

February, 2003

www.dfait-maeci.gc.ca/trade
www.infoexport.gc.ca


Honourable David Kilgour visits software manufacturer in Dhaka-March 2002

Bilateral trade in goods and services between Canada and Bangladesh has steadily increased and totalled \$320 million in 2001, an increase of 4 percent from 2000. Canadian exports to Bangladesh were valued at \$130 million in 2001 while Canadian imports reached \$189 million, an increase by more than 6% from 2000.

The main Canadian exports to Bangladesh are vegetables, cereals, grain, oil seeds, iron and steel, artificial and synthetic fibers, and wood pulp.

The main items imported from Bangladesh include clothing, textile articles, seafood, machinery and athletic and sporting goods.

The Canadian presence in Bangladesh, although small, is growing, as more and more Canadian companies realize the potential opportunities that exist in Bangladesh. Canadian companies have already made their mark in the management and consultancy field, telecommunication sector and food grain sector. For example, on January 24, 2002, Nortel Networks, through its Turkish joint-venture Netas, signed a contract valued at US\$15.5 million for 116,000 switching lines (the original tender was issued for 50,000 line exchange in 1998). Companies are also showing interest in the growing software and IT sectors of Bangladesh as well as in the oil and gas sector, hydro-electricity, transportation, and education and training.

In line with the Prime Minister's announcement of June 2002 at the time of the G8 Kananaskis Summit, Canada lifted tariff and quota restrictions on LDCs as of January 1, 2003. Bangladesh is positioned to benefit more than any other LDC as the leading LDC exporter of textiles and apparel. Clothing is Canada's main import from LDCs, and Bangladesh is the most important LDC exporter. In 2001, Bangladesh was Canada's 9th largest supplier of apparel in terms of value (\$142 million). Canadian imports from Bangladesh from 1994 to 2001 grew by a robust 156%.

Bangladesh's overall policy of trade liberalization and open market economy should offer opportunities for increased Canadian exports. Bangladesh, a pre-dominantly import dependent country, represents a good potential for Canadian exporters.