**Chapter: 1**

**Background of the study**

Bangladesh Tariff Commission (BTC) does the works for the protection and assistance of local industries.BTC conducts time to time study on any sector/ sub-sector. Ceramic industry is one of the major sectors and there is no proper study on this sector. The study on Study on Export & Growth Potential of Ceramic Industries in Bangladesh is taken under own initiative.

* 1. **Introduction**

Ceramic Industry is one of the exports oriented and fast growing sectors in Bangladesh. These industries have been playing a vital role in our economy by earning and saving foreign exchange through export of ceramic goods after meeting the local demand. Almost 80% of the total demand of ceramic goods is being met by local industries. Bangladesh followed rapid trade liberalization during the last decade although the process was initiated even earlier under the auspices of structural adjustment program. Trade liberalization policy aimed at reduction of tariff rates, simplification of tariff structure, minimization of non-tariff barrier, simplification of trade law, etc.

One of the important objectives of the trade liberalization policy is to enhance national exports to strike a balance in imports and exports. The export promotion incentives designed in the trade policy continue to play a crucial, complimentary role on the liberalization process. The incentives are to ensure that the export-oriented industries are able to procure inputs at world price, exports are subsidized which enable those to compete with global market, investments in export-oriented industries are encouraged and foreign direct investment in export-oriented industries in the EPZ is promoted. Bangladesh has been able to achieve robust annual export growth rate of about 12% over the last decade, due to introducing all of these incentives with favorable international environment.

In this context Bangladesh Tariff Commission has taken comprehensive study to conduct on ceramic manufacturing industry keeping in mind the importance of ceramic industry in the economic development of Bangladesh.

**1.2 Objectives of the study**

The broad objectives of the study are to examine growth potential & export of ceramic products produced in Bangladesh. The objective of the study as follows

* To give an overall idea about the ceramic industries of Bangladesh,
* To analyze protection structure,
* To explore the growth potential both internal and external,
* To analyze the export trend and export potential,
* To analyze the factors of hindrances internal growth potential and export potential.

The study will include a brief industry profile of the ceramic industry sector providing among others, existing infrastructure and level of technology, characterization of labor force, market structure and marketing constraints, duty structure and competition from imports.

The study also includes an analysis of assistance policies. This will help to evaluate international competitiveness of the sector. This study will be conducted on ceramic manufacturing industry keeping in mind the importance of ceramic industry in the economic development of Bangladesh.

Finally the study will frame a set of recommendations, for policy action.

**1.3 Literature Review**

The global ceramic industry is worth of US$20 billion. Bangladesh is perfectly positioned to expand rapidly in this sector with its high quality, cost ratio and creative human resource base. Traditionally, ceramic industry is a labor-intensive sector and companies in developed countries experience difficulties in remaining competitive due to rising labor cost and recent global financial crisis. Bangladesh, being a gas rich, low-labor cost economy and having advanced ‘bone china’ technology, is perfectly positioned to be a strategic partner in production and supply

of ceramic goods (Board of Investment, Bangladesh).

Of different ceramic products, ceramic tablewares are exported to about 50 countries including the USA and Canada, tiles to India, Nepal and Bhutan and sanitary ware to the Middle East, especially to the UAE. The industry sells ceramic products worth of Taka 1,000 crore (Taka 10 billion) annually in the domestic market and pays taxes close to Taka 300 crore (Taka 3 billion) and Taka 100 crore (Taka 1 billion) to the utility services, including gas (Khan 2009, Islam 2010).

The ceramic industry of Bangladesh faces stiff competition from foreign sources like Sri Lanka, China and Thailand but the domestic marketplace is yet weakly competitive. Ceramic manufacturers like Monno Ceramic, Shienpukur Ceramic, Standard Ceramic, FARR Ceramic and Bengal Fine ceramic are still leading, especially in the export market, and have been recently expanding their plant to further improve their share of export market. All other ceramic manufacturers are also increasing their production capacity following robust growth in demand for ceramic wares. Due to the global recessionary impact and rising labor cost, the developed countries are placing more orders to low-cost countries for quality ceramic wares; hence, the export demand for Bangladeshi ceramic ware is growing rapidly. Addressing this strong growth, the numbers of competitors, roughly of equal size and competitive capability.

Ceramic ware manufacturers of Bangladesh have managed to create a solid stand in the international market. So, most ceramic manufacturers, keeping this foreign market success in mind, have turned more towards exports. Bangladesh has got a huge opportunity in ceramic tableware market because of increasing demand from the developed countries where the production cost of ceramic tableware has increased significantly due to an enormous rise in labor cost. Bangladesh’s export markets include the UK, the USA, Canada, Spain, Italy, Australia, New Zealand, Norway, Germany, Sweden, Russia, the UAE, Denmark, France, Mexico,Argentina, Turkey, India, Nepal, Bhutan and many other European and Middle East

countries (Rahman 2009a).

Since in Bangladesh, there is a shortage of raw materials, equipment and machineries for ceramic industry, it gives the supplier more leverage in bargaining the price. But the supplier base of ceramic sector is moderately large enough to weaken the supplier power. However, some of the suppliers like India are also showing interest to integrate into the ceramic industry of Bangladesh and perhaps could become a powerful rival (Chowdhury 2004, Islam 2010, Khan 2009).

In Bangladesh there is shortage of raw materials for ceramic goods and the manufacturers are 100% dependent on import of raw materials from overseas. Besides, close competitors like China and India have their own raw materials. Hence, the government should take steps to find deposits of superior quality clay for ceramic in the coalmine region of north Bengal (Khan 2009).

1.4 **Rationale of the study**

* To create more opportunity to use of ceramic products for the betterment of living standard.
* To create job opportunities through the industrialization.
* To save foreign currency by producing import substitute products.
* To establish the role of this sector for achieving the goals of Vision 2021.
* To earn foreign currency by increasing export.

1.5 **Methodology of the study**

The research is descriptive in nature. Both primary and secondary data used to reach on a conclusion of the objectives set. Primary data collected through direct interview and open discussion. Secondary data collected from various journals, annual report articles and other relevant studies.

1.6 **Limitations of the Study**

For doing analysis, earnest effort has been made to collect the necessary data on the industry’s various activities through firm visits. A questionnaire was used through which the required information is collected. Unfortunately most of them are not willing to provide their full insights as they fear it might be used for tax purpose.

**Chapter: 2**

**2.1 Overview of the Ceramic Industries in Bangladesh**

The ceramics industry is a growing manufacturing sector in Bangladesh. The industry started during the late 1950s when the first ceramic industrial plants were established. The industry mainly produces tableware, sanitary ware and tiles. As of 2015, there were 54 ceramic industrial units throughout Bangladesh, employing about 500,000 people.

The first ceramic plant was established in Bogra in 1958. Owned by Tajma Ceramic Industries, it was a small manufacturing plant for porcelain tableware. Peoples Ceramic Industries, formerly Pakistan Ceramic Industries, started production in 1966. Bengal Fine Ceramics Ltd, the first Bangladeshi stoneware manufacturer, began its operations in 1986. One of the largest ceramic manufacturers in Bangladesh, Monno Ceramics, was established in 1985 to produce porcelain tableware with other ceramic items later. Shinepukur Ceramics was established in 1997 for the production of bone china and porcelain tableware. Shinepukur later captured around 60% of the domestic market.Ceramic manufacturer’s import almost all of their raw material. China, India, New Zealand and Germany are the main sources of the raw materials.

The ceramics industry sector has also attracted foreign investment. The investments have mainly been from China and the Middle East states. Some of the major joint venture partners are RAK Ceramics, Fu Wang and China-Bangla of which the largest is RAK of the UAE, and who have about 80% of the domestic sanitary ware market.

Ceramic products have been exported to more than 45 countries. The largest export destinations are the United States, Italy, Spain, France, New Zealand, the Netherlands, Australia and Sweden. China and Thailand are amongst the major competitors in the international market for Bangladeshi ceramic manufacturers. However, the low labour costs of the local manufacturers has put Bangladesh in a strong position.

**Ceramic Industry at a Glance:**

**Value (In crore taka)**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Product Name** | **No of Industries** | **Total Investment** | **Annual Production Capacity** | **Direct Labour** | **Domestic Sale** | **Import** | **Market Size** | **Market Share %** | |
| **Domestic** | **Foreign** |
| Tableware | 20 | 2,400 | 25 Crore Piece | 17,800 | 325.00 | 30.00 | 355.00 | 91.55 | 8.45 |
| Tiles | 22 | 3,400 | 7000 Lak square metre | 16,750 | 1,850.00 | 575.00 | 2,425.00 | 76.29 | 23.71 |
| Sanitary ware | 16 | 1,200 | 1 Lak 15 Thousands Ton | 5,650 | 390.00 | 50.00 | 440.00 | 88.65 | 11.35 |
| Total | **58** | **7,000** | **…………** | **40,200** | **2,565.00** | **655.00** | **3,220.00** | **……….** | **……….** |

Source: Bangladesh Ceramic Wares Manufacturers’ Association (BCWMA).

**Akij Ceramics Ltd.**

Akij Group is one of the pioneers of the manufacturing industry in Bangladesh. The group started its journey in the later part of 1940s. In the beginning, it started off with jute trading but now has undertaken many new ventures like printing & packaging, textiles, particle boards, cement, match factory & thus created employment for more than 32,000 people in various categories.

Akij Group's latest venture is Akij Ceramics which has a sprawling 25,000 sq.m. ceramic and porcelain facility. It has country's largest capacity with multiple lines of production to ensure availability of international standard designs throughout the year. Akij Ceramics makes its tiles using cutting-edge-technology and machines imported from Germany and Denmark. Akij Ceramics uses international standard machines to deliver the best and competitive designs along with the complete guarantee of lifelong durability of its floor and wall tiles which are made in standard universal measurements.

Akij Ceramics is one of the firsts to take the initiative in carbon trading in Bangladesh. In hopes of controlling pollution, Akij Ceramics is providing economic incentives to achieve reductions in the emissions of pollutants. Through the usage of the latest technologies in its facilities, Akij Ceramics is working hard to minimize its carbon footprint. The carbon emission reductions are made possible by technical assistance from a famous European company.

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| **Company Status** | : Private Limited Company |
| **Year of Establishment** | : 2009 |
| **Year of Production** | : 2012 |
| **Products** | : Ceramic & Vitrified Porcelain Tiles |
| **Annual production** | Capacity : 16~16.5 Million Sq.Metre |
| **Machinery** | : Italy, Germany & China |
| **Factory Location** | : About 91 km north of Dhaka City |
| **Operational Space** | : 60,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 1000 |

**Artisan Ceramics Ltd.**

Artisan Ceramics Limited is a subsidiary of Consolidated Tea and Lands Company (Bangladesh) Limited & Baraoora (Sylhet) Tea Company Limited (former subsidiaries of James Finlay Ltd (UK). Artisan Ceramics Limited was established in 2005 to produce top of the range porcelain tableware of all kinds for international market. The company has succeeded in attracting a host of world’s renowned tableware customers including the big world reputed retail names.

Artisan’s porcelain tableware are produced at a higher temperature than most making it more durable and it better translucency and brilliant glaze. The porcelain is comparatively light weight and with extremely smooth surface. It does not absorb water and resist damage during cleaning. The company manufactures the whole range of tabletop products and customers are at liberty to choose from dinner set, tea set, coffee set, fruit set, dessert set, soup set etc, giftware like-mug, jug, ashtray, Flower vase and other souvenir items either for exclusive presentations or corporate gifts. A comprehensive range of tableware and giftware products plus hundreds of new designs of latest trend and fashion have established Artisan as one of the prime company at home and well in the international market. Apart from company’s design, it also work with customer’s exclusive design to develop shape and decoration

Since it’s inception Artisan product has already established a formidable presence in international tableware market. They are exporting to USA, Italy, Germany, Austria, Sweden, France, Norway, Greece, Cyprus, Spain, Poland, The Netherlands, Malaysia and India.

Artisan Ceramics Ltd. prominently operates in the Domestic Market of Bangladesh with it’s wide spread network across all corners of the country. Artisan Ceramics Ltd. has got 140 registered dealer network through which it delivers it’s product. Besides Artisan also holds its’ strong presence in Corporate Sales segment of Bangladesh.

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| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Establishment** | : 2004 |
| **Year of Production** | : 2006 |
| **Products** | : Porcelain Tableware’s |
| **Annual production Capacity** | : 15~16 Million assorted pieces |
| **Machinery** | : Japanese & China |
| **Factory Location** | : About 45 km north-east of Dhaka City |
| **Operational Space** | : 16,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 900 |

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**ATI Ceramics Ltd.**

ATI Ceramics Ltd. aspires to develop and deliver value system to the customers with quality and reasonable cost with a focus on rapid progress. ATI Ceramics Ltd. is committed to develop high-end technology solutions with constant innovation, continuous improvement and value added services. ATI Ceramics Ltd .purpose is to bring technology culture and strengthen export marketing through entrepreneurial culture in the various areas of business for our country. Our value proposition.

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| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2000 |
| **Year of Production** | : 2002 |
| **Products** | : Ceramics & Homogeneous Tiles |
| **Annual production** | :Capacity : 4~4.5 Million Sq.Metre |
| **Machinery** | : Japanese & Chinese & Italy’s |
| **Factory Location** | : About 50 km north of Dhaka City |
| **Operational Space** | : 15,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 350 |

**China-Bangla Ceramics Ind. Ltd.**

In the beginning of new millennium inspired and pioneered by Mr. Md. Shirajul Islam Mollah, MP a leading business person and banker, a group of investors from Bangladesh took initiative for a project for manufacturing modern Tiles in Bangladesh. Being aware of the fact that in the field of Ceramic Technology China has got several century old expertise, Mr. Md. Shirajul Islam Mollah endeavored for Chinese participation in such project in Bangladesh and consequently CHINA-BANGLA CERAMIC INDUSTRIES LTD. (CBC) was incorporated in 26 June 2001 as a joint venture in private sector between Bangladesh and The People's Republic of China. At the time of establishment CBC was the largest Chinese investment in any public limited company in Bangladesh and Mr. Md. Shirajul Islam Mollah became the Managing Director of the Company. The company started commercial production in August 2002, producing Ceramic & Homogeneous tiles of international standard in its factory at Tarabo, Rupgonj, Narayanganj, Bangladesh.

CBC has selected machineries for its production line considering that Bangladesh is in the tropical zone. The PRESS, which is the core of the whole installation, has been imported from SACMI, Italy being the best of its kind in the world. Under the dynamic participation of its Chinese promoters and experts CBC's production lines were planned and equipped with world's most modern equipment. From the very beginning CBC is successfully producing a wide range of Wall and Floor tiles including Homogeneous, Decor and Border tiles with innovative designs in different sizes to cater the market demand with affordable and competitive price. CBC installed a SOPHISTICATED CUTTING TECHNOLOGY to maintain size accuracy of its Homogeneous tiles. The consumers have warmly accepted  tiles due to its accurate size, superb quality and fashionable designs and demand of  tiles became so high that the production capacity needed to be increased and expansion of the factory was completed in December 2005 installing new production lines. In March 2011 a program for further expansion of CBC production facility was taken and again a new production line has already been installed to be commissioned very soon. Moreover, a new digital printing facility has very recently been put into operation and it is now possible to produce wall & floor tiles of diversified color, amazing and attractive picturesque.

With the help of century old Chinese expertise in ceramic sector and using mostly local raw materials CHINA-BANGLA CERAMIC INDUSTRIES LTD. (CBC) is producing beautiful high quality wall, floor & Homogeneous  tiles of international standard. CBC is now producing 9000 M2 tiles per day including Homogeneous tiles with nearly zero water absorption.

CBC has a sophisticated laboratory for Quality Control and R&D managed by experts from China and Bangladesh. This Laboratory enables CBC to maintain quality of its products and to put a new product into manufacturing line within shortest possible time.

Having the highest grade of equipment, laboratory, raw materials, process technology and management, the first grade of  tiles is guaranteed by CBC.

At present China-Bangla Ceramic Industries Ltd. have employed a total work force of more than 750 in its factory, Head Office and Showroom. CBC has dealers with adequate showroom facility covering district levels throughout Bangladesh.

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| **Company Status** | : Public Limited Company |
| **Year of Incorporation** | : 2001 |
| **Year of Production** | : 2002 |
| **Products** | : Ceramics & Homogeneous Tiles |
| **Annual production Capacity** | : 5.5-6 Million Sq.Metre |
| **Machinery** | : Italy, China & Austria |
| **Factory Location** | : About 25km south-east of Dhaka City, |
| **Operational Space** | : 40,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 750 |

**DBL Ceramics Ind. Ltd.**

DBL Group is a diversified business entity which has vertically integrated textile and apparel manufacturing facilities, with concerns in ICT & Telecommunications and Ceramic Tiles. DBL Group started business in 1991 and till date it has resulted in a conglomerate of 18 concerns. The Group is currently in process of investing into Pharmaceuticals and Light Engineering sectors.

DBL Group has a dedicated and skilled workforce of more than 22,000 employees and had an annual turnover of USD 320 Million for the year 2014-15. DBL Group supplies quality apparels to globally renowned retailers and is focused on upholding the reputation of the readymade garments and textiles industry of Bangladesh.

DBL Group is committed to provide the best quality products and services through competent, dedicated employees and state-of-the-art technology minimizing adverse effects of our business operations on the environment.

DBL Ceramics is a new concern of DBL Group which is expected to start production in mid 2015. The facility will boast ultra modern technology and will have an initial production capacity of 40,000 square meters per day. Latest printing machinery will allow us to produce a wide variety of designs, textures and surface effects, catering for a variety of tastes, from rustics through to contemporary marble designs in superior glossy mirror finishing.

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| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2010 |
| **Year of Production** | : 2016 (Target) |
| **Products** | : Ceramics & Homogeneous Tiles |
| **Annual production Capacity** | : 12.50~13 Million Sq.Metre |
| **Machinery** | : Italian, |
| **Factory Location** | : About 70km north of Dhaka City, |
| **Operational Space** | : 52,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 1,000 |

**Dhaka Shanghai Ceramics Ltd.**

Dhaka-Shanghai Ceramics Ltd. is a China-Bangladesh Joint Venture Company in Bangladesh. It is a Tiles Manufacturing Industry.

Dhaka-Shanghai Ceramics Ltd (DSCL) is one of the popular brands in Bangladesh which by its Twelve years production line has succeeded to satisfy their customers. Moreover, investing capital and resorting state of the art technology equipped with qualified experts preferring constant research and development on materials and design, made its products different than other brands. Presently ceramic wall tiles, ceramics floor tiles, homogeneous tiles and decorative tiles are its products which though selling in Bangladesh is arranged necessary measures thus the products could be exported to foreign markets. Dhaka-Shanghai Ceramics Ltd (DSCL) has started the production of double firing tiles in Bangladesh since 2005 in its local factory at Gohali bari , Zirani Bazar, BKSP, Savar, Dhaka . The technical specification of the tiles fully support to the international standards which is the point upon the buyers may extend to their attention to the tiles proudly produced Bangladeshi. Technical support from China is one of the satisfactory aspect the tiles users may be satisfied.

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| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2004 |
| **Year of Production** | : 2005 |
| **Products** | : Ceramics & Homogeneous Tiles |
| **Annual production Capacity** | : 4.5~5 Million Sq.Metre |
| **Machinery** | : Italy’s, & Chinese |
| **Factory Location** | : About 40km north-east of Dhaka City, |
| **Operational Space** | : 20,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 550 |

**Fu-Wang Ceramics Ind. Ltd.**

Since inception FU-WANG Ceramic Industry Limited, established and maintained best product quality combined with high standards of customer service.

FU-WANG Ceramic Industry Limited produce a comprehensive range of ceramic tiles, which are manufactured to meet high standards. FU-WANG Ceramic tiles are designed to reflect luxury and elegance.

FU-WANG Ceramics mission is to continuously increase customer satisfaction by offering products of the highest standards. This will be possible through culture of systematic innovation and utilization of the latest technology and management practices.

Fu-Wang Ceramic Industry Limited, the pioneer ceramic manufacturer in Bangladesh was established in May 1995 as a joint venture company. Subsequently, in 1998, it was listed in the Dhaka and Chittagong capital markets. Since then, it has been operating as a public limited company with an authorized capital of Tk. 3 billion and a paid-up capital of Tk. 1023.80 million.  
  
The company is engaged in production of various types of wall and floor tiles. Within a short period, the business expanded its market share by its unique quality, competitive price, exclusive designs, and wide variety of sizes and models. Its effective and creative marketing campaign enabled the company to establish its brand value in the tiles market in Bangladesh.  
  
Fu-Wang Ceramic Industry Limited meets European standards in production. With an affordable pricing structure, the company aims to reach a vast residential and commercial property development market that is presently experiencing rapid growth in Bangladesh. The company is also exporting its products to the North Eastern region of Indi

|  |  |
| --- | --- |
| **Company Status** | : Public Limited Company |
| **Year of Incorporation** | : 1995 |
| **Year of Production** | : 1996 |
| **Products** | : Ceramic Wall,Floor & Homogeneous Tiles |
| **Annual production Capacity** | : 5~5.5 Million Sq.Metre |
| **Machinery** | : Italian, Chinese & Taiwanese |
| **Factory Location** | : About 55km north of Dhaka City, |
| **Operational Space** | : 30,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 550 |

**Great Wall Ceramics Ind. Ltd.**

Great wall is the Largest Tiles Manufacture in Bangladesh for over 7 years & becoming recognized as a competitively priced producer of European quality Homogeneous and ceramic Wall tiles in Bangladesh. Unleashing CHARU Ceramic, the premium brand of Great Wall.

Great wall strategy is to leverage its large production base in Bangladesh & to build a significant presence across the south Asia by providing innovative, modern design and world class quality tiles at competitive prices.

Vogue designs and advanced technological processes derive from the birthplace of ceramic tile making Italy and Spain. Over the year’s Great wall have developed our technology and design skills at such a cutting edge rate, that we believe ourselves to offer more to the Bangladesh market than any other world class tiles manufacturer. Great wall has been continuing developing its presence and foot print in regional market and very soon export in south Asia market. Company will also continue to selectively explore any opportunities to make value-enhancing acquisitions. Great wall vogue designs and advanced technological processes derive from the birthplace of ceramic tile making; Italy and Spain. Over the years Great wall developed our technology and design skills at such a cutting edge rate, to offer more to the Bangladesh market than any other world class tiles manufacturer.

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| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2005 |
| **Year of Production** | : 2006 |
| **Products** | : Ceramic Wall, Floor & Homogeneous Tiles |
| **Annual production Capacity** | : 9~9.5 Million Sq.Metre |
| **Machinery** | : Italian, Chinese |
| **Factory Location** | : About 65km north of Dhaka City, |
| **Operational Space** | : 50,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 1100 |

**Annual sanctioned/installed capacity**

|  |  |  |
| --- | --- | --- |
| **Description of item** | **Sanctioned Capacity** | **Installed capacity** |
| Tiles | 91,029,600 sft | 91,029,600 sft |

**Production and sales figure for the last 3 years**

|  |  |  |  |
| --- | --- | --- | --- |
| Production data | | | |
| **Year** | **Unit** | **Quantity** | **Value (Taka)** |
| **2012-13** | SFT | 37,411,630 | 1,249,793,468 |
| **2013-14** | SFT | 53,701,244 | 1,773,536,942 |
| **2014-15** | SFT | 77,330,866 | 2,529,585,739 |

|  |  |  |  |
| --- | --- | --- | --- |
| Sales data | | | |
| Year | Unit | Quantity | Value (Taka) |
| 2012-13 | SFT | 36,199,413 | 1,176,550,558 |
| 2013-14 | SFT | 53,412,827 | 1,769,743,106 |
| 2014-15 | SFT | 76,067,698 | 2,476,681,643 |

**Raw materials used**

Indigenous Imported (with H.S. Code)

1. Ball Clay 1. Ball Clay (2508.40.00)

2. Chaina Clay 2. Chaina Clay (2508.40.00)

3. Feldspar 3. Feldspar (2529.10.00)

4. ATTP Additives 4. STTP Additive (2835.31.90)

5. Glaze 5. Glaze (3207.20.00)

6. Transparent Frit 6. Transparent Frit (3207.40.00)

7. Durgapur Clay 7. Zirconium Silicate (2530.90.00)

8. Red Clay 8. Alumina Ball (6903.20.90)

9. Silica Sand

10. Lime Stone

**Distribution channel**

Manufacturer ⮚ Dealers ⮚ Customers

**Madhumati Ceramics Ltd.**

Madhumati Ceramics Ltd over 20 years,s of experience, operate in both residential and commercial markets and pride ourselves on having a detailed knowledge of the demands of both areas. Within the contract market, Madhumati Ceramics Ltd experience, service and product range covers all aspects of the public and private specification market, from architects , developers and contractors. Madhumati Ceramics Ltd tiles have been used in major projects like housing projects, industries, universities, hotels, hospitals, etc. We also offer a wide range of porcelain tiles.

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 1990 |
| **Year of Production** | : 1993 |
| **Products** | : Homogeneous Tiles |
| **Annual production Capacity** | : 4~4.5 Million Sq.Metre |
| **Machinery** | : italys & Chinese |
| **Factory Location** | : About 30km south-west of Dhaka City, |
| **Operational Space** | : 30,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 550 |

**Mir Ceramics Ltd.**

Mir Ceramic Ltd started its operation in December, 2003 with fully equipped Italian machinery Established at North Mawna, Sreepur, Gazipur, Mir Ceramic Ltd. started its operation in December, 2003. It is fully equipped with Italian machinery from SACMI (Manufacturer of world’s No.1 Ceramic tiles machinery) who has provided a complete set of machinery with total technology and body formulation for the tiles on turnkey basis under the whole time supervision and guidance of specialist technicians from SACMI. Colorobbia Espana of Spain and Ferro U.S.A. the two world famous companies have provided the glaze, colour and stain of the products along with technology on turnkey basis. The combined technologies of the above internationally reputed companies ensured premium quality of the tiles.

Mir Ceramic Ltd. is producing different types of ceramic tiles e.g. double fired wall tiles, single fired floor tiles and porcelain tiles (locally termed as homogenous tiles) strictly conforming to CEN (Committee European de Normalization) standard. The tiles have no pinholes and waviness, resulting in smooth and glossy surface of the glazed side. Ceramic tiles of Mir Ceramic Ltd. have the highest bending strength with lowest water absorption with strict dimensional uniformity. The company is also exporting its products to India, South Korea & Nepal.

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| --- | --- |
| **Company Status** | : Public Limited Company |
| **Year of Incorporation** | : 2001 |
| **Year of Production** | : 2003 |
| **Products** | : Ceramic & Homogeneous Tiles |
| **Annual production Capacity** | : 8~8.5 Million Sq.Metre |
| **Machinery** | : italion |
| **Factory Location** | : About 65km north of Dhaka City, |
| **Operational Space** | : 60,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 1150 |

**Monno Ceramics Ind. Ltd.**

Monno Porcelain & Bone China factories are unique in being able to offer under one roof the flexibility and versatility of many manufacturing methods for various size or nature of the product. Monno has invested in modern machinery like High Pressure Casting, Isostatic Pressing, Auto Cup Lines, Auto Dip Glazing, Spray Drying, and an open firing system tunnel kilns that ensures the perfect vitrification of Porcelain & Bone China wares to produce the superior glossy finish. One of Monno’s greatest strength is Spray Colored Porcelain and Bone China. Monno is capable of producing any color that you desire. All color pigments are imported from Germany which complies with FDA & EU standards and California Prop.

Manufacturing capacity is 2 Million pieces per month where Bone china is 15,000 Pcs and Porcelain 75,000 Pcs per day. Lead & Cadmium free color pigments from Ferro GmbH are used to produce the finest in-glaze and on-glaze decals that bring any designer's artwork to life. In-house Mould production and Sagger making ensures that the production lead-time is minimized. Monno is not dependent on outside suppliers for labels or packaging, which helps to ensure orders are available on time.

World’s best designers are working with Monno since last 25 years where they have designed some of the best selling Porcelain and Bone China ranges of Monno, which are being sold by prestigious retailers in the Europe, Australia and USA.

Monno offers products in Porcelain, New Bone China, Ivory China, and real Bone China. Due to its unique body composition, made from the highest quality of raw materials from around the globe.

|  |  |
| --- | --- |
| **Company Status** | : Public Limited Company |
| **Year of Incorporation** | : 1983 |
| **Year of Production** | : 1985 |
| **Products** | : Porcelain & Bone China Tableware’s |
| **Annual production Capacity** | : 24~25 Million assorted pieces |
| **Machinery** | : Japanese |
| **Factory Location** | : About 40km south-east of Dhaka City, |
| **Operational Space** | : 60,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 3000 |

**Peoples Ceramics Ind. Ltd.**

Peoples Ceramic Industries Ltd. pioneered the manufacturing of porcelain tableware’s in Bangladesh in 1962.European Style tableware’s were chosen for fabrication as they were popular at home & that would create an opportunity to export in due course; PCI tableware’s were welcomed in Holland & United Kingdom in 1981. In the initial years, along with basic house wares items, Tea Cups & Saucers suitable for restaurant use were also fabricated. Marketing the quantity produced posed a big problem & thereafter Late Mr Ahmed opened doors to market them in Pakistan competing against 2 factories there. It was an instant success owing to Hard Grade porcelain products of PCI. Later Institutional products were also added to cater the Hotels and Restaurants. The company always focused on adopting Appropriate Technology and sourcing quality raw materials (from around the world) to keep product cost at a minimum; also machinery and equipments were constantly upgraded to maintain competitive edge. In 2009 company initiated decal printing starting with “Logo” and by 2012 had a full fledged automatic decal printing facility. Peoples Ceramic followed the vision of its founder at every step to provide good quality products to its customers, create a better future for themselves and the nation.

 Item Produced : Dinner, Tea & Coffee sets including all accessories.  
GSP available for EU, Canada, Australia, New Zealand & Japan.

 Main Importing Countries :-

Belgium, Denmark, Greece, France, Germany, India, Italy, U.K, Egypt & Canada.

 Export & Local consumption :-

20% & 80% respectively.

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 1962 |
| **Year of Production** | : 1966 |
| **Products** | : Feldspar Porcelain Tableware’s |
| **Annual production Capacity** | : 12.5~13 Million assorted pieces |
| **Machinery** | : Japanese |
| **Factory Location** | : About 20km north-east of Dhaka City, |
| **Operational Space** | : 12,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 600 |

**Protik Ceramics Ltd.**

"PROTIK CERAMICS LTD. (PCL)" has been registered in Bangladesh in 2009. The plant is commissioned in 2010 and launched its commercial production in March 2011. The plant is located 30KM North – East from Capital City of Dhaka. The factory has setup on 15 acres of land and have to total covered area of more than 2,50,000 sft. The Protik Ceramics Ltd. (PCL) is the youngest member of Protik Group which is private limited company, having interests in Real Estate, Trading and international Hotel Business.

"PROTIK CERAMICS LTD. (PCL)"  plant equipped with most modern latest machineries from TAKASAGO, SKK of Japan having more than 1000 highly skilled and professional experience employees. "PROTIK CERAMICS LTD. (PCL)"  production capacity about 40,000 pieces (10-12 M.Ton) per day.

"PROTIK CERAMICS LTD. (PCL)"  decals plant capacity around 60,000 pieces per month. Starting from single color upto 16 colors with Gold/Platinum both on glaze (840°C) and in glaze 1220°C) and completely lead and cadmium free. The company has own design studio in the decals plant. "PROTIK CERAMICS LTD. (PCL)"  have own packaging plant located in the same premises. "PROTIK CERAMICS LTD. (PCL)"  have around 1,00,000 pieces white/brown cartons per month. In addition the company is also capable of supplying 4-6 color printed cartons. "PROTIK CERAMICS LTD. (PCL)"  have equipped with the top of the line testing and quality control laboratory facilities, and has at its disposal, own captive Gas based Power Generation capability, Own water supply through Deep Tubewell, Medical & Sanitary facilities for all employees.

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2008 |
| **Year of Production** | : 2011 |
| **Products** | : Ceramic Porcelain Tableware’s |
| **Annual production Capacity** | : 18~18.5 Million assorted pieces |
| **Machinery** | : Japanese & Chinese |
| **Factory Location** | : About 45km South-west of Dhaka City, |
| **Operational Space** | : 40,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 1250 |

**RAK Ceramics (BD) Ltd.**

RAK Ceramics is a global hi-tech manufacturer of premium ceramics lifestyle solutions. Specializing in high-quality ceramic and gres porcellanato wall and floor tiles, sanitaryware, tableware and faucets, RAK Ceramics is a complete solutions provider for walls, floors, bathrooms and kitchens.

RAK Ceramics has a global annual production capacity of 117 million square metres of ceramic and porcelain tiles, 4.6 million pieces of sanitaryware and 24 million pieces of tableware; with a one billion US$ turnover and a distribution network that spans 160 countries.

Established in 1989 by H.H. Sheikh Saud Bin Saqr Al Qasimi, Ruler of Ras Al Khaimah and UAE’s Supreme Council Member and now led by Sheikh Khalid Bin Saud Al Qasimi, the Chairman of RAK Ceramics, under their vision and leadership the Ras Al Khaimah based company has enjoyed rapid growth, becoming a powerhouse in just 20 years.

Globally recognised as a world-class leader in its field, under the strategic leadership of CEO Abdallah Massaad, RAK Ceramics continues to position itself as a premium international brand.

RAK Ceramics is a global hi-tech manufacturer of premium ceramics lifestyle solutions. Specialising in high-quality ceramic and gres porcellanato wall and floor tiles, sanitaryware, tableware and faucets, RAK Ceramics is a complete solutions provider for walls, floors, bathrooms and kitchens.

One of the largest ceramics manufacturers in the world, RAK Ceramics has a global annual production capacity of 117 million square metres of ceramic and porcelain tiles, 4.6 million pieces of sanitaryware and 24 million pieces of tableware; with a one billion US$ turnover and a distribution network that spans 160 countries..

Specialising in high-quality ceramic wall and floor tiles, gres porcellanato, and sanitaryware, RAK Ceramics uses more than 10,000 production models (tiles) and 13,000 design pieces (sanitaryware), with new designs being added every week to its portfolio. Tiles are manufactured in a variety of sizes, from 10 cm x 10 cm up to 150 cm x 300 cm, as well as bespoke sizes – the widest range offered in the ceramics field.

RAK Ceramics is specialized in high-quality Ceramic wall and floor tiles, Gres Porcellanato, Bathware and Kitchen Sink

Ceramic Tiles: RAK Ceramics produces an extensive range of ceramic wall and floor tiles in a variety of sizes, colours, and designs including matching decor tiles, listellos, pencils and cappings along with other accessories.

Gres Procellanato :In Gres Porcellanato RAK Ceramics produces thousands of models in glazed and unglazed porcelain. Finishes available include polished, semi polished, unpolished, rustic, stone, mosaic and travertino, suitable for application in both residential and commercial spaces

Bathware

RAK Ceramics offers a versatile range of bathroom suites and accessories, providing complete solutions for all your sanitaryware needs.

RAK Porcelain

A luxury quality tableware range targeted at the high-end hospitality industry.

Kludi RAK

A joint venture with German faucet manufacturer KLUDI, manufacturing a range of designer faucets incorporating advanced water saving techno.

|  |  |
| --- | --- |
| **Company Status** | : Public Limited Company |
| **Year of Incorporation** | : 1998 |
| **Year of Production** | : 2000 |
| **Products** | : Ceramic & Homogeneous Tiles & Sanitarywares |
| **Annual production Capacity** | : Tiles- 8~8.5 Million Sq.Metre Sanitarywares- 1.1 Million Pieces |
| **Machinery** | : Italy’s |
| **Factory Location** | : About 60km north of Dhaka City, |
| **Operational Space** | : 60,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 1360 |

**Shinepukur Ceramics Ltd.**

Shinepukur Ceramics Limited (SCL) is a member of [BEXIMCO](http://www.beximco.com/) Group which is the Largest Private Sector Business Conglomerate in Bangladesh with about over 48,000 people worldwide in the permanent payroll, have over 300,000 shareholders, handling a diversified range of merchandise to and from Bangladesh. The Group’s operations and investments across a wide range of industries including Textiles, Pharmaceuticals, Trading, Ceramics, Information & Communication Technologies, Media, Marine Food, Real Estate Development, Hospitality, Construction, Aviation, Financial Services and Energy.

Shinepukur Ceramics was registered in Bangladesh in 1997 and the Plants were commissioned in 1998.Commercial production of Porcelain Tableware started in April 1999 and Bone China in November 1999. SCL is located in the BEXIMCO Industrial Park, near Dhaka Export Processing Zone (DEPZ), 40 Km from Capital Dhaka City.

For the upper echelons of the Global Tabletop industry, Shinepukur produces World Class Bone China, using the top quality raw-materials and ingredients, sourced by highly reputed Manufactures from all corners of the Globe. These are meticulously crafted and transformed into exquisite Bone China tabletop, mirroring a unique blend of eye catching shapes, enviable translucency, durability, all of it with a Lead and Cadmium free glaze.

Complementing its superb range of Bone China, Shinepukur also offers Plain Porcelain, Ivory China and High Alumina tableware to cater for all different market segments. From Dinner to Tea Plates, from Soup Tureens to Soup Spoons, from Retail Tabletop to Industrial, Hotel ware and Airline in-Flight items. SCL offers a multifaceted choice of refined product lines, catering to

the Omni changing market trends for novel shapes and patterns, setting new standards, and raising the Quality bar for the top end of this industry.

Shinepukur is the leading Bone China and Porcelain Tableware Manufacturer and Exporter from Bangladesh, equipped with the most modern state-of-the-art and latest Machinery’s from TAKASAGO, MINO and SKK of Japan, having more than 3,000 highly skilled & motivated employees, cutting-edge technology, world class product quality and its blue chip overseas customers. The Bone China Unit has in-fact been set up with the technology transfer from NIKKO Japan, coupled with extensive training facilities to our Production team.

In addition, Shinepukur Ceramics is equipped with the top-of-the-Line Testing and Quality Control Laboratory, own raw material disposal set-up, own captive gas-based Power generation capability, own water supply through Deep Tube well and Sanitary facilities.

Tableware Production: About 10,000 Pieces of high quality Bone China and 60,000 Pieces of top class Porcelain Tableware are produced at SCL per day, that is about 3 million pieces of Bone China and 18 million pieces of Porcelain Tableware are produced at SCL per year. By last quarter of 2013, the Production capacity in SCL’s Bone China Plant will be 7.00 million pieces per year that will include additional 4.00 million pieces after completion of its Bone China Unit-II. The Machineries of this new Unit have been sourced from Germany and Kilns from Takasago, Japan.

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 1997 |
| **Year of Production** | : 1999 |
| **Products** | : Porclain & Bone China Tableware,s |
| **Annual production Capacity** | : 30~32Million assorted Pieces |
| **Machinery** | : Japan, German, France |
| **Factory Location** | : About 40km south-east of Dhaka City, |
| **Operational Space** | : 60,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 3000 |

**Sun Power Ceramics C0. Ltd.**

Starting in 1977 as a small setup with big dreams, ideals and honest commitments, Sun power tiles today, stands as an unique leader in world class wall and floor tiles Launched as company manufacturing and marketing high quality wall and floor tiles, with clarity of concepts, the target at that time was to provide a well coordinated complete attractive house to our customers.

Sun Power tiles are 100% Foreign Investment Taiwan based Company. As Sun Power tiles has the glorious 38 years history in the modern tiles sector & also exports its product more than 100 countries in the world. As Sun Power tiles is the faithful name in the world ceramic market & achieves huge response from the sector so management think that they will set up an exclusive tiles factory in Bangladesh, Because Bangladesh has lot of opportunity to operate the business, So In 2002 Sun Power tiles run its business in Bangladesh base on its product quality, experience & confidence

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2002 |
| **Year of Production** | : 2002 |
| **Products** | : Ceramic & Homogeneous Tiles |
| **Annual production Capacity** | : 5~5.5 Million Sq.Metre |
| **Machinery** | : Italy & Chinese |
| **Factory Location** | : About 55km north-east of Dhaka City, |
| **Operational Space** | : 40,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 600 |

**Star Ceramics Ltd.**

|  |  |
| --- | --- |
| **Company Status** | : Public Limited Company |
| **Year of Incorporation** | : 2010 |
| **Year of Production** | : 2013 |
| **Products** | : Ceramic & Homogeneous Tiles & Sanitaryware |
| **Annual production Capacity**  **3,60,000~4,00,000 Pieces** | : Tiles- 6.5~7 Million Sq.Metre Sanitaryware- |
| **Machinery** | : Italy and China |
| **Factory Location** | : About 140km north-east of Dhaka City, |
| **Operational Space** | : 30,000 Sq.Metre (approx.) |
| **Total Employees** | : Tiles-357, Sanitaryware-179 |

**Star Porcelain Ltd.**

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2013 |
| **Year of Production** | : 2015 |
| **Products** | : Ceramic Porcelain Sanitaryware’s |
| **Annual production Capacity** | : 18~18 Million assorted pieces |
| **Machinery** | : SACMI, SAMA, Germany |
| **Factory Location** | : About 138km north-east of Dhaka City, |
| **Operational Space** | : 70,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 500 |

**X- Ceramics Ltd.**

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2007 |
| **Year of Production** | : 2010 |
| **Products** | : Ceramic & Homogeneous Tiles |
| **Annual production Capacity** | : 3~3.5 Million Sq.Metre |
| **Machinery** | : Chinese & Italy’s |
| **Factory Location** | : About 55km north of Dhaka City, |
| **Operational Space** | : 50,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 700 |

**Bangladesh Taiwan Ceramics Ind. Ltd.**

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2012 |
| **Year of Production** | : On going (2015) |
| **Products** | : Ceramics & Homogeneous Tiles |
| **Annual production Capacity** | : 3.5~4 Million Sq.Metre |
| **Machinery** | : Japanese & Chinese |
| **Factory Location** | : About 45 km South-east of Dhaka City |
| **Operational Space** | : 10,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 250 |

**Bangladesh Insulator & Sanitaryware Factory (BISF)Ltd.**

|  |  |
| --- | --- |
| **Company Status** | : Public Limited Company |
| **Year of Incorporation** | : 1978 |
| **Year of Production** | : 1981 |
| **Products** | : Ceramics Sanitaryware, Insulators & Refectories |
| **Annual production Capacity** | : 4,800M.Ton |
| **Machinery** | : Czechoslovakia |
| **Factory Location** | : Dhaka City, 14 km north-east from zero point |
| **Operational Space** | : 24,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 450 |

**Hua Thai Ceramics Ind. Ltd.**

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2002 |
| **Year of Production** | : 2003 |
| **Products** | : Homogeneous Tiles |
| **Annual production Capacity** | : 4~4.5 Million Sq.Metre |
| **Machinery** | : Chinese |
| **Factory Location** | : About 45km north of Dhaka City, |
| **Operational Space** | : 30,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 450 |

**Monalisa Ceramics (BD) Ltd.**

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2013 |
| **Year of Production** | : 2015 |
| **Products** | : Ceramic & Homogeneous Tiles |
| **Annual production Capacity** | : 4~4.5 Million Sq.Metre |
| **Machinery** | : Italy’s |
| **Factory Location** | : About 55km north of Dhaka City, |
| **Operational Space** | : 60,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 850 |

**Paragon Ceramics Ind. Ltd.**

|  |  |
| --- | --- |
| **Company Status** | : Private Limited Company |
| **Year of Incorporation** | : 2008 |
| **Year of Production** | : 2011 |
| **Products** | : Ceramic Porcelain Tableware’s |
| **Annual production Capacity** | : 18~18.5 Million assorted pieces |
| **Machinery** | : Japanese & Chinese |
| **Factory Location** | : About 40km north-east of Dhaka City, |
| **Operational Space** | : 45,000 Sq.Metre (approx.) |
| **Total Employees** | : Around 1200 |

**Standard Ceramics Ind. Ltd.**

|  |  |
| --- | --- |
| **Company Status** | : Public Limited Company |
| **Year of Incorporation** | : 1984 |
| **Year of Production** | : 1993 |
| **Products** | : Ceramic Stone Tableware’s |
| **Annual production Capacity** | : 15~16 Million assorted pieces |
| **Machinery** | : Japanese |
| **Factory Location** | : About 32km north of Dhaka City, |
| **Operational Space** | : 12,500 Sq.Metre (approx.) |
| **Total Employees** | : Around 800 |

**Chapter: 3**

**Export**

****

The global ceramics industry is worth in excess of $10bn. Bangladesh is perfectly positioned to expand rapidly in this sector with its high quality, cost ratios and creative human resource base. Thriving in this sector are tableware, sanitary ware and insulators. The country key advantages are these: Technical expertise and skilled manpower in tableware and other ceramics. Clean gas reserves in certain locations to fire kilns for competitive cost advantage. Bangladesh ceramic tableware has a good reputation in the international markets like North America and EU countries. Sanitary ware and insulators have a strong domestic demand as well as international market demand.

The global ceramic tableware industry is currently going through a phase of acquisition and consolidation as smaller firms in the developed countries are becoming uncompetitive and bankrupt. As a result, the big names like Noritake, Wedgewood, Lenox, Villeroy & Boch and Royal Doulton are all individually becoming billion-dollar operations.

Traditionally, the tableware industry is labor-intensive and companies in developed countries experience difficulties in remaining competitive. Bangladesh, being a gas-rich and low-labor-cost economy, is perfectly positioned to be a strategic partner in production and supply of ceramic products. Investment interests in this sector are strongly welcome.

A few ceramic tableware manufacturers dominate the industry producing high quality products for the international brands. A pool of skilled manpower has been developed. The latest technological advancements in ceramics are also being utilized. Bangladesh produces high quality bone china, transferring the technology from Japan. Of different ceramic products, ceramic tablewares are exported to about 50 countries including the USA and Canada, tiles to India, Nepal and Bhutan and sanitary ware to the Middle East, especially to the UAE

**Export figure of finished products**

**Ceramic Tableware (Finished Product)**

**Export**

Graph: 1 Export of Ceramic Tableware (Finished Product)

Table: 1 Export of Ceramic Tableware (Finished Product)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SI** | **F-Year** | **Export** | | |
| **Million**  **US $** | **Amount (Crore TK.)** | **Growth**  **%** |
| 1 | 2014-15 | 53.57 | 420.50 | 16.8 |
| 2 | 2013-14 | 45.57 | 360.00 | 6.19 |
| 3 | 2012-13 | 42.91 | 339.00 | 7.56 |
| 4 | 2011-12 | 39.89 | 315.15 | 18.76 |
| 5 | 2010-11 | 35.86 | 265.36 | …… |

Source: Bangladesh Ceramic Wares Manufacturers’ Association (BCWMA).

Export of ceramic tableware shows continuous upper trend in the year 2012-13, 2013-2014 with big jump of growth of 16.8% in 2014-2015.

**Ceramic Tiles (Finished Product)**

**Export**

Graph: 2 Export of Ceramic Tiles (Finished Product)

Table: 2 Export of Ceramic Tiles (Finished Product)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SI** | **F-Year** | **Export** | | |
| **Million**  **US $** | **Amount (Crore TK.)** | **Growth**  **%** |
| 1 | 2014-15 | 0.71 | 5.60 | (53.33) |
| 2 | 2013-14 | 1.51 | 12.00 | 33.33 |
| 3 | 2012-13 | 1.13 | 9.00 | 15.83 |
| 4 | 2011-12 | 0.98 | 7.77 | 7.82 |
| 5 | 2010-11 | 1.13 | 8.43 | …… |

Source: Bangladesh Ceramic Wares Manufacturers’ Association (BCWMA).

From the above table we can see that Bangladesh export a very marginal amount of tiles in the recent years but it has a possibility of growth as the most industries are automated in production.

**Ceramic Sanitary ware (Finished Product)**

**Export**

Graph: 3 Export of Ceramic Sanitary ware (Finished Product)

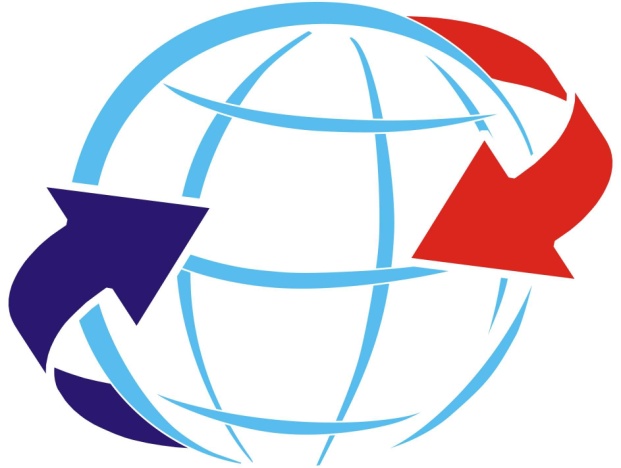
Table: 3 Export of Ceramic Sanitary ware (Finished Product)

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **SI** | **F-Year** | **Export** | | |
| **Million**  **US $** | **Amount (Crore TK.)** | **Growth**  **%** |
| 1 | 2014-15 | 0.70 | 5.50 | (31.25) |
| 2 | 2013-14 | 1.01 | 8.00 | 60.00 |
| 3 | 2012-13 | 0.63 | 5.00 | 40.84 |
| 4 | 2011-12 | 0.44 | 3.55 | (31.86) |
| 5 | 2010-11 | 0.70 | 5.21 | ……. |

Source: Bangladesh Ceramic Wares Manufacturers’ Association (BCWMA).

Ceramic Sanitary wares have a negative growth in the year 2014-15 compared to 2013-14.

**Import**

****

Though export market of Bangladeshi ceramic industry is growing, the domestic market share of local ceramic wares is shrinking due to widespread import of low-priced foreign goods, mainly from China. As overseas demand is going up, country’s major manufacturers are now pumping 80 percent of the production into the international market. Moreover, the local companies export much of the products to the international market, thus creating a demand-supply gap in Bangladesh. Due to this, imports of ceramic products in Bangladesh are increasing very fast parallel to the growth in export.

**Ceramic Tableware (Finished Product)**

**Import**

Graph: 4 Import of Ceramic Tableware (Finished Product)

Table: 4 Import of Ceramic Tableware (Finished Product)

|  |  |  |  |
| --- | --- | --- | --- |
| **SI** | **F-Year** | **Import** | |
| **Amount (Crore TK.)** | **Growth**  **%** |
| 1 | 2014-15 | 30.53 | 1.77 |
| 2 | 2013-14 | 30.00 | 7.14 |
| 3 | 2012-13 | 28.00 | 1.74 |
| 4 | 2011-12 | 27.52 | 2.99 |
| 5 | 2010-11 | 26.72 | …… |

Source: Bangladesh Ceramic Wares Manufacturers’ Association (BCWMA).

In the year 2014-15, the country imported finished ceramic table ware of 30.53 Crore TK. and 30.00 crore in 2013-2014.It shows a slower growth in import as the domestic producer able to meet up the increased demand.

**Ceramic Tiles (Finished Product)**

**Import**

Graph: 5 Import of Ceramic Tiles (Finished Product)

Table: 5 Import of Ceramic Tiles (Finished Product)

|  |  |  |  |
| --- | --- | --- | --- |
| **SI** | **F-Year** | **Import** | |
| **Amount (Crore TK.)** | **Growth**  **%** |
| 1 | 2014-15 | 575.92 | 0.16 |
| 2 | 2013-14 | 575.00 | 2.22 |
| 3 | 2012-13 | 562.50 | 18.58 |
| 4 | 2011-12 | 474.33 | 23.44 |
| 5 | 2010-11 | 384.25 | ……. |

Source: Bangladesh Ceramic Wares Manufacturers’ Association (BCWMA).

Import of tiles is much higher than other ceramic product as Bangladesh still lacks in producing high quality product such as double quoted tiles. The above table shows Bangladesh imports a hefty an amount of tiles in the year 2014-2015 of amount 575.92 crore and 575 crore in 2013-2014.

**Ceramic Sanitary ware (Finished Product)**

**Import**

Graph: 6 Import of Ceramic Sanitary ware (Finished Product)

Table: 6 Import of Ceramic Sanitary ware (Finished Product)

|  |  |  |  |
| --- | --- | --- | --- |
| **SI** | **F-Year** | **Import** | |
| **Amount (Crore TK.)** | **Growth**  **%** |
| 1 | 2014-15 | 51.76 | 3.52 |
| 2 | 2013-14 | 50.00 | 2.56 |
| 3 | 2012-13 | 48.75 | 18.03 |
| 4 | 2011-12 | 41.30 | 14.43 |
| 5 | 2010-11 | 36.09 | …... |

Source: Bangladesh Ceramic Wares Manufacturers’ Association (BCWMA).

In the year 2014-15, the country imported finished ceramic table ware of 51.76 Crore TK. and 50.00 crore in 2013-2014.It shows a slower growth in import as the domestic producer able to meet up the increased demand.

**Domestic Sales**

The ceramic industry of Bangladesh faces stiff competition from foreign sources like China and Thailand but the domestic marketplace is yet weakly competitive. Ceramic manufacturers like Monno Ceramic, Shienpukur Ceramic, Standard Ceramic, FARR Ceramic and Bengal Fine ceramic are still leading, especially in the domestic market, and have been recently expanding their plant to further improve their share of domestic market. All other ceramic manufacturers are also increasing their production capacity following robust growth in demand for ceramic wares. Demand for ceramic tablewares has also increased significantly in Bangladesh with a continuous rise in use among middle income groups in the past decade. Another reason for this increased demand can be attributed to the sky-rocketing of the price of gold. Due to this may people have turned away from the traditional practice of presenting jewellery at wedding ceremonies and have resorted to the next best option, ceramic tableware

**Ceramic Tableware (Finished Product)**

Graph: 7 Domestic Sales of Ceramic Tableware (Finished Product)

Table: 7 Domestic Sales of Ceramic Tableware (Finished Product)

|  |  |  |  |
| --- | --- | --- | --- |
| **SI** | **F-Year** | **Domestic Sales** | |
| **Amount (Crore TK.)** | **Growth**  **%** |
| 1 | 2014-15 | 305.10 | (3.14) |
| 2 | 2013-14 | 315.00 | 7.97 |
| 3 | 2012-13 | 301.00 | 8.95 |
| 4 | 2011-12 | 276.26 | 3.14 |
| 5 | 2010-11 | 267.84 | ……. |

Source: Bangladesh Ceramic Wares Manufacturers’ Association (BCWMA).

From the above table we can see that demand for ceramic tableware increasing day by day as the purchasing power are raising. Local manufactures are fulfilling the demand.

**Ceramic Tiles (Finished Product)**

**Domestic Sales**

Graph: 8 Domestic Sales of Ceramic Tiles (Finished Product)

Table: 8 Domestic Sales of Ceramic Tiles (Finished Product)

|  |  |  |  |
| --- | --- | --- | --- |
| **SI** | **F-Year** | **Domestic Sales** | |
| **Amount (Crore TK.)** | **Growth**  **%** |
| 1 | 2014-15 | 2,526.00 | 36.54 |
| 2 | 2013-14 | 1,850.00 | 8.12 |
| 3 | 2012-13 | 1,711.00 | 51.85 |
| 4 | 2011-12 | 1,126.72 | 29.78 |
| 5 | 2010-11 | 868.13 | …… |

Source: Bangladesh Ceramic Wares Manufacturers’ Association (BCWMA).

Demand for tiles rises significantly in the 2014-2015 as the table shows it has 36.54 percent growth compare to 2013-2014.

**Domestic Sales**

**Ceramic Sanitary ware (Finished Product)**

Graph: 9 Domestic Sales of Ceramic Tableware (Finished Product)

Table: 9 Domestic Sales of Ceramic Sanitary ware (Finished Product)

|  |  |  |  |
| --- | --- | --- | --- |
| **SI** | **F-Year** | **Domestic Sales** | |
| **Amount (Crore TK.)** | **Growth**  **%** |
| 1 | 2014-15 | 656.50 | 33.97 |
| 2 | 2013-14 | 490.00 | 28.94 |
| 3 | 2012-13 | 380.00 | 97.73 |
| 4 | 2011-12 | 192.18 | 128.10 |
| 5 | 2010-11 | 84.25 | …….. |

Source: Bangladesh Ceramic Wares Manufacturers’ Association (BCWMA).

Like tiles demand for sanitary ware are increasing. As the table shows total sales of sanitary ware was 490 crore in 2013-14 whereas it raises to 656 crore in 2014-2015 thus having a 33.97 percent growth in just one year.

**Chapter 4**

**Assistance Policies Affecting the Industry**

According to export policy, Product sectors which have export potentials but whose production, supply and export base are not well organized will be included in special development sectors so as to strengthen their export base. Ceramic products are included in the special development sector in Bangladesh export policy.

**Import Policy with respect to competing Import.**

Imports of all ceramic products are allowed. There is no restriction on importing the product.

**Taxes on Import**

At present ceramic industries have the following duty on import.

Table 10: Duty Structure of Finished Product

|  |
| --- |
| **Bangladesh Customs National Tariff** |
| **Fiscal Year:2015-2016(1St July)** |

(In Percentage)

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Product** | **H.S.Code** | **Customs Duty** | **Supplementary Duty** | **Regulatory Duty** | **Vat** | **AIT** | **ATV** | **Total Tax incidence** |
| **Ceramic Tiles(unglazed)** | 69.07.10.00  69.07.90.00 | 25 | 60 | 4 | 15 | 5 | 4 | 152.82 |
| **Ceramic Tiles(glazed)** | 69.08.10.00  69.08.90.00 | 25 | 60 | 4 | 15 | 5 | 4 | 152.82 |
| **Ceramic Tableware** | 69.11.10.00  69.11.90.00  69.12.00.00 | 25 | 60 | 4 | 15 | 5 | 4 | 152.82 |
| **Ceramic Sanitary Ware** | 69.10.10.00  69.10.90.00 | 25 | 60 | 4 | 15 | 5 | 4 | 152.82 |

**Table 11: Duty Structure of Raw Materials (2015-2016)**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| SI | HS Code | Description | CD | RD | SD | VAT | AIT | TTI |
| 1. | 0506.90.10 | Bone Ash | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 2. | 2506.10.00 | Quartz | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 3. | 2507.00.00 | Kaolin/China Clay | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 4. | 2508.10.00 | Bentonite | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 5. | 2508.30.00 | Fire Clay | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 6. | 2508.40.00 | Ball Clay | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 7. | 2508.50.00 | Kyanite and Sillimanite | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 8. | 2517.10.10 | Flint/Grinding Pebbles/Ball Stone | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 9. | 2518.10.00 | Dolomite | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 10. | 2519.10.00 | Magnesite | 10% | 0% | 0% | 15% | 5% | 27.07% |
| 11. | 2520.20.00 | Plaster of Paris | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 12. | 2521.00.00 | Lime Stone | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 13. | 2525.10.00 | Pyrophyllite/Crude Mica | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 14. | 2525.20.00 | Mica pwder | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 15. | 2526.10.00 | Soap Stone Lump | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 16. | 2526.20.00 | Soap Stone Talk | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 17. | 2529.10.00 | Feldspar | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 18. | 2530.20.00 | Magnesium Sulphates | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 19. | 2530.90.00 | Zirconium Silicate | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 20. | 2615.10.00 | Zirconium Ores and Concentrates | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 21. | 2817.00.00 | Zinc Oxide | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 22. | 2818.20.00 | Aluminum oxide | 5% | 0% | 0% | 0% | 5% | 11.32% |
| 23. | 2818.30.00 | Aluminum hydroxide | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 24. | 2820.10.00 | Manganese dioxide | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 25. | 2821.10.00 | Iron oxides & hydroxides | 5% | 0% | 0% | 0% | 0% | 6.32% |
| 26. | 2822.00.00 | Cobalt oxides | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 27. | 2827.31.00 | Magnesium Chloride | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 28. | 2835.31.00 | Sodium triphosphate | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 29. | 2836.20.00 | Disodium carbonate(Soda) | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 30. | 2836.50.00 | Calcium carbonate | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 31. | 2836.60.00 | Barium carbonate | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 32. | 2839.11.00 | Sodium metaSilicates | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 33. | 2839.19.00 | Sodium silicates | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 34. | 2839.90.10 | Potassium | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 35. | 2839.90.90 | Others/commercial alkali metal silicates | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 36. | 2915.21.00 | Acetic acid | 25% | 4% | 0% | 15% | 5% | 55.89% |
| 37. | 2917.20.00 | Polycarboxylic acids | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 38. | 3207.10.00 | Pigment & dry colors | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 39. | 3207.20.00 | Glaze/Engobes | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 40. | 3207.30.00 | Liquid Gold /Luster’s | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 41. | 3207.40.00 | Glass frit/transparent frit | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 42. | 3208.20.91 | Cover coat | 10% | 4% | 0% | 15% | 5% | 37.88% |
| 43. | 3208.90.10 | Apoxi Paint | 25% | 4% | 0% | 15% | 5% | 55.89% |
| 44. | 3402.19.10 | Potash Soap | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 45. | 3809.92.00 | Film insulation | 5% | 0% | 0% | 15% | 5% | 27.07% |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| SI | HS Code | Description | CD | RD | SD | VAT | AIT | TTI |
| 46. | 3814.00.00 | Solvent/Thinner | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 47. | 3824.90.90. | Ceramic Adhesive | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 48. | 3907.30.00 | Metsumi seal/resins | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 49. | 3912.31.00 | Cellulose | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 50. | 3917.39.90 | Transparent plastic/ Pipe & Hoses & Fitting | 25% | 4% | 0% | 15% | 5% | 55.89% |
| 51. | 3920.2010 | In Printed form | 10% | 4% | 10% | 15% | 5% | 71.37% |
| 52. | 3926.90.91 | Conveyor or transmission Belts/Angel belt /V-belt | 25% | 0% | 0% | 15% | 5% | 33.07% |
| 53. | 3926.90.99 | Belt round/strapping/ sealing ring/other | 25% | 4% | 30% | 15% | 5% | 102.35% |
| 54. | 4009.12.00 | Hose pipe | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 55. | 4009.32.00 | Spray tower high-pressure hose, rubber with fitting | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 56. | 4010.32.00 | Endless transmission Bell / Loader Fan belt | 25% | 0% | 0% | 15% | 5% | 51.08% |
| 57. | 4016.10.00 | Square rubber or Cellular rubber | 25% | 4% | 0% | 15% | 5% | 55.89% |
| 58. | 4016.99.90 | Rubber cap | 25% | 4% | 0% | 15% | 5% | 55.89% |
| 59. | 4811.90.11 | Transfer Paper /Transfer decalcomanias | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 60. | 4819.20.00 | Folding cartons/ Card board box | 25% | 4% | 10% | 15% | 5% | 71.37% |
| 61. | 4908.10.10 | Transfer (decalcomanias) | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 62. | 5608.19.10 | Nets cloth/ Filter Cloth | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 63. | 6802.29.10 | Silex/Lining/ Abrasive/Polishing disc | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 64. | 6804.10.00 | Millstones and grindstones or Stone liner | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 65. | 6812.99.00 | Gasket Parts | 25% | 4% | 0% | 15% | 5% | 55.89% |
| 66. | 6903.20.20 | Ceramic roller | 1% | 0% | 0% | 15% | 5% | 22.27% |
| 67. | 6903.20.30 | Alumina liner | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 68. | 6903.20.90 | Grinding medium / refractory | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 69. | 6903.90.10 | Ceramic ingot moulds | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 70. | 7216.32.00 | Steel hot rolled | 10% | 0% | 0% | 15% | 0% | 28.07% |
| 71. | 7318.14.90 | Screws | 25% | 4% | 0% | 15% | 5% | 55.89% |
| 72. | 7318.15.00 | N-Key bolt | 25% | 0% | 0% | 15% | 5% | 51.08% |
| 73. | 7318.16.00 | Nut, bolt | 25% | 0% | 0% | 15% | 5% | 51.08% |
| 74. | 8409.99.90 | Value guide / spare parts for diesel engine / cylinder liner part / gasket cover parts / plug /seat exhaust etc. | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 75. | 8421.39.90 | Filter / Air Filter | 25% | 4% | 0% | 15% | 5% | 55.89% |
| 76. | 8442.50.10 | Dual King polyester screens / printing type | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 77. | 8482.10.00 | Ball bearings | 10% | 0% | 0% | 15% | 5% | 33.13% |
| 78. | 8532.10.00 | Fuses | 25% | 4% | 0% | 15% | 5% | 55.89% |
| 79. | 8536.30.00 | Others apparatus / Electrical Circuits | 10% | 0% | 0% | 15% | 5% | 33.07% |
| 80. | 9025.19.00 | Kiln used | 5% | 0% | 0% | 15% | 5% | 27.07% |
| 81. | 9403.10.00 | Display rack | 25% | 4% | 20% | 15% | 5% | 86.86% |

Import of finished product is well taxed whereas import of raw material is encouraged for further value addition.

**Protection Analysis**

Analysis of Assistance

**ANALYSIS OF ASSISTANCE**

A quantitative assessment of the impact of the various measures of Government policy in force on ceramic industry is presented in this section. The analysis is done by using the concept of **“Effective Rate of Protection (ERP)”**, which measures the net effect of nominal protection afforded to both outputs & inputs used in their production. The measurement of ERP is done by using Cordon Method dividing the non- tradable inputs into tradable and non-tradable category.

The analysis of assistance is done by the measurement of the Nominal Rate of Protection, Effective Rate of Protection and Domestic Resource Cost (DRC).

**Nominal Rate of Protection (NRP)**

It is the proportion by which the gross value of output of the producers’ gross returns on it, is raised by imposing tariff or other assistance measures. NRPs on ceramic and main inputs of the ceramic are shown in the following table.

**Nominal Rates of Protection**

|  |  |
| --- | --- |
| Item | NRP (%) |
| Ceramic | 152.82 |

Source: Annex - 1

This estimation of NRP has been made from protective tax assistance measures in force. NRP can be of two types, such as observed and statutory NRP. The above table shows the statutory NRP. Observed NRP can be calculated by the following formula.

Domestic Price – World Price

NRP = ­­------------------------------------- X 100.

World Price

**Effective Rate of Protection (ERP)**

ERP is defined as ‘the percentage increases in Value-Addition at domestic price over what it could be at world price'. The estimated ERP for ceramic is 70.41%. The basic information showing relevant cost structure for estimating ERPs is placed in Annex 1. ERP can be calculated by the following formula.

DVA – W VA

ERP = ----------------------------x100

WVA

Where DVA = Domestic Value Added

WVA= World Value Added

As it is to be expected, value added is positive in both the assisted and unassisted situations, value added in the assisted situation exceeding value added in the unassisted situation. Thus, the activity of producing ceramic enjoys protection through trade policy.

**Domestic Resource Costs (DRCs)**

It is the country’s cost of producing a unit of output which can either save foreign exchange by substituting imports or earn foreign exchange by directly exporting it. DRC is a cost- benefit ratio. The estimated DRC for ceramic is 1.37. DRC of 1.37 indicates that the activity is less efficient in terms of domestic resource use.

**Value Addition**

The value addition of the sub-sector is 9.30 per cent.

**Chapter 5**

**SWOT Analysis**

**SWOT Analysis**

**Export & Growth Potential of Ceramic Industries in Bangladesh**

|  |  |
| --- | --- |
| **Internal** | |
| Strengths | Weaknesses |
| 1. Technical expertise and skilled manpower 2. Availability of gas and low cost labor 3. Domestic demand | 1. Higher interest on working capital 2. Technological advancement for being competitive |
| **External** | |
| Opportunities | Threats |
| 1. Strong international market demand. 2. Being labor intensive Bangladesh has most competitive advantage | 1. Imported cheap low-quality ceramic |

|  |
| --- |
| **SWOT Analysis Summary** |
| Bangladesh’s ceramic has competitive advantage having low cost man power and availability of gas, whereas interest for the capital and production capacity at a international standard is still weakened the industry. It has opportunity to grow further because of a substantial local and untapped international market for export. To some extent the industry faces unlawful competition for cheap import and also a great concern over health risk of ceramic tableware. Health risk can be minimized through improvement of product quality but price remains a threat to survive from import. |

**Chapter: 6**

**Key Findings & Recommendations**

**6.1 Summary of findings:**

The country key advantages are these:

- Technical expertise and skilled manpower in ceramic Tableware and Kitchenware

- Availability of gas and low cost labor are competitive cost advantage.

- Ceramic Tableware and Kitchenware have a strong domestic demand as well as international market demand.

Traditionally, the ceramic Tableware and Kitchenware industry is labor-intensive and companies in developed countries experience difficulties in remaining competitive. Bangladesh, being a gas-rich and low-labor-cost economy, is perfectly positioned to be a strategic partner in production and supply of ceramic products.

The impact of withdrawn supplementary duty:

Example- 1, Ceramic Tableware

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of the products | Existing SD 60% & TTI 152.52% | At 0% SD, TTI  Will be 59.88% | Dealer’s Price of domestic products will be | Price of domestic products will increase |
| Imported dinner set of 32 pcs (wt. 12kg.), AV=$ 8.00), 1 USD=tk. 78.5 | Tk.1585/= | Tk. 1002/= | Tk. 1435/= | 43.21% |

Source: Bangladesh Ceramic Wares Manufacturers Association (BCWMA)

Example- 2, Ceramic Sanitary ware

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of the products | Existing SD 60% & TTI 152.52% | At 0% SD TTI  Will be 59.88% | Dealer’s Price of domestic products will be | Price of domestic products will increase |
| Imported Combee set (wt. 40kg.), AV=$ 30.00), 1 USD=tk. 78.5 | Tk.5947/= | Tk. 3765/= | Tk. 5299/= | 40.74% |

Source: Bangladesh Ceramic Wares Manufacturers Association (BCWMA)

Example- 2, Ceramic Tiles

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of the products | Existing SD 60% & TTI 152.52% | At 450% SD TTI  Will be 129.57% | SD 45% Dealer’s Price of domestic products will be | Price of domestic products will increase |
| Imported 600x600 SQ mm Polished Tiles. AV=USD 4.63 per sqm, Landed cost | Tk.917.80/= per sqm, or Tk. 85.30/= per sft. | Tk. 77.46/= per sft instead of Tk. 85.30 | Tk.104.19/= per sft instead of Tk.80.73 | 34.5% |

Source: Bangladesh Ceramic Wares Manufacturers Association (BCWMA)

**Under invoicing:**

It becomes a major problem in our country. The havoc it does cannot be described. It is not only destroying our industry but also destroying our whole economy evading revenue. Several complain are being sent to Bangladesh Tariff Commission from the domestic producers for remedy. If necessary, Customs valuation Act may be amended to control the tendency of under invoicing to protect our national economy.

**Tax holiday:**

To encourage direct investment to the industries, initially the opportunity of tax holiday should be continued for minimum a period of five years. Because without industrialization a country like us cannot be developed. To solve the unemployment problem industrialization must.

**PROBLEMS ENCOUNTERED BY CERAMIC INDUSTRY**

The problems that the ceramic sector is facing in Bangladesh are as follows:

* The industry suffers due to irregular power and gas supply. The ceramic tableware factory needs to maintain round the clock 380-degree temperature. A low heat in any plant causes fault to color and quality. According to the industry sources, to harness power during the shortfall period they used diesel-run generators, but due to high oil prices it was very expensive. For running such high cost generators, the production cost of ceramic goods rises as well.
* The industry faces high import duty on certain ceramic raw materials from 5.00 percent to 25 percent. Besides, this sector pays high Value Added Tax (VAT) of 15 percent on produced goods.
* Ceramic sector also faces difficulty in getting health certificate from Bangladesh Standard Testing Institution (BSTI), which is required by many international buyers, especially in European market.
* In Bangladesh there is shortage of raw materials for ceramic goods and the manufacturers are 100% dependent on import of raw materials from overseas. Besides, close competitors like China and India have their own raw materials. Hence, the government should take steps to find deposits of superior quality clay for ceramic in the coalmine region of north Bengal.
* Higher interest on working capital and on the credit for the procurement of capital machineries forces the local producers to loss the competitiveness in local and international markets. Interest for these credits should reasonably be reduced in order to enhance the competitiveness of locally produced products.
* The industry is facing tremendous pressure to maintain communications to factories which are usually situated in Gazipur, a 25 kms distant from Dhaka city. This extra time due to huge traffic jam in streets is considered as wastage of time by the industry leaders, officials and workers. In addition, most of the workers and officers are resident in the Dhaka city.

.

* The entrepreneurs seem to be highly concerned on the effect of under-invoicing, TAX evasion and illegal import of ceramic products. The honest entrepreneurs cannot compete with the price of these imported products.
* At present the domestic industries are enjoying protection but if supplementary duty is withdrawn from importable ceramic goods at a time, the domestic industries may face uneven competition with the imported products.

Under this circumstance this sector needs to have developed with appropriate Policy support. In this regard the study proposes the following recommendations:

**Recommendation**

Under this circumstance this sector needs to have developed with appropriate Policy support. In this regard the study proposes the following recommendations:

1. Higher interest rate on working capital and on the credit for the procurement of capital machineries put the local producers to fall short of competitiveness in local and international markets. Interest on credit should reasonably be reduced in order to enhance the competitiveness of locally produced products.
2. Ceramic industries are now becoming a more import oriented industry as low cost ceramic are imported through under invoicing. Measures to be taken against unfair trade of under invoicing, with a view of Safeguarding interest of entrepreneurs in the ceramic industries.
3. This industry lacks high level manufacturing and industrial engineering techniques, required machinery and equipment and international standard laboratory for testing and quality control. Besides, this sector is in need of research and development effort to economies on energy cost as well as appropriate and adequate training programs to develop pull of skilled labor.
4. To save time and energy of industrial labor and other staff ceramic industrial area may be communicated by multidimensional flyover connection with the main city Dhaka. Side by side the entrepreneur should have taken necessary programs for constructing inside dormitory and residential accommodation for employees.
5. The entrepreneurs seem to be highly concerned on the effect of under-invoicing, TAX evasion and illegal import of ceramic products. The honest entrepreneurs cannot compete with the price of these imported products. Initiatives should be take to fix actual assessable value of importable goods in respect of collect actual revenue side by side to protect our domestic industries, as a whole to save our national economy.
6. Withdrawn of SD at a time may cause uneven competition between domestic products and imported goods. Initiatives may be taken to reduce SD from importable goods step by step with a view to protect our local industries.
7. To encourage direct investment to the industries, initially the opportunity of tax holiday should be continued for minimum a period of five years.

**Chapter: 7**

7.1 Conclusion:

It is a great pleasure for us that the price of ceramic products remaining same for quite a long time despite power failure and political unrest across the country. There is no crisis of this item in the market and overall factories are running well. The demand of the item is increasing gradually due to increase per capita income and living standard. So, much more attention is required to be given so that this sub-sector does not suffer.

Undoubtedly domestic ceramic are playing vital role in an era of free market economy. The domestic industries have been starting export to USA and Canada, tiles to India, Nepal and Bhutan and sanitary ware to the Middle East, especially to the UAE countries initially. Hopefully the sector would do well in future in the light of globalization. Due to the global recessionary impact and rising labor cost, the developed countries are placing more orders to low-cost countries for quality ceramic wares; hence, the export demand for Bangladeshi ceramic ware is growing rapidly.

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**Annex -1**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **ERP & DRC OF TILES** |  |  |  |  |  |  |  |
|  |  |  |  | **DP(In Tk.)** |  |  | **CIF(In Tk.)** |
| **Output Value** |  |  |  | **126.95** |  |  | **82.97** |
| **1. Imported Raw Material** |  |  |  |  |  |  |  |
|  |  |  |  | **27.01** |  |  | **21.44** |
| **II) Local :** |  |  |  |  |  |  |  |
|  |  |  |  | **4.28** |  |  | **3.80** |
| **11. Malg. Overhead** |  |  |  | **NTG** | **TG** | **CF** | **TG** |
| **a. Electricity** |  | **0.0001** | **0.90** | **0.00** | **0.00** | **1.08** | **0.00** |
| **b. Gas** |  | **4.56** | **0.90** | **0.46** | **4.11** | **0.9** | **3.70** |
| **c. Repair and Maintainence** |  | **3.37** |  |  |  |  |  |
| **I) Building . 10** |  | **0.337** | **0.80** | **0.07** | **0.27** | **0.635** | **0.17** |
| **ii) Machinary and Equipment. 9** |  | **3.033** | **0.90** | **0.30** | **2.73** | **0.635** | **1.73** |
|  |  |  |  |  |  |  |  |
| **iii) Depreciation** |  | **1.23** |  |  |  |  |  |
| **a) Building 10** |  | **0.122932279** | **0.8** | **0.02** | **0.10** | **0.635** | **0.06** |
| **b) Machinery & Equipment. 85** |  | **1.044924372** | **1** |  | **1.04** | **0.635** | **0.66** |
| **C) Value Added** |  | **0.06146614** | **1.00** | **0.06** |  |  |  |
|  |  |  |  |  |  |  |  |
| **iv) Administrative Expenses** |  | **2.45** | **0.05** | **2.33** | **0.12** | **0.871** | **0.11** |
| **v) Selling & Distribution Exp.** |  | **7.07** | **0.1803** | **5.80** | **1.27** | **0.905** | **1.15** |
|  |  |  |  |  |  |  |  |
|  |  |  |  | **1.13** | **9.65** |  | **7.59** |
|  |  |  |  |  |  |  |  |
| **World Value addition** |  | **50.14** |  |  |  |  |  |
| **Domestic Value Addition** |  | **86.01** |  |  |  |  |  |
| **Item** |  | **DP** | **CF** | **WP** |  |  |  |
| **Wages and Salaries** |  | **1.92** | **0.87** | **1.67** |  |  |  |
| **NTG** |  | **1.13** | **1** | **1.13** |  |  |  |
| **Interest** |  | **4.46** | **0.87** | **3.88** |  |  |  |
| **Profit** |  | **3.06** | **0.87** | **2.66** |  |  |  |
| **Part of Depreciation** |  | **1.23** | **0.87** | **1.07** |  |  |  |
|  |  | **11.8** |  | **10.41** |  |  |  |
|  |  | **0.00** |  |  |  |  |  |
| **ERP** |  | **70.41%** |  | **VA** | **9.30** |  |  |
| **DRC** |  | **1.37** |  |  |  |  |  |