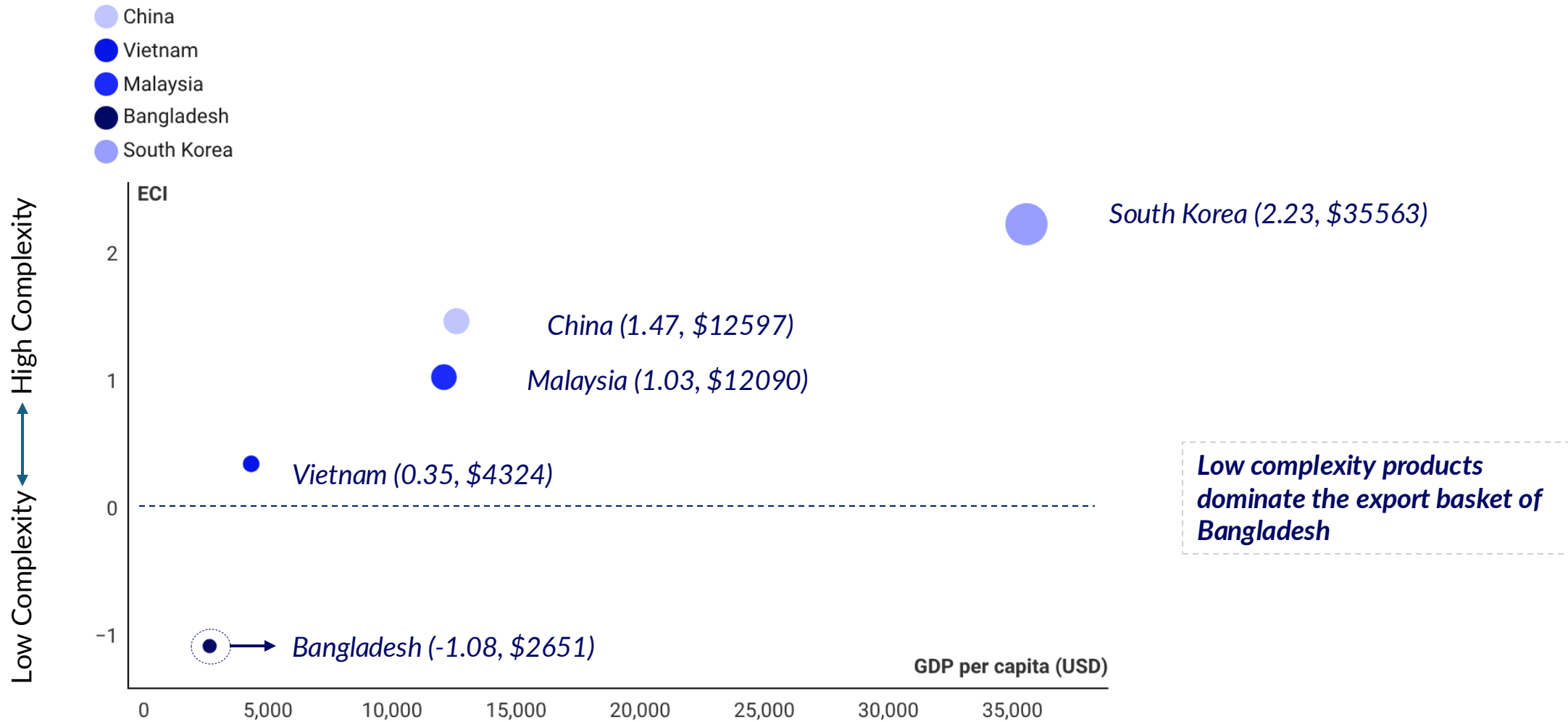
Bangladesh's export exposure is largely tied to Western markets

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



What Bangladesh's Export Basket Says About Capabilities

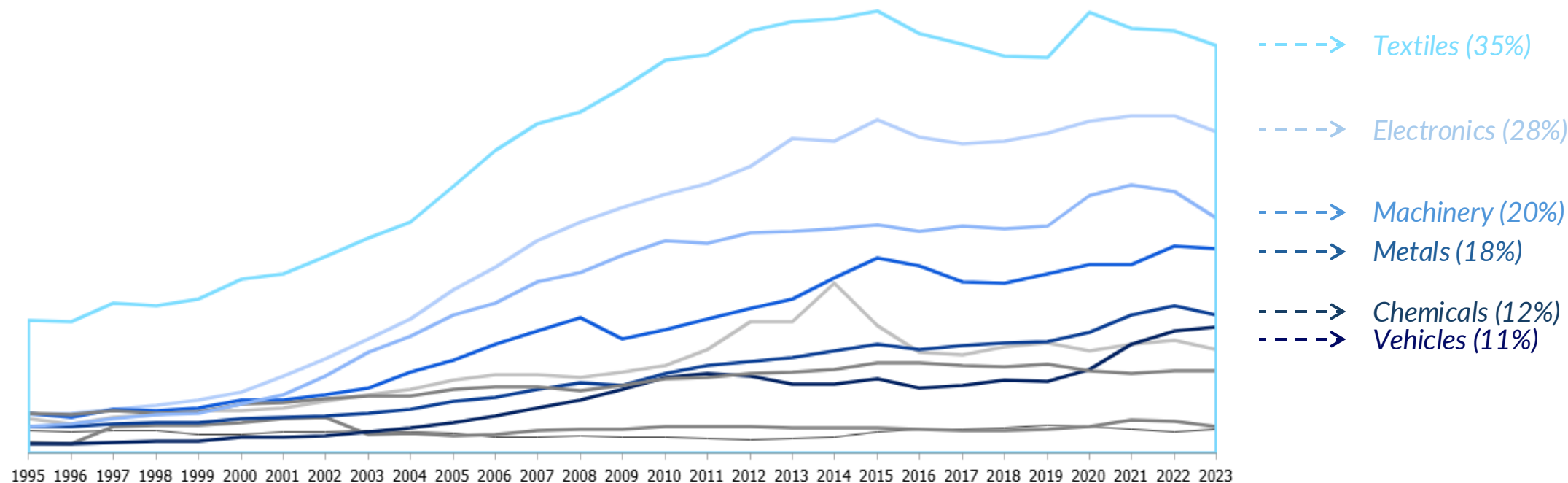
Countries with more complex exports sustain higher income levels



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

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

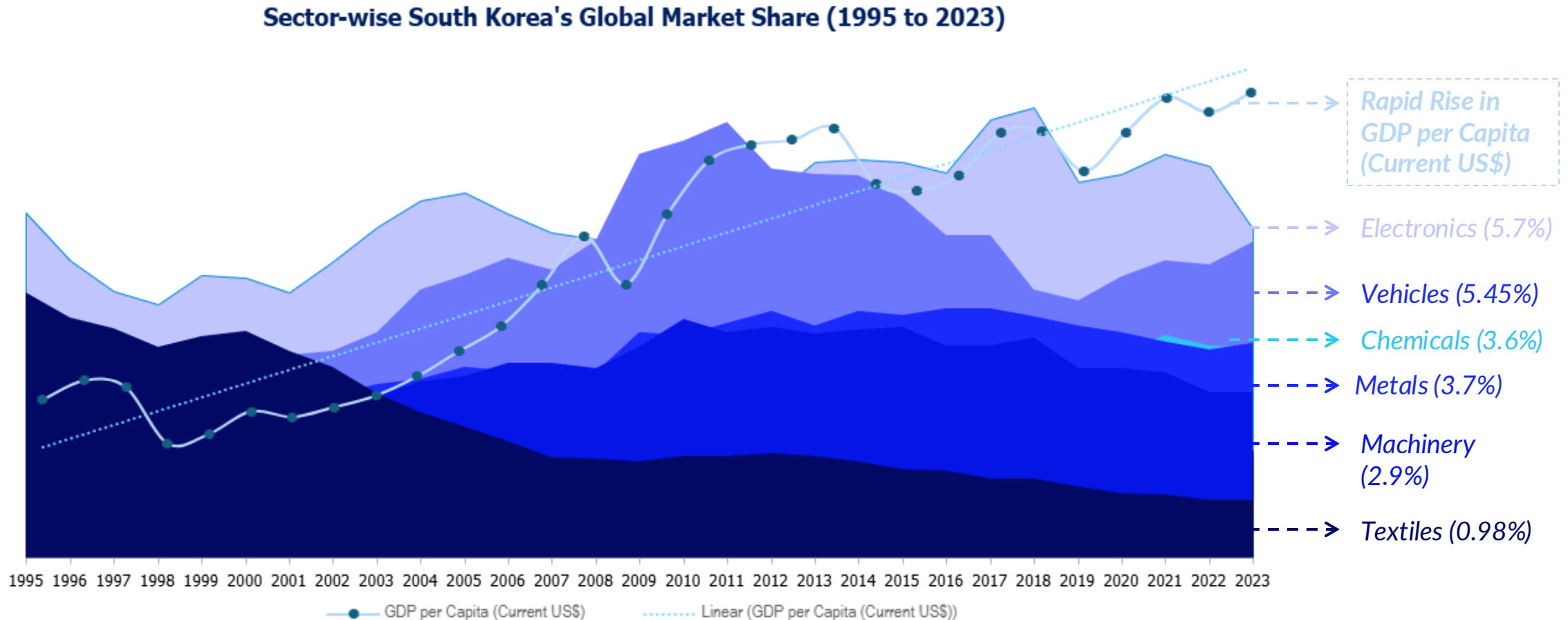
Sector-wise China's Global Market Share (1995 to 2023)



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

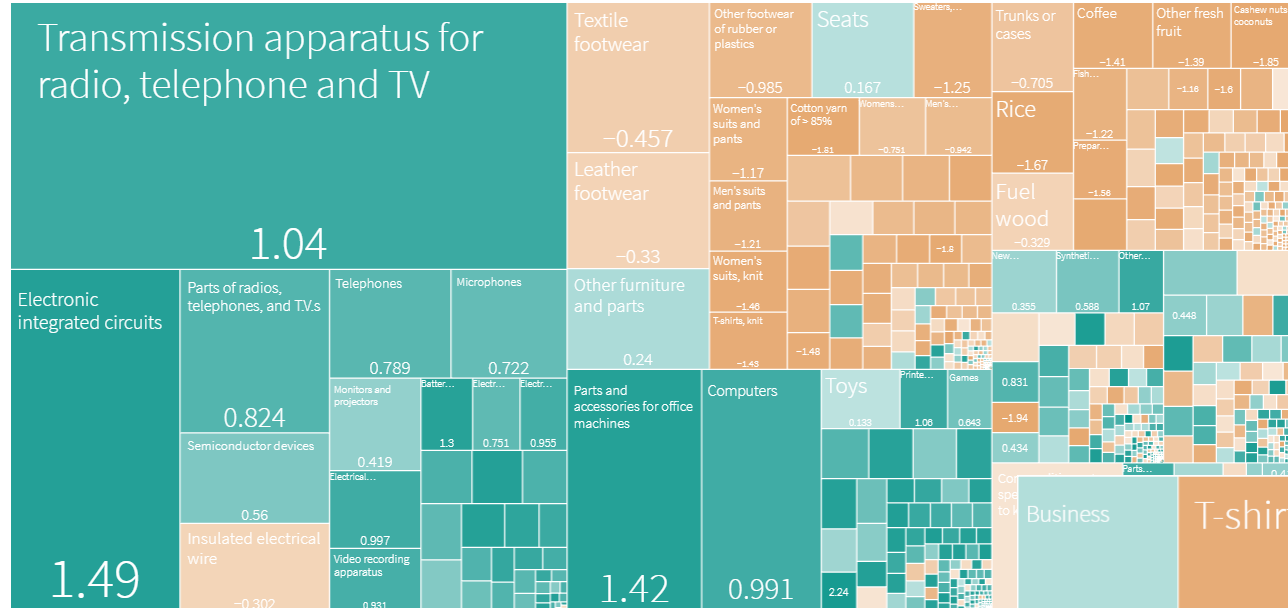
Among highly complex economies for improvement in economic complexity (2011-2021)



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

Vietnam: Faster Growth, Similar Starting Point

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



Low Complexity

High Complexity

0.35 Economic Complexity Index

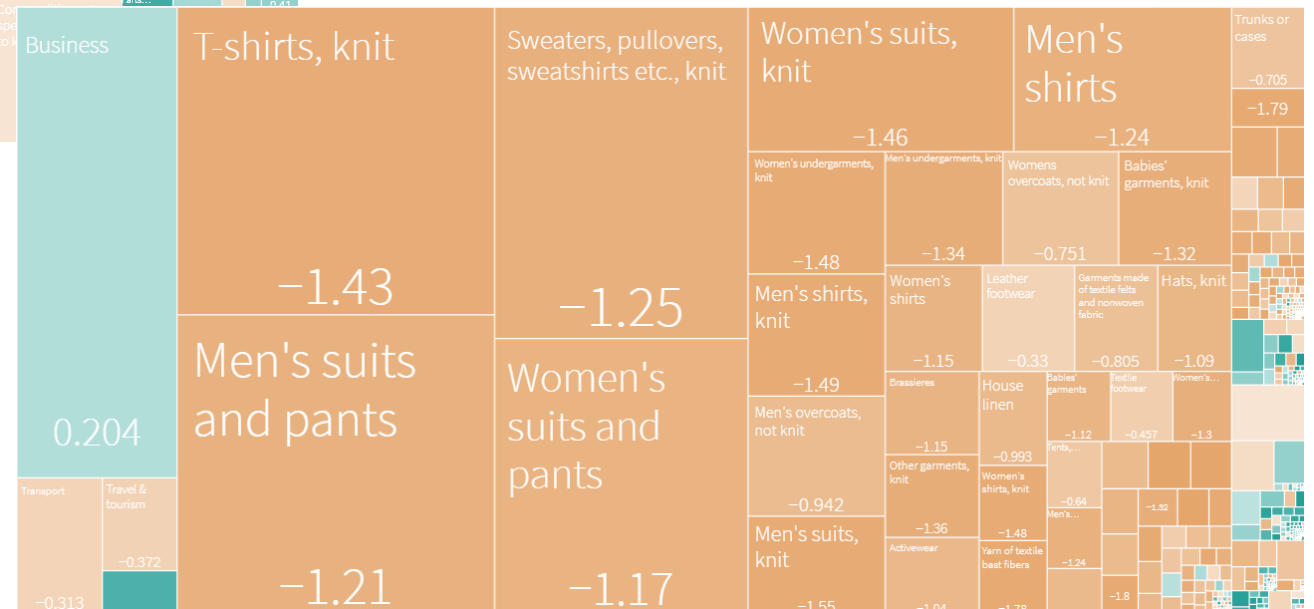
Vietnam has an economic complexity index of **0.35**

Low Complexity

High Complexity

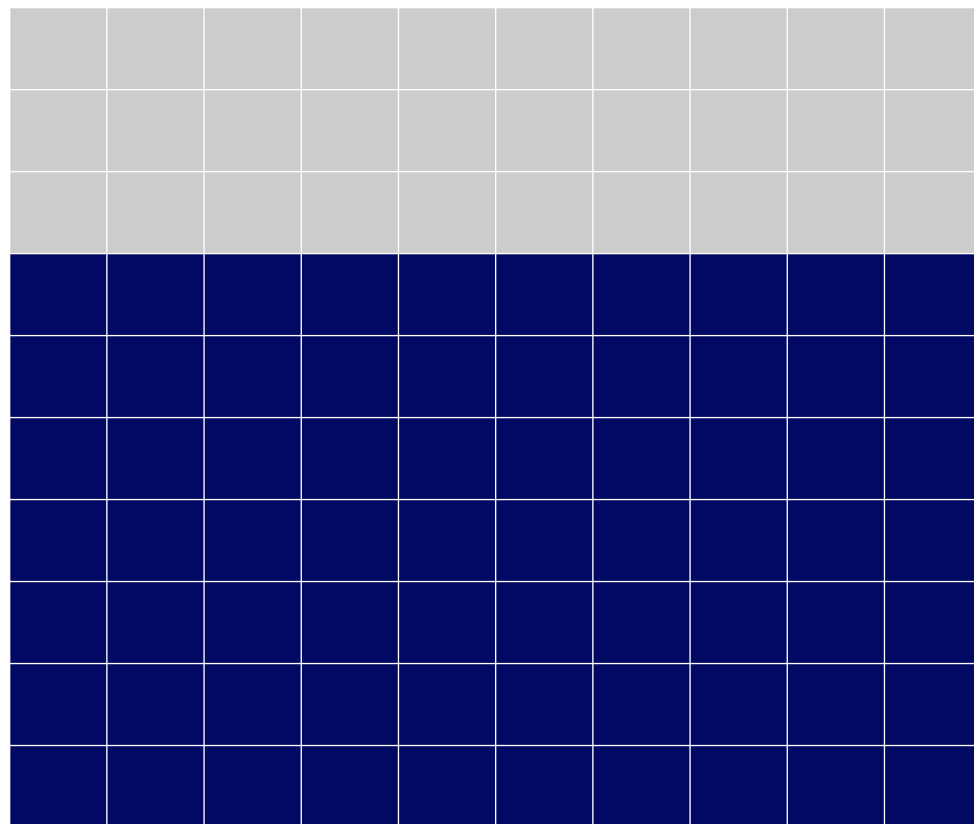
-1.08 Economic Complexity Index

Bangladesh has an economic complexity index of **-1.08**



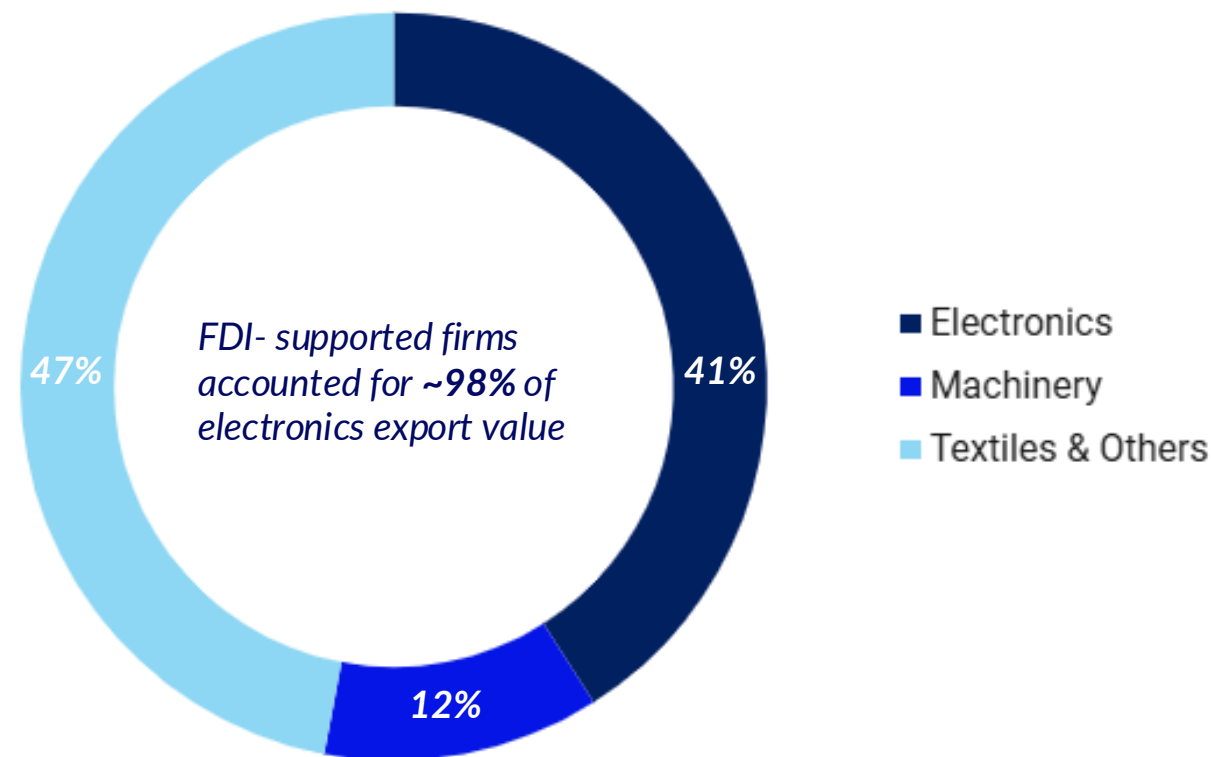
Export Diversification Enables Efficiency-Seeking FDI

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



■ Manufacturing FDI Inflow ■ Non-manufacturing FDI Inflow

Export Concentration by Sector



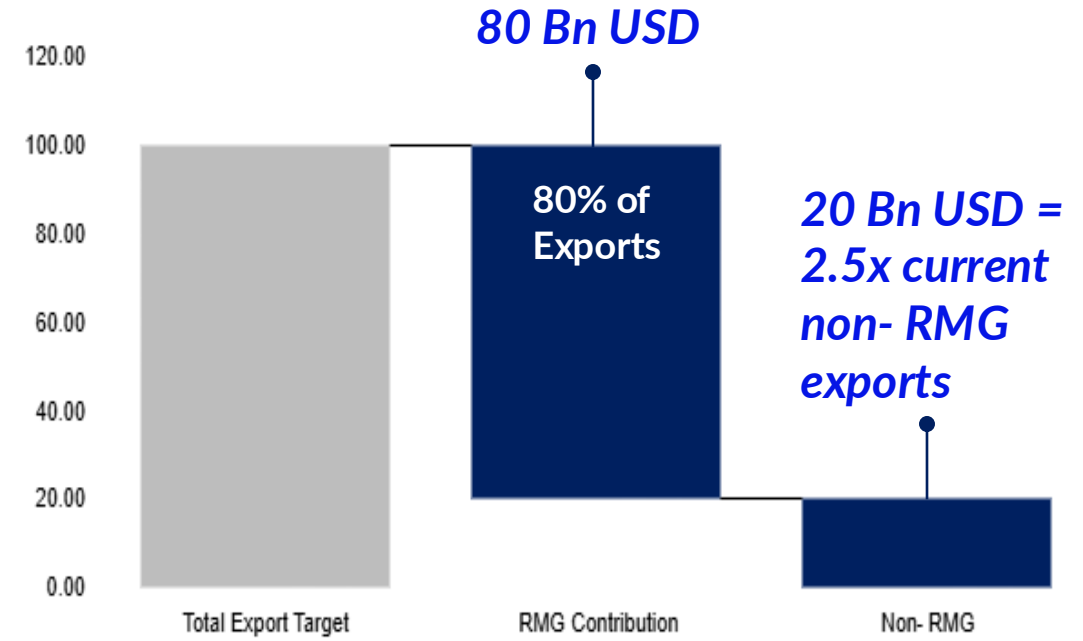
Efficiency-seeking FDIs led by firms such as Samsung, Intel, and LG account for the bulk of Vietnam's electronics exports.

Why Export Diversification is an Imperative

Export targets of Bangladesh cannot be met through RMG alone

+\$75bn		-\$90bn	External balance deficit ↓ Funded by FDI, Borrowing, Grants
		Service fees & others: ~\$15bn	
Remittance : ~\$25bn		Other imports : ~\$30bn	
Export : ~\$50bn (Garments : 80%+)		Energy : ~\$10bn Raw materials (RMG) & machinery: ~\$35bn	

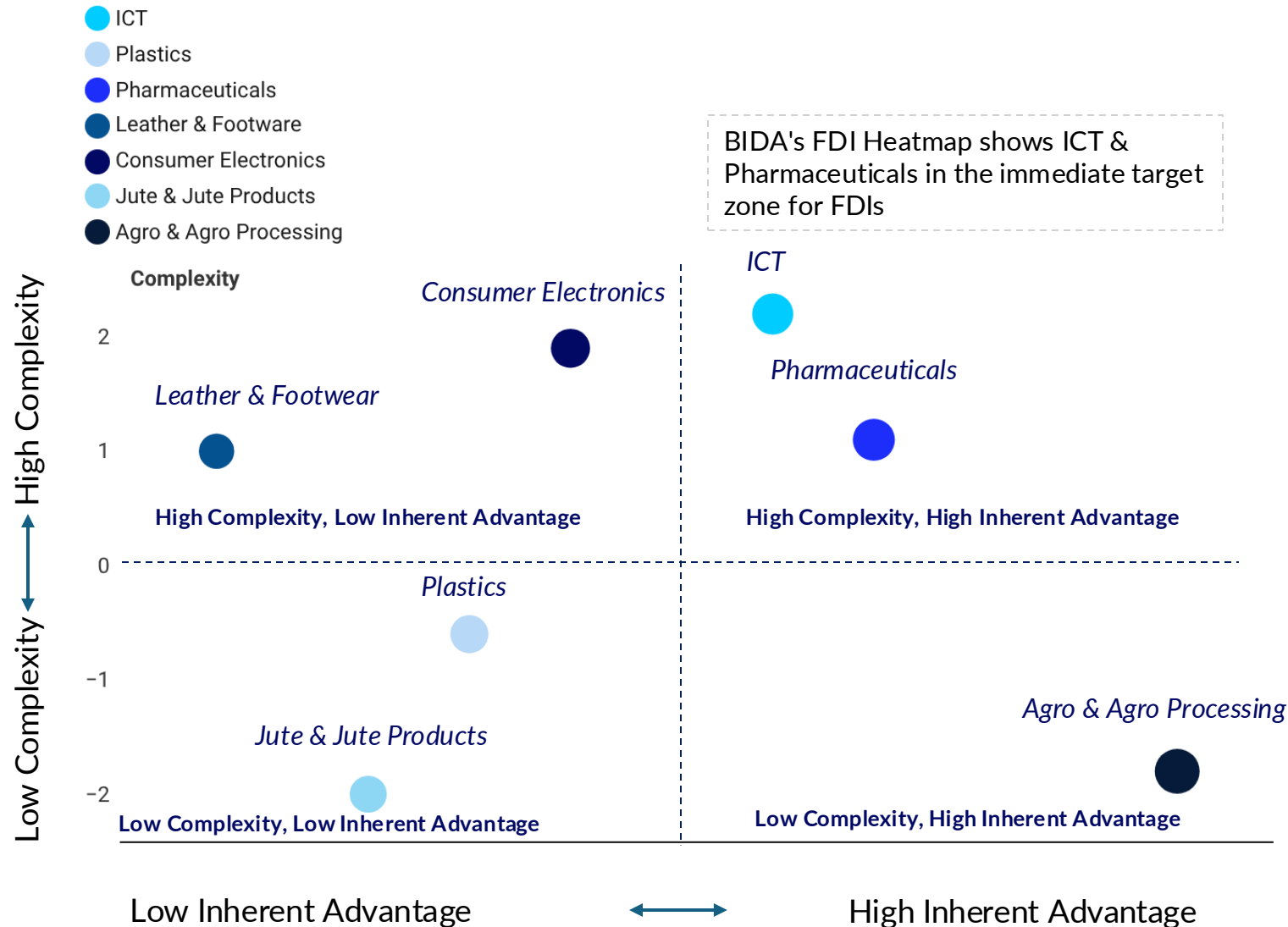
For Bangladesh Export Diversification is a mathematical reality



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 —

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