

Post COVID-19 Recovery & Labor Market Situation in Bangladesh

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41st
largest
economy in the world



25th
largest economy
in the world by 2035



2nd
largest Global Apparel Supplier:
US\$ **31.46** billion
net export revenue in FY21



Export earnings (merchandise):
US\$ **38.76** billion in FY21



8th
largest remittance receiving
country in the world

ECONOMIC REVIEW

6



Sector-wise growth and contribution to the
GDP (Base Year: 2015-16; Per cent)

	FY2019-20	FY2020-21	FY2021-22 (P)	Contribution FY2021-22 (P)
 Agriculture	3.42	3.17	2.20	11.50
 Industry	3.61	10.29	10.44	37.07
 Manufacturing	1.68	11.59	12.31	24.45
 Services	3.93	5.72	6.31	51.43



**176 green
factories,**
the highest in the
world

7



100 Special
Economic Zones by
2030

8



GDP (billion US\$)
465 and GDP
growth (%) **7.25**
in FY22 (P)

9



Per capita GDP
(US\$) **2723** and
Per capita GNI
2824 in FY22 (P)

10

3

ECONOMIC REVIEW



11
5th largest
vegetable producer,
globally



12
Ranked **1st** among Hilsa
producing countries



13
4th in Tilapia production in
the world and 3rd in Asia



14
Self-sufficient in
Animal Protein
production



15
3rd in rice
production globally



16
2nd in growth
rate of fish
production in inland
water bodies



17
100% Bangladesh
households have access to
electricity



18
5th in world aquaculture
production



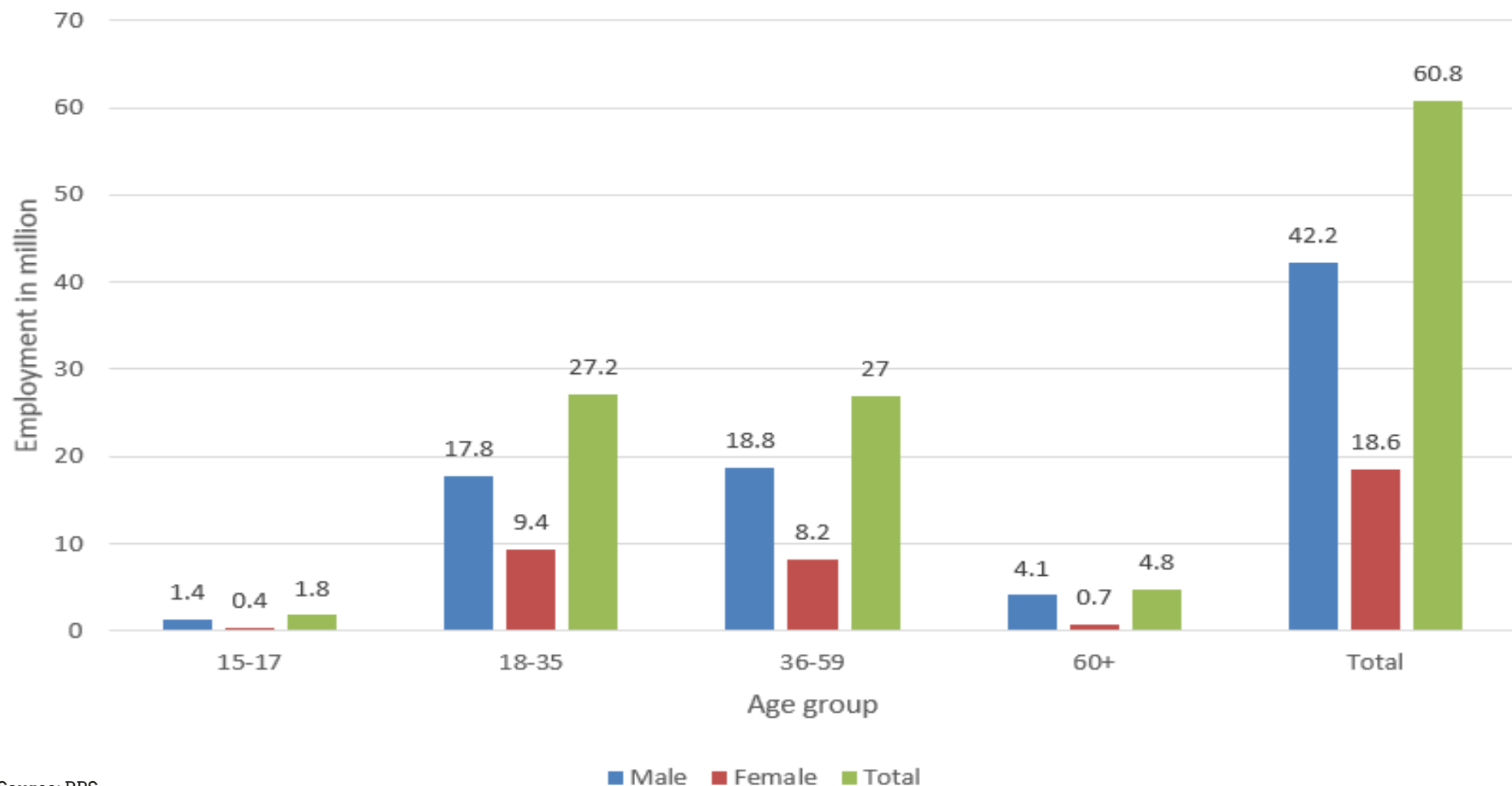
19
Ranks **4th** in growth in
economically active
population (JP Morgan
Chase)



20
**Free
Education**
up to graduation
level for girls

Employment in Age Group (LFS 2016-2017)

5



OVERALL ECONOMIC OVERVIEW

Political Stability

- Democratically elected government
- Bangladesh is currently enjoying macro-economic stability for a decade, strong political leadership steering economy
- Export led economic activities
- Rapid transformation from agrarian to industrial economy
- Private sector resiliency
- Vibrancy in global supply chain



INDUSTRIAL RELATIONS

Trends

- Sound industrial relation
- Trade union/participation committee & social dialogue
- Wage fixation/policy
- Labor court
- Safety committee
- Occupational health and safety
- Other benefits: festival bonus, maternity benefits, employment insurance injury scheme, social protection measures, universal pension scheme, human resource development fund etc.
- Major sectors: RMG, leather, light engineering, agro-processing, pharmaceutical, service sector etc.



CHALLENGES

Dissatisfaction for Workers

- Huge informality
- Large numbers of unskilled and semi-skilled workers
- Unemployment (4.2%) and underemployment (2.4%)
- Lack of access to finance/opportunities for self-entrepreneurship
- Dissatisfaction with salaries/spiraling price hike
- High cost of living
- Limited jobs in the formal sector
- Impact of automation
- Poverty (20.5% in 2019 compared to 40% in 2005)

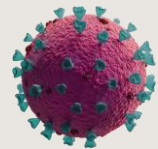
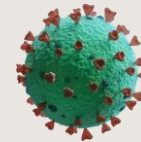
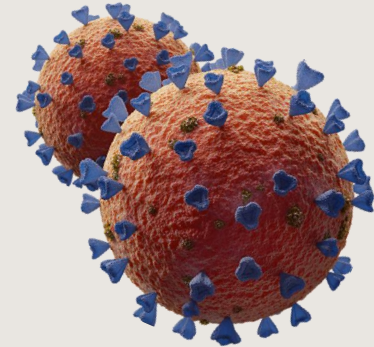
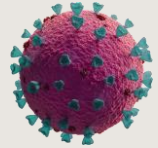
CHALLENGES

Dissatisfaction for Management

- Lack of efficient mid-level managers
- Higher unemployment among the educated people
- Lack of opportunities for self-entrepreneurship
- Lack of support for start-up-businesses
- High cost of business
- Average salary structure for the managers
- High cost of living

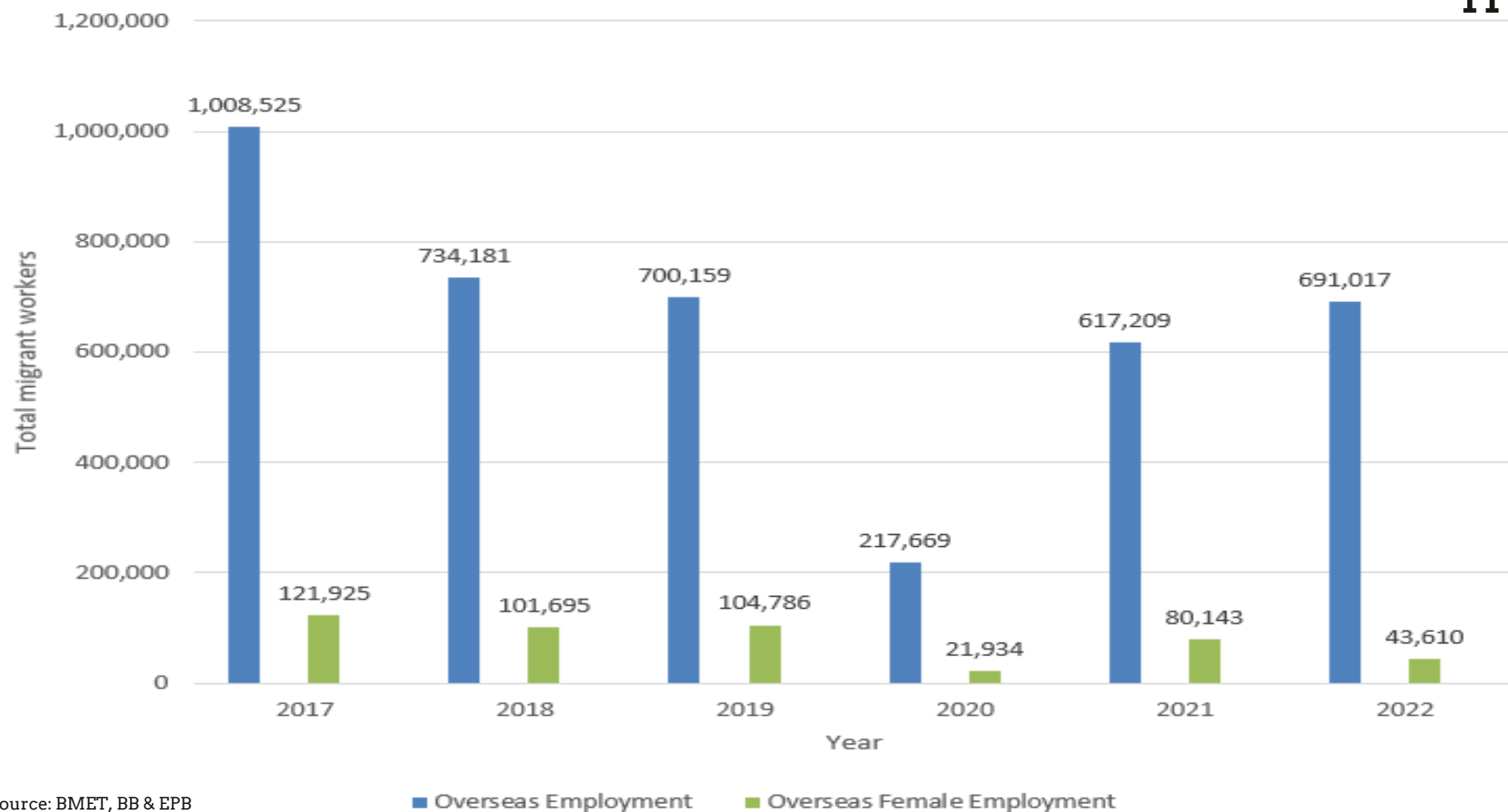
Impacts of COVID-19 & Other Uncertainties

- Affected **economic and social well-being**
- Disruption in **supply chain**
- **Job loss** & **hour loss** (1.08 million job loss in the informal sector)
- **Reverse migration**-urban to rural
- **Returning migrants** struggling to find jobs
- Incidence of **poverty** (34.1%-44% compared to 20.5% estimation during the pre-crisis period)
- The export earnings of Bangladesh from **Russia and Ukraine** are 2% of the total export earnings
- Delay in **LDC graduation** process
- Goals and targets of **SDG 2030** are at risk
- **Climate change** could lead to financial- and labor market instability in the country



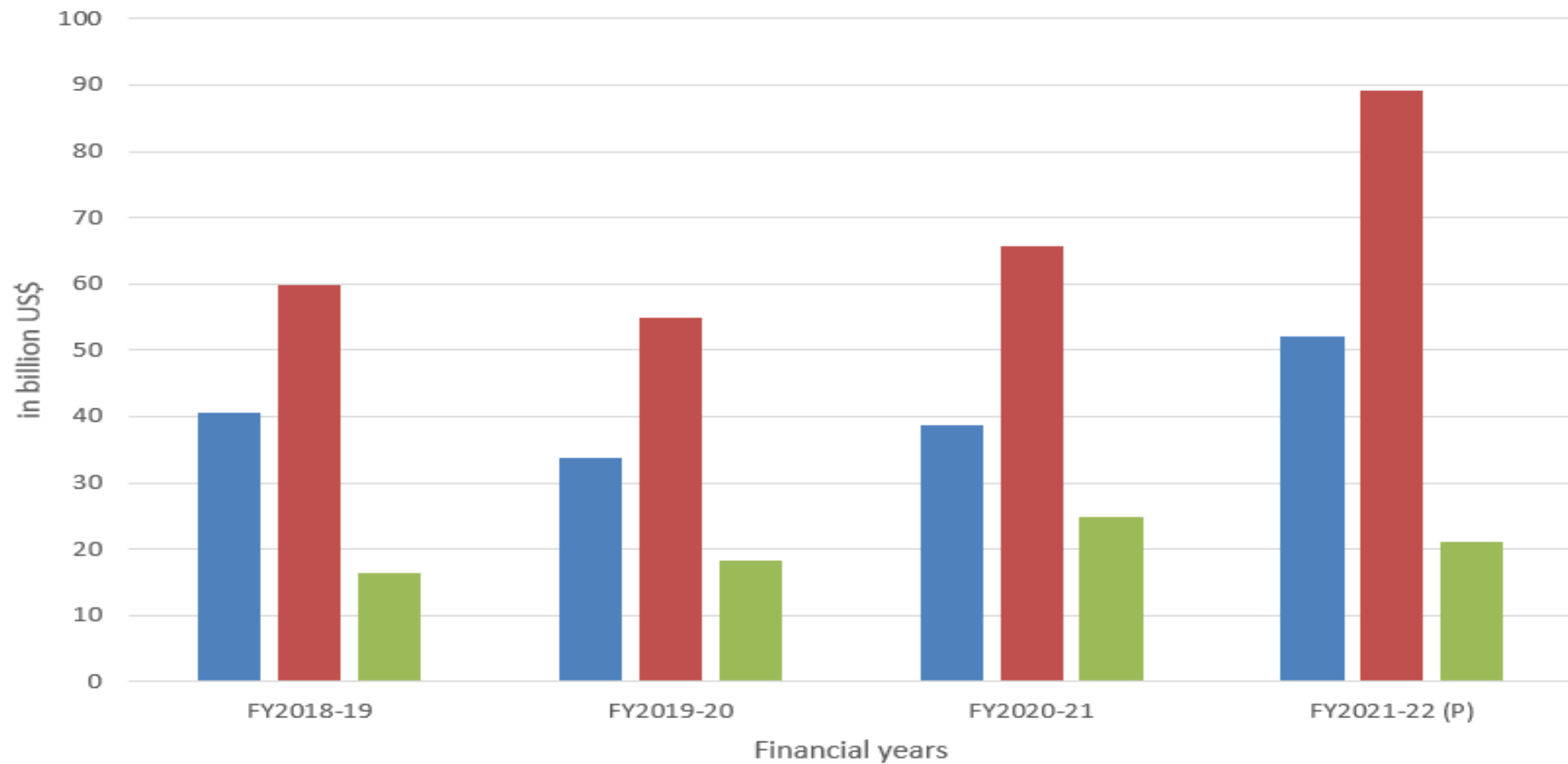
Decrease in overseas employment due to COVID-19

11



Impact in export and import due to COVID-19

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SOCIAL & BUSINESS CHANGES & FUTURE PREDICTIONS

Acceleration of Digitization & Human Resources



- Activation of working in virtual space
- Awareness on social protection and safety network
- Informality increased
- Delivery and logistics services improved
- New windows of opportunities
- Sustainability of new businesses
- Re-designing the skills development curricula
- Linkage with the supply chain (nationally and internationally)
- Acceleration of digitization will increase in the future



HR STRATEGIES

- Impact of automation
- Hard/soft and communication/negotiation skills
- Business and human rights and other compliance issues
- Updating modules and curricula

ADVICE FOR JAPANESE COMPANIES

- Technology transfer from the Japanese investors
- Undertaking more skills development initiatives particularly Japanese management and production system to be introduced at a massive scale
- Tapping the opportunities
- Need for fast and bold decisions
- Exploring market opportunities through technology and know-how transfer
- Customized skill development initiatives especially needed for Japanese market
- Think out of the box

WORK CULTURE

- Conducive and homogenous culture
- Strongly discourage gender discrimination and wage discrimination
- No religious sensitivity

POST COVID-19 RECOVERY

Containment Measures by the Government

- Stimulus package: US\$22.1 billion (equivalent to 6.2% of the GDP in FY21)
- Allocation of export development fund has been increased from US\$ 2 billion to US\$ 11 billion
- Active participation in “Call to Action Initiative”
- Increase of social safety-net protection
- Emergency food supply and cash handovers



WAY FORWARD

- Greater **partnership** among employers, workers and the government are required
- Active participation of the **foreign stakeholders** i.e. the development partners and investors
- Linking with **global financial institutions** and lenders
- **Sustainability** in business
- Greater participation in **supply chain**
- Quick adaptation to new **innovation and technology**

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THANK YOU!

Any questions or comments?

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