

Ceramic Industry in Bangladesh

Ceramics industry has turned into a booming manufacturing sector in Bangladesh over the years, cashing in on growing demand both in domestic and international markets. While it caters to 85 percent of the local demand, it also exports quality ceramic products to international markets, the industry has grown immensely. The industry started its journey in 1958 with the establishment of a small manufacturing plant for porcelain tableware by Tajma Ceramic Industries in Bagura. There are around 62 ceramic manufacturers in the country are producing tiles, porcelain, tableware and sanitary products in the country with an investment of around Tk 10,000 crore. According to Bangladesh Ceramics Manufacturers and Exporters Association (BCMEA), the yearly (2018) production capacity of the local ceramics industry is as follows: tableware (250 million pieces), tiles (120 million square metres) and sanitary



ware (7.5 million pieces). As per BCMEA (Bangladesh Ceramics Manufacturers and Export Association) data, total domestic market consumption of ceramic products was around Tk 5,450crore in FY2017-18, of which locally produced ceramic products were worth nearly Tk4, 340 crore, while imports hit Tk1,110 crore. In case of tableware, a 92.87% market demand is met with locally produced goods, while the remaining 7.13% with imported products. As regards tiles, local companies occupy 76.18% of the total market share and imported products hold the rest 23.82% while 88.32% market demand of sanitary ware is met with locally produced products and the rest 11.68% with imported goods. However, the local industry is also actively exploring the potential of

manufacturing advanced ceramic products such as industrial ceramics for spinning and textile factories, medical ceramics, ceramic plate for bulletproof jackets, and so on. Currently, more than 500,000 people are engaged in the local ceramics industry. To create skilled manpower for the sector specialized departments and institutes have been established in the leading universities of the country such as the department of



glass and ceramic engineering (GCE) in Bangladesh University of Engineering and Technology, Rajshahi University of Engineering and Technology, Bangladesh Institute of

Glass & Ceramics, Faculty of Fine Arts in Dhaka University. Bangladesh's ceramics industry has carved a niche in the global market.

Exporting Countries:

According to the data of Export Promotion Bureau (EPB), the industry earned more than \$52.74 million through export in 2017-18 fiscal years (FY), which was \$35.57 million in 2016-17 FY, and \$35.32 million in 2015-16 FY. Of different ceramic products, tableware is exported to more than 50 countries including the US, Canada, European Union countries and Australia; tiles to India, Nepal and Bhutan; and sanitary ware to the Middle East, especially to the UAE.

Companies 'share of yearly turnover:

Of the local market, Shinepukur Ceramics holds the highest 18% share, Monno Ceramics 15%, Farr Ceramics 14%, Paragon Ceramics 12% and Protik Ceramics has 8% share in the local market. In international market, Bangladeshis ceramics



companies have competitive places as Shinepukur and Farr ceramics both hold the first position with 24% export market sharing. Paragon holds the second position with 18% share, Monno 10% and Artisan has 8% share in the export market. Regarding the sanitary ware products, RAK ceramics has the large market share of 33% while Abul Khair Ceramics holds

18% share and Excellent ceramics 7% in the local market. In case of tiles market share, RAK ceramics and Star ceramics have taken the leading position as both have 15% share in the total tiles market. Besides, Great Wall ceramics, Akij and Mir ceramics have 14%, 11%, and 8% market shares respectively.

Challenges:

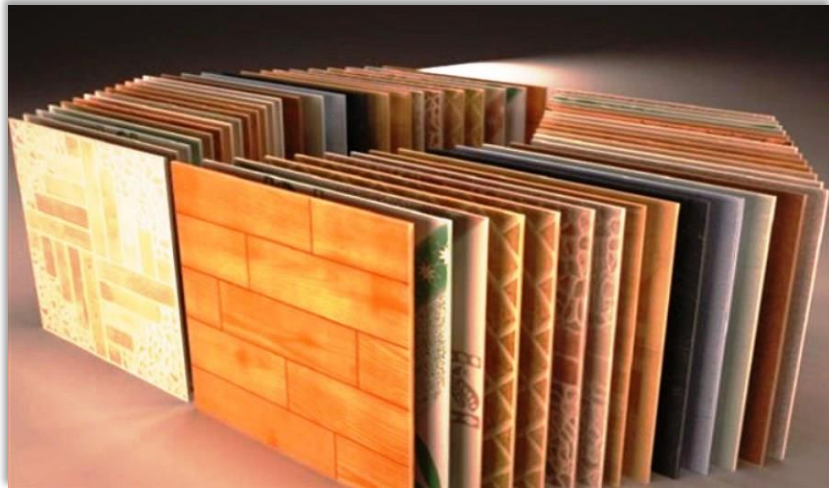
One of the main challenges to the growth of the ceramics industry is inadequate supply of natural gas. Natural gas is not only the key energy source for the industry but also crucial for maintaining quality of the products as the local natural gas does not contain any sulphur which makes locally produced ceramic products look brighter and shiny. There is shortage of raw materials for



ceramic goods in Bangladesh and manufacturers are heavily dependent on imported raw materials. Moreover, the ceramic companies have to bear a huge amount of cost due to duties and advance income tax on import of these raw materials. The ceramic manufacturers urge the government for zero-duty benefits on import of raw materials and 25 percent incentive on exports like the garments industry. They also feel the urgent need for developing the port and communication facilities to fast-track import of raw materials and delivery of finished products. The ceramics industry leaders also highlight the importance of building a strong backward linkage. Many tools and machineries that are currently being imported can be manufactured in the country. It will increase efficiency as well as reduce production costs.

Opportunities:

The ceramic industry is playing a vital role in the export market after readymade garments thus a proper incentives and support from the authorities are urgently required. Ceramic has tremendous potential in the medical sector like the emerging field of nanotechnology is mainly based on ceramic materials. We are also using ceramics in LED (light-emitting diode) lights. Now, we are working on anti-bacterial tiles for toilets and green building architecture. Advanced ceramics is classified into monolithic ceramics, ceramic matrix composites, ceramic coatings and others. On the basis of end-users, the industry is categorized into electrical and electronics, machinery, medical and pharmaceuticals, biomaterials, military and defense, automotive and others. According to a recent market overview conducted by Market Page | 3Research Future, the advanced ceramic market



will see an exponential growth over the next five years. Increasing demand for advanced ceramics in the automobile and electronics industry, mainly in countries such as India, China and Japan, is propelling the market growth, and our ceramic industry could well contribute to that.