

Export Competitiveness for Jobs Project



BASIC INFORMATION

APPROVAL DATE:
June 1
2017



END DATE:
June 1
2025



TOTAL COMMITMENT:
\$100
million



IMPLEMENTING AGENCIES:
Ministry of Commerce

ENHANCING COMPETITIVENESS FOR EXPORT DIVERSIFICATION AND BETTER JOBS



OVERVIEW

The Bangladesh economy has undergone important structural shifts, and the industrial sector has become a large contributor to growth and employment. The Export Competitiveness for Jobs (EC4J) project directly contributes to the Government's policy objective of diversifying exports beyond ready-made garments (RMG), which currently make up 82 percent of exports. The project helps to diversify exports in labor intensive and globally competitive industries such as leathers goods, footwear, light engineering, and plastics sectors. It also helps to improve environmental and social compliance standards and create more and better jobs.

CHALLENGE

Firms in the non-RMG manufacturing sector in Bangladesh are seeking to integrate into global value chains but development is held back because of insufficient technology and skills adoption, and a general lack of compliance with international environmental, social, and quality standards. Market failures such as information asymmetry between foreign buyers and Bangladeshi sellers regarding standards and accreditations in high-income markets and coordination failures where market participants are too disorganized to effectively address issues of mutual interest, such as policy advocacy, articulation of demand for skills, and agreement on common needs for technology adoption, act as impediments to growth.

APPROACH

The project supports private companies address some of the constraints they face in regard to accessing export markets, enhancing productivity, improving environmental, social and quality standards, and accessing shared infrastructural facilities. It focuses on a Market Access Support Program to address critical constraints for the private sector to access international markets and integrate in global value chains- by enhancing knowledge, skills and capacity to improve compliance standards, a Productivity Enhancement Program to address constraints related to quality and productivity improvements through skills and technology diffusion- by establishing technology centers, and a Public Investment Facility for Infrastructure Constraints to address infrastructure constraints - by supporting development cluster infrastructure. The implementation engages multiple stakeholders, including private sector associations in the relevant sectors, and government agencies as required.

TOWARDS THE FUTURE

The project activities are generally on a positive track and the implementation is expected to gain momentum in the coming months as the grants are fully disbursed and the construction of the technology centers starts.

RESULTS

- **82.68%** annual increase in exports of targeted sectors in FY23 from FY16 baseline.
- **176,932** jobs created in targeted sectors.
- **107,673** direct project beneficiaries; 38% of whom are women.
- **570** firms received Export Readiness Fund to assess and improve the environmental social and quality compliance and to diversify into new markets resulting in \$17.97m of private co-investment.

