



## **Project Report**

**On**

**“INDUSTRIAL DEVELOPMENT IN DEVELOPING NATIONS”**

Course Name: INTERNSHIP (INT631)

### **Submitted To**

**Farhana Mitu**

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### **Submitted By**

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**Date of Submission: 30/08/2020**

## Letter of Transmittal

30 August, 2020

**Farhana Mitu**

Assistant Professor

School of Business

Uttara University , Dhaka.

**Subject: Submission of the project report on “Industrial Development in Developing Nations”**

Dear Madam,

With Due respect, I would like to say that it’s a great pleasure to submit the project report on “**Industrial Development in Developing Nations**” which you have assigned me to do as a part of my MBA program requirement. I have tried my best to gather all kinds of relevant information which can give an overall idea on this topic. I tried to gather information regarding report as much as possible. I hope that this report will meet the expected standard.

I have worked hard in preparing this project and hope that it will satisfy my course requirement. I would like to request you to accept my project and thereby oblige me.

Sincerely Your

**Md. Maruf Hossain**

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## Student's Declaration

I am **Md. Maruf Hossain** a student of Master of Business Administration (MBA) Program of Uttara University. As a partial fulfillment for the requirement of the MBA program, I am supposed to complete the project report.

I thereby declare that the project is titled as “**Industrial Development in Developing Nations**” prepared and completed by me under the supervision and guidance of **Farhana Mitu**, Assistant Professor, School of Business, Uttara University, Dhaka.

Signature & Date:

**Md Maruf Hossain**

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Major in HRM

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## **Supervisor's Declaration**

This is to certify that the project on “**Industrial Development in Developing Nations**” is prepared by **Md. Maruf Hossain** , **ID: 2193061016**, Department of Business Administration of MBA FOR BBA from Uttara University. This report is an original work completed under my supervision.

She has permitted me to submit the project.

.....

**Farhana Mitu**

Assistant Professor

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Uttara University, Dhaka

## **Acknowledgement**

At first I would like to express my gratitude to Almighty Allah who has given me the opportunity to go through the total process of writing a report in this regard. I would like to acknowledge my deepest gratitude to the honorable instructor **Farhana Mitu**, Assistant Professor, School of Business, Uttara University, Dhaka, who has given me suggestions regarding the writing of the report and to go through the process which has become an excellent way of understanding the topic of my project. To prepare this particular paper, I had to go through all type of accounts which gave me a good idea about that. I am also grateful to my parents and family members for their long encouragement patience, sacrifice and tolerance showed to me during my study period. Above all, I want to acknowledge and most grateful almighty God, the most merciful blessing me with patience and tenacity of mind to complete the requirements for the degree successfully.

## Exclusive Summery

It offers a great opportunity for any student to get some tremendous and brilliant ideas about the practical field. In this report I have tried my best to explain about “**Industrial Development in Developing Nations**”. I have shown the background of the study & objective. Supervisors, both from the university and from the organization, guided the student in writing this this report. Chapter one is about Background of the Study. The Broad objectives & specific objectives and also Major difficulties faced in accomplishing the project report. Chapter two is about objectives of the study. Chapter three is about data collection and processing methods. Basically my report based on the secondary data. Chapter four is about result and discussion. Chapter five is about conclusion and recommendation. It includes explanation of important outcomes and recommendations.

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**Section-1**



**JUSTIFICATION OF THE  
STUDY**

**Chapter Includes:**

- 1.1 Background of the Study**
- 1.2 Research Problem**
- 1.3 Limitation & Scope of the Study**
- 1.4 Structure of the Study**

## **1 INTRODUCTION**

Industrialization has been the basis for economic development of any serious minded nation; this is the reason why it is obvious that no advanced nations reached the developed stage without industrialization. “Industrialization has been seen as a veritable channel of attaining the lofty desirable conception and goals of improved quality of life and the populace. This is because; industrial development involves extensive technology-based development of the productive (manufacturing) system of the economy. In other words, it could be seen as a deliberate and sustained application and combination of suitable technology, management techniques and other resources to move the economy from the traditional low level of production to a more automated and efficient system of mass production of goods and services”(Ayodele and Falokun, 2003). As clearly stated by **Falokun and Ayodele**, industrialization involves developing the economy from its presently low state to a more efficient system of mass production of goods and services in order to improve that quality of life and standard of life of the citizenry.

### **1.1 Background of the Study**

The main goal of industrialization is to increase output using the more mechanized system of production. It is evident from above that industrialization is the central theme of economic development and growth. One of the bottlenecks facing emerging countries and which has impeded economic growth over the years is how to improve her industrial capabilities. Bangladesh as a nation is a typical example of this incident. Industrialization is an increase of the manufacturing sector in the Gross Domestic Product (GDP) via better utilization of technologies, materials and good labor capabilities. The industrial development comprises of good communication, basic infrastructural facilities and transportation networks as well as all other resources for better production operations (**Iwuagwu**, 2011). Developing nations lack the basic infrastructural facilities needed to launch them into industrialization as a result of improper and unimplemented policies,

thereby make their industrial development slow (**Adejumo and Olaoye, 2012; Iwuagwu, 2011**). The bureaucratic nature of government policies set up and likewise delay or non-implementation of government approved projects are some of the factors that robbed Bangladesh as a case its destined place in industrialization in global economic stage.

Furthermore, the roles of small and medium size business enterprises in a nation's industrialization are eminent. These due to the fact, these small firms contribute significantly to the GDP and many of Bangladesh government tiers have developed policies and programs to facilitate their activities but surprisingly this industrial sector confront many challenges like inadequate of resources such as absence of financing from the government and also from the banks, political influences (interferences), and poor readiness of entrepreneurs (**Adejumo & Olaoye, 2012**).

In view of this, it seems reasonable and relevant to know how the new manufacturing companies start and cope despite the industrial developmental challenges that are eminent in the country and it is worthy to know how their strategies can be improved with the hope of helping other intending business entrepreneurs in other to attain a sustainable developmental program. Thus, understanding of this phenomenon will contribute to industrial and entrepreneurial developments in Bangladesh and thereby reduces the poverty, standard of living of the people and unemployment problems facing the developing nations.

## **1.2 Research Problem**

This research is organized and embarked upon in order to solve certain problems. Some of which are:

- To understand the current state of industrial development of developing nation with Bangladesh as the case study.
- To understand how new SMEs cope with the challenges of doing business in developing nation despite the absence of basic infrastructural amenities.
- To understand how the measures taken by these SMEs can be improved in order to boost both industrial and economic development in developing nation.

## **1.3 Limitation & Scope of the Study**

The scope of this study involves researching into the strategies being employed by SMEs in Bangladesh in order to cope with the industrial development challenges that are eminent in developing nations. This is to give us an in-depth understanding about how the newly created SME businesses cope despite the absence of basic infrastructural amenities needed for business growth and development. Hence, due to time and other resources constraints the scope of this study is limited to only the SMEs businesses within the major cities of Lagos, Abuja and Port-Harcourt. Since the sample population of this research work is so large, it is unrealistic to interview and share questionnaire for all of them and so the selected sample will be chosen from the selected cities.

#### **1.4 Structure of the Study**

The structure of this study comprises of five (5) sections as its main parts and these includes the introduction, objectives of the study, data collection and methods, data analysis, result and discussion; and finally conclusion and recommendation.

A blue oval containing the text 'Section-2' is positioned to the left of a large green rectangle. The green rectangle contains the text 'OBJECTIVES OF THE STUDY' in bold, black, uppercase letters.

**Section-2**

**OBJECTIVES OF THE  
STUDY**

**Chapter Includes:**

**2.1 Industrial Development**

2.1.1 Definition & Explanation

2.1.2 Importance of Industrial Development

2.1.3 Roles of Industrialization in Economic Development

**2.2 Purpose of the Study**

2.2.1 Industrial Development History in Bangladesh

2.2.2 Industrial Development Policy in Bangladesh

## **2 Objectives of the Study**

Major objectives of industrialization are-

- To provide employment to working labor force
- To increase GDP
- To supply consumer, capital and intermediary goods
- To support agriculture and service sectors
- To improve balance of payment positive by promoting export industry and import substitute industries

### **2.1 Industrial Development**

Industrial development could be regarded as the heartbeat of every successful economy; this is due to the fact that it involves production and manufacturing of output in a large scale which simply opens up the economy to the outside world. As the production of the output of the economy increases as a result of mass production of goods and services with the use of better utilization of technologies, materials and good labor capabilities, there is incidence of capital formation which invariably increases the economic performance of the country; foreign investor are wooed into the economy and job opportunities are created which in the long run reduces the rate of unemployment to the lowest minimum and also increase the foreign earning of the country as a result of huge receipts from goods export abroad. As all of these are happening, both the balance of trade and also the balance of payment of the nation become favorable and also there is an improved foreign exchange performance of its currency in the market. This is because the demand for his currency to pay for goods being exported will be higher as compared to what the economy demands to pay for good imported. In the long run, the economic performance of the nation becomes impressive as its Gross Domestic Product (GDP) will positively be affected and likewise other economic indicators. As the foreign exchange

earnings of the nation are increasing, the demand for the provision of basic infrastructural facilities needed to drive the nation to its dreamed economic destination is also on high demand. The provision of these basic amenities will in the long-run further open up the economy for advancement and also improved the standard of living of the populace.

### **2.1.1 Definition and Explanation**

Industrialization can simply be described as a shift in the direction of an economy from a predominantly agrarian economy to manufacturing and industry based economy. Industrialization is generally characterized with the increase in production output as a result of mechanized system of production, the increase in Gross Domestic Product and also income growth, improved standard and cost of living. Industrial development can then be regarded as the advance use of mechanized system of production in order to boost production output so as to achieve certain macroeconomic objectives such favorable of payment, stability in foreign exchange, strong global economic presence, improved standard of living of the populace, and so on. A nation do not just attain industrial development, it takes the nation to consciously design strategies that will put its economy on the path of achieving it aims. For an economy to attain industrial development there is need for its manufacturing production output to have a positive effect on its Gross Domestic Product (GDP). GDP is an economic tool that account for the total number of goods and services produced within an economy in a fiscal year.

### **2.1.2 Importance of Industrial Development**

The industrial sector has historically been the sector that has driven growth as countries have moved from low to middle income status. This is because industry can provide high-wage employment for large numbers of workers and can raise social productivity by producing high- value goods on a mass scale. Poor countries can earn valuable foreign exchange by exporting manufactured products and the foreign exchange can be used to invest in newer machines and technologies so that a rapid move up the

technology ladder becomes possible. The average productivity of industry is higher than in agriculture or most service-sector activities, so as people move out of agriculture into industry, Gross Domestic Production (GDP) increases. Bangladesh as a country with a poor land-person ration is unlikely to prosper through agricultural growth alone. Agriculture is unlikely to deliver rapid growth in Bangladesh because of the difficulty of setting up large-scale farms that can compete with countries that specialize in agriculture such as Australia or Argentina. Bangladesh has natural resources but that can be exploited, with the exception of natural gas. Thus, industrialization and specialization in manufacturing is the obvious way in which Bangladesh can raise its per capita income and social productivity. The industrial sector consists of manufacturing, together with utilities (gas, electricity and water) and construction main industries, textiles and apparel, jute, sugar, tea, leather, telecommunications, pharmaceuticals, cement, ceramics, shipbuilding, fertilizer, food processing, paper newsprint, light engineering, etc.

### **2.1.3 Roles of Industrialization in Economic Development**

Industrialization plays a prominent role in economic development of any nation. Strong and world leading economy had improved over the years as a result of industrialization and internal trade. Without any iota of doubt, it has been proved that industrial development is the corner stone of structural change that is required for economic advancement. For a nation to tend towards economic development, it needs to adjust its economic structure with the hope of improving the productive capacity of its industrial sector from low to high. Virtually all cases of high, rapid, and sustained economic growth in modern economic development have been associated with industrialization, particularly growth in manufacturing production (**Szirmai** 2009).

## **2.2 Purpose of the Study**

The purpose for this research work is majorly to study the rate of industrial development in developing nations, a case of Bangladesh small and medium scale business enterprises in order to unlock the potentials that are eminent in the manufacturing sector. It has been argued that industrialization is the bench mark of modern economic development and business growth (Adedoja 2009). Hence, in the face of absence of basic social amenities and infrastructures (good road for easy access to the market, low interest source of financing and so on) needed for industrialization amidst other industrial developmental challenges; this study intends to understudy what strategies that have been designed by the new Small and Medium scale Enterprises (SME) for survival and how such strategies can be improved with respect to Bangladesh.

### **2.2.1 Industrial Development History in Bangladesh**

In 1947, the Indian subcontinent was divided into two parts. One was India and the other one was Pakistan. Pakistan had two parts. One was West Pakistan and the other one was East Pakistan, which is now known as Bangladesh. The government of then West Pakistan dominated the people of this country in different sectors. In the economic sector, the discrimination was the most. Most of the industries of Pakistan were in this country. However, the profit from them was taken to West Pakistan. The progress in jute manufacturing started in that period. Jute manufacturing sector is one of the oldest traditional manufacturing sectors of Bangladesh, which emerged in erstwhile East Pakistan in the early 1950s. During the 1960s and 1970s major share of the manufacturing sector in national income and manufacturing employment was accounted for by this sector. Exports of jute and jute goods were the two most important sources of foreign exchange of Pakistan during the 1960s. The East was subjugated, as all the revenue went to West Pakistan. In 1971, with the liberation war of 9 months, Bangladesh became independent. As after the war, the country was left in dire states, the industrial

development was very slow. However, Ready Made Garments (RMG) started during this period. And in this sector, Bangladesh could lay claim to considerable success. Today garment export is the main source of foreign exchange earnings. Its success was not necessarily influenced by government policy but essentially by outside forces. It originated in the 1970s when the investors of other South East Asian nations ventured to set up garment factories in Bangladesh and to work around the export quotas imposed on their native countries by the United States. In the 1980s, the Pharmaceutical Sector made advancement in Bangladesh. It is one of the most developed hi tech sector which is contributing in the country's economy. After the circulation of Drug Control Ordinance - 1982, its development accelerated. During the 80s, other sectors like tea manufacturing, leather factories etc also gained importance. In 1990s, sectors like ship breaking, steel, cement and cold storage goods etc developed and gained momentum. From 2000 to 2012, many industries started their journey successfully, and contributed to the economic growth of Bangladesh. Among them are- electronics, glass, aluminum, plastic, cycle, and ceramic etc. industries. To sum up the whole thing, we can say that after 1971, Bangladesh is slowly and steadily turning its attention to develop its economy, through industrial development, moving away from the agricultural sector.

### **2.2.1 Industrial Development Policy in Bangladesh**

Bangladesh Government believes that rapid industrialization is a key to the country's economic development. Given the present environment of global competition, the private sector is playing an important role in the industrialization of the country. Therefore, the Government in the Ministry of Industries has taken the role of a facilitator. Faced with the challenges of the free market economy and globalization, the government has accepted private ownership and management of industrial enterprises as one of the major guiding forces in achieving economic growth. Besides this, the government has also brought about many constructive and timely reforms in the running of businesses, and liberalized trade so that private entrepreneurs can seize opportunities of establishing and running industrial enterprises profitably and freely. To reduce poverty and generate

employment opportunities, more efforts are needed to establish agro-based industries as well as to raise agricultural production. This will ensure the protection and fair price of agricultural products and employment of a huge number of unemployed people. In order to create further employment opportunities beyond the agricultural sector, initiatives should be taken to set up small, medium and large industries across the country. If these types of industries are set up in a planned way, then unemployment rates will decline and poverty alleviation will be accelerated. With these objectives in mind, the Industrial Policy has been radically reshaped. In order to provide administrative, institutional and infrastructure facilities in the country's industrialization, there are organizations such as the Bangladesh Stranded and Testing Institution (BSTI), Bangladesh Industrial Technical Assistance Center (BITAC), Bangladesh Institute of Management (BIM), Bangladesh Small and Cottage Industries Corporation (BSCIC), National Productivity Organization (NPO) and Small and Cottage Industries Training Institute (SCITI) under the Ministry of Industries, and the National Institute of Textile Training, Research and Design (NITTRED), Textile Vocational Institutes, Textile Diploma Institute and Bangladesh Silk Research and Training Institutes under the Ministry of Textiles and Jute. For the leather industry, the Bangladesh college of Leather Technology and different district level polytechnic institutes provide technical education. These institutes also provide assistance for industrialization by providing training on management and quality control of goods, safeguarding consumers' interests, producing and repairing import-substitute spare-parts used in industries, manufacturing new tools necessary for the production of industrial goods that are in demand, and by improving efficiency and overall productivity. In order to further strengthen the country's industrialization process, the present government has identified the Small and Medium Enterprises (SMEs) as a priority sector and as the driving force for industrialization. A national taskforce led by the Principal Secretary of the Prime Minister's Office has been formed so that proper policies and planning are followed in establishing SMEs. At the same time, with a view to providing entrepreneurs with assistance in the establishment of SMEs, a cell has been created under the supervision of the Ministry of Industries comprising officials

experienced in SMEs from the Ministry of Industries, Bangladesh Small and Cottage Industries Corporation (BSCIC), National Productivity Organization (NPO), Asian Development Bank (ADB), FBCCI, National Association of Small and Cottage Industries, Bangladesh (NASCIIB) and women entrepreneurs.

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**Section-3**

**METHODS**

**Chapter Includes:**

**3.1 Research Methodology**

**3.2 Data Collection Techniques**

3.2.1 Primary Methods and Secondary Methods

### **3.1 Research Methodology**

Research methodology is simply referred to as the process of collecting relevant information and data that are needed and required for the purpose of making not just business decisions but also relevant conclusion inferred from a research (Alexander, 2001). Hence, this chapter is designed to majorly explain the procedures involves in the data collection process of this research work.

### **3.2 Data Collection Techniques**

There are majorly two broad categories of data collection techniques. Data collection procedures can majorly be categories based on the method and sources of collecting the data. These methods are Primary and Secondary sources of data collection. In order to make the report more meaningful and presentable, two sources of data and information have been used widely both primary and secondary source of information were being pursued to the presentation of the study.

#### **3.2.1 Primary Methods and Secondary Methods:**

##### **Primary Methods**

- Direct interview and conversation
- Expert opinion
- Official records
- Practical work experience
- Group discussion

##### **Secondary methods**

- Internet and various study selected reports
- Direct interviews & conversation
- Expert opinion
- Official records

**Section-4**

**DISCUSSION OF THE  
STUDY**

**Chapter Includes:**

**4.1 Introduction**

**4.2 Data Analysis**

**4.3 Result and Discussion**

## 4.1 Introduction

Industrialization is the process of structural transformation through which resources (especially labor) move from agriculture to industry and more specifically to manufacturing. Industrialization has several benefits, especially in the long run, such as diversification of the economy, employment generation, technology transfer and welfare improvement of the people. As a result of industrialization, an economy experiences an increase in the share of manufacturing in Gross Domestic Product (GDP) as the production of manufactured good increases.

Simultaneously an economy also experiences a rise in manufacturing share in employment. It plays a vital role in accelerating the process of economic development of the developing countries. Industrialization leads to an increase in national income by ensuring the maximum use of scarce resources and raises the export of manufactured goods. Moreover, industrialization opens up employment opportunities and thus helps in poverty reduction. The manufacturing sector possesses some characteristics which can establish the necessary linkages for sustaining a virtuous circle of growth and structural transformation.

Table 1: Manufacturing share in GDP(average of 2012-2016)

Top 10			Bottom 10		
Rank	Country	%	Rank	Country	%
1	China	30.43	91	Hong Kong	1.30
2	South Korea	30.25	90	Sierra Leone	1.83
3	Thailand	27.74	89	Iraq	2.16
4	Malaysia	22.77	88	Papua New Guinea	2.45
5	Indonesia	21.61	87	Chad	2.76
6	Myanmar	20.71	86	Liberia	3.26
7	El Salvador	20.53	85	Barbados	4.21
8	Philippines	20.25	84	Ethiopia	4.24
9	Guatemala	19.90	83	Gabon	4.30
10	Singapore	19.27	82	Gambia	5.03

Source: World Development Indicators

## 4.2 Data Analysis

An analysis of the data of the share of manufacturing value-added in GDP for five South Asian countries (Bangladesh, India, Nepal, Pakistan and Sri Lanka) for 1970-2016 (Table 2) suggests that India increased its share of manufacturing value-added in GDP from 16.18 per cent in 1970 to 19.1 percent in 1980. However, since 1980 India had been experiencing declining share of manufacturing value-added in GDP and the share fell to 16.51 percent in 2016 which depicts some sign of premature industrialization. The trend in share of manufacturing value-added in GDP for Pakistan declined from 16.06 percent in 1970 to 12.80 percent in 2016 and for Nepal increased from 3.71 percent to 9.44 percent in 2000 but declined to 5.97 percent in 2016. Contrary to all other South Asian countries, Bangladesh has been experiencing an increasing share of manufacturing value-added in GDP. In 2016 Bangladesh had the largest share of manufacturing value-added in GDP (17.91 percent) among the South Asian Countries.

<b>Country</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>	<b>2016</b>
Bangladesh	5.80	13.88	12.63	14.69	14.89	17.91
India	16.18	19.10	19.08	18.07	17.47	16.51
Nepal	3.71	4.28	6.09	9.44	6.55	5.97
Pakistan	16.06	15.93	17.41	14.68	16.64	12.80
Sri Lanka	16.08	16.61	13.40	15.05	20.11	16.94

Source: World Development Indicators

### **4.3 Result and Discussion**

Challenge of industrialization in Bangladesh is mainly an agricultural country. Agriculture has always been given priority and as a result industries have been ignored. Recently some agro-based industries have been set up. There are some reasons for which the country has lagged behind in heavy and medium-level industries. Industrialization in Bangladesh faces some challenges due to some structural constraints that hindered industrial growth. Let us now consider the challenges faced by the industry sector in general.

- a) Lack of adequate capital: Bangladesh being a poor country, people's saving is insufficient. As saving is poor, investment is also low. Again people's per capita income is not adequate. So their consumption is also low. Consequently local market oriented industries are also very thin here.
- b) Weak investment base: Due to long colonial rule, economic discrimination and postliberation nationalization of industrialization, the growth of entrepreneurship has been slow in Bangladesh. Besides, due to bureaucratic red-tapes and lack of investment climate, capital investment has not been developed here.
- c) Insufficient Infrastructure: Infrastructural facilities in our country are insufficient. Power supply, telecommunication, transport, gas, water supply etc. – all facilities are not adequate which have hindered process of industrialization in Bangladesh.
- d) Technological know-how: Lack of proper technological know-how is also another reason of our industrial backwardness.
- e) Lack of adequate resources: Lack of adequate raw materials and natural resources are also unfavorable for our industrialization.
- f) Shortage of Energy: acute shortage of energy and unreliable supply of power and other utilities such as gas and water.

g) Unskilled human resources Though Bangladesh has a huge population, most of them are unskilled. Country lacks skilled labor, specialists, professionals and technologists which also hamper our industrialization.

h) Political instability: A good govt. policy and political stability are precondition for industrialization. Unfortunately political instability has always been a common phenomenon here. This is a major hindrance towards the advancement of the industry sector of Bangladesh. Frequent strikes result in disruption of daily business. This hampers the smooth running of industries, they are unable to procure raw materials in time hence their production and even transportation is delayed. The politicians only think about themselves. As such, our industry cannot progress and compete with the outside world.

i) Labor Unrest: There is a lack of trained workers in this country. Thus, there is a decline in the efficiency of the company. The companies also need to provide training (apprenticeship) to these laborers and hence quite an amount of money and time is spent on them. This challenge is faced by every company or firm in Bangladesh.

j) Limited access to credit, its high cost, legal or illegal, and procedural complexities in obtaining credit from banks.

k) Competition from dumped and smuggled imports.

l) Lack of adequate law and order conditions.

m) Growing incidences of crime and extortion at every stage starting from production to distribution and marketing of the products.

**Section-5**

**CONCLUSION AND FUTURE  
FORWARD**

**Chapter Includes:**

**5.1 Conclusion**

**5.2 Future Forward**

## **5.1 Conclusion**

Based on the available data meant for this research work, it has become obvious that Bangladesh as a country has experienced little or no transformation of any sort in its industrial development approach; this is due to the fact that there is still huge dominance of the primary sector. This dominance is as a result of low capital formation and a result of low volume of investment outlay which further leads to low production capacity of the manufacturing sector of the economy. Basically, the major necessity facing the country is its inability to design policies and programs that will push up the pace of economic and industrial growth so as to be able to attain the growth presently being experienced by other countries like Indonesia, South Africa and so on. The analysis of the data reveals that Bangladesh has dependency rate for importation as a result of increase in domestic demand for imported goods – intermediate, finished and capital goods. The overdependence on imported goods has in no small way contributed to the deficit balance of the country's current account balance. As a matter of fact, more than 70% of the total goods imported into the country were manufactured products which majorly consist of but are not limited to raw material needed for production by SMEs, spare parts, machinery and equipment and likewise capital goods. This is one of the major problems currently being faced by the country. SMEs in this regards have not benefited in much instance has the needed input necessary for improved production in order to boost output are also coming from importation. Considering the ever growing trend in international market, an economy without strong industrial development can neither take the advantage of the emerging opportunities in the market nor compete favourably with others. Hence, it is pertinent for the Bangladeshi policy makers to design necessary industrial and trade policies geared towards ensuring that the industrial sector developed with huge incentives in order to encourage entrepreneurial interest.

## **5.2 Future Forward**

Industry sector is one of the major sectors for income source in Bangladesh. There were many flaws in this sector but Bangladesh could come up with phenomenal results for the enrolment of people and to come out Bangladesh from poverty through this Industry sector. Some recommendations to improve the condition of industrialization in Bangladesh are as follows:

- Develop and implement a good investment friendly environment so that foreign direct investment increases here
- Proper industrial environment should be maintained that will increase the productivity
- Set up new export processing zones to improve infrastructural facilities
- Political stability must be ensured
- Political issues should not affect the industrial activity
- The human resources should be made skilled and more trained
- Technical institute should be set up for training human resources
- Scientific method of management should be introduced
- Industries should look for more technologically advanced equipment
- Government should take lots of steps for building up the Industry sector; they even should thought to build up a city only for the industries, so that the people can easily get into the job site easily
- There is a need to attract more investment and production in our industrial sector
- Necessary arrangements should be taken to make small and medium enterprises (SMEs) profitable

- Government should make rule to put a barrier for import of foreign low quality product
- The Industrial Policy should be implemented properly and effectively
- Special economic zones should be established in the underdeveloped region or less industrialized districts with some subsidies
- Bangladesh govt. should encourage foreign investment to accumulate capital and for technology transfer
- Backward linkage and forward linkage industries should be set up in garments sector with state support
- Wages of worker should be increased to contribute to higher value added activities
- The emphasis on Public Private Partnership (PPP) in the proposed industrial policy is laudable but the concept is still in a rudimentary stage. Government will need to act expeditiously to devise a transport mechanism and frame well-defined rules for participating in and mobilizing funds for the PPP projects.

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Appendix 1

**Introducing Consulted Articles**

Sl	Article Title	Authors	Journal Name	Volume & Issue	Year	<u>Publisher</u>
1	Industrial Development	Adedeji.J	Lecture Note		2012	Annual Luncheon Government College Ibadan
2	Roles and Problems of Small-Scale Business Development Programs	Adejumo, D. G. & Olaoye. J. A.	International Journal of Management & Business Studies	Volume 2, Issue 1	2012	
3	Industrialization, Distortions & Economic Development	Adejugbe, M. A.			2004	
4	Business environment and entrepreneurial activity:	Agboli, M. & Ukaegbu	The Journal of Modern African Studies	Volume 44, Issue 1	2006	
5	Recent trends and patterns of Industrial development	Ajayi, D.D		Vol. XXXII, No. 2	2007	
6	Small Industry in Developing Countries	Anderson, D		Volume 10 & 11, pp. 913-948	1982	
7	achieving sustainable industrial development	Selim Raihan & Sunera Saba Khan			2018	
8	Industrial Sector of Bangladesh	Anwar, Tanvir B; Alam, A. S.M & Hossain, M. Parvez			2006	University of Dhaka
9	A review of Bangladesh Industrial Policy	Sarkar,M. A.R.; Islam,S.M.	Mechanical Engineering Department		2010	Bangladesh University of Engineering &

		Nazrul; Chowdhury				Technology
10	Bangladesh Economic Association.		Bangladesh Journal of Political Economy	Vol-XII, No.1		
11	Industrial policy and competition	Aghion,P., Cai,J., Dewatripont, M.Du.L. Harrison, A. & Legros	American Economic Journal	7(4), 1–32.	<u>2017</u>	Macroeconomics

## Appendix 2

### Complication of Objectives/Purpose/Questions Addressed by the Articles

Articles No.	Objectives/purpose/hypothesis
1	To provide GDP to working labor force
2	To increase GDP
3	To Supply consumer, capital and intermediary goods
4	To support agriculture and service sectors
5	To improve balance of payment positive export industry and import substitute industries
6	To study the rate of industrial development in developing nations
7	To unlock the potentials in the manufacturing sectors
8	To reduce poverty and generate employment opportunities
9	To establish agro-based industries as well as to raise agricultural production
10	To adjust its economic structure with the hope of improving the productive capacity of its industrial sector

Appendix 3

**Complication of Methods**

Article No.	Method used
1	Review method with the techniques of reviewing and analyzing several papers related to the topic
2	Literature review on the trends, challenges and answers
3	A survey research
4	Reviewing different published papers
5	Reviewing the previous studies and concept
6	Applying the concept
7	Collection of secondary data from books and journal articles retrieved from Google Scholar and other websites
8	Collecting data through survey
9	Organizing the research topic properly
10	Testing whether data breaches affect in future

Appendix 4

**Complication of Conclusions**

Article No.	Conclusion
1	Identifies many of the concerns and challenges.
2	Lack of adequate capital.
3	Weak investment base.
4	All facilities are not adequate which have hindered process of industrialization in Bangladesh.
5	Lack of proper technological know-how is also another reason of our industrial backwardness.
6	Lack of adequate raw materials and natural resources.
7	Acute shortage of energy and unreliable supply of power and other utilities such as gas and water
8	Country lacks skilled labor, specialists, professionals and technologists which also hamper our industrialization.
9	Political instability has always been a common phenomenon here. This is a major hindrance towards the advancement of the industry sector.
10	Lack of adequate law and order conditions.

## **Questionnaire for Industrial development survey in a developing nations:**

1. Information on the impact of the state of the economy on the business performance of SMEs in Bangladesh.
2. What are the difficulties being experienced doing business in this economy?
3. Based on your experience, how much impact do you think the state of economy has on business performance?
4. What area of your business is the most challenging?
5. What are the strategies you have employed in order to ensure the successful operation of your business despite these economic challenges?
6. Are there challenges for SMEs in this economy?
7. If yes, how have you being able to combat them?
8. What facility do you enjoy the most in this economy?
9. What are the things that you think need to be improved on by the government?
10. How best do you think the government can be of help?