

Sub-sector Report on Steel Manufacturing in Bangladesh

1.0 Introduction

Although poverty alleviation has always been a major national goal in, the poverty situation in Bangladesh has remained critical as ever. The country's economy continues to suffer from "growth inertia" with real GDP growth remaining below 6 percent required for significant poverty alleviation. The earning potential of most poor people is limited by their lack of skills, assets and access to resources. About half of the population lacks access to required amount of food. According to 1991-92 Household Expenditure Survey (HES) more than 50 million people in the country lives below the absolute poverty line, more than 30 million lives below the hard-core poverty line and 16.13 percent of the population (about 20 million) lives below ultra poverty line. Important to note that the absolute number of population below hard-core poverty line has increased from 26.67 million in 1985-86 to 30.42 million in 1991-92, or by 14.1 percent. This vast population has extremely low income, inadequate accessibility to food, health, education and social services. Unemployment remains one of the major causes of poverty in Bangladesh and the country faces an enormous challenge in its efforts to reduce poverty. Ensuring sustainable economic growth is the only way to alleviate poverty.

For attaining expected growth increased production coupled with equity in asset and income distribution and better employment and income for poorer sections are essential. The SME sector accounting for a considerable share of country's industrial GDP and employment has great potential for poverty alleviation and sustained growth.

The present report is part of JOBS/USAID sponsored sub-sector studies in the SME sector involving eight sub-sectors. The analysis broadly involved assessment of the current state of the sub-sector, its strengths and weaknesses, identification of major actors and review of policies and institutions. The report recommends measures for growth and promotion of the sub-sector.

2.0 The Sample (Producers)

The study involved collection of primary and secondary data and information from relevant sources The sample Comprised of 40 enterprises from 12 districts of six divisions. Highest number of the sample was

chosen from Dhaka division (19). Ninety percent of the sample were chosen from urban areas. The highest concentration of the enterprises (37.5 per cent) were in the groups with employment ranging between 11 and 20

3.0 occupation of Respondents

Steel furniture manufacturing was in primary occupation of ail entrepreneurs, accounting for largest share of their incomes.