

Export diversification to sustain growth

"Don't put all your eggs in one basket" - this timeless advice has never been more relevant for Bangladesh as it prepares to graduate from Least Developed Country (LDC) status. While the ready-made garment (RMG) sector has long been the backbone of our export economy, contributing more than 80 per cent of total export earnings, such dependence on a single product line leaves the economy highly vulnerable to external shocks, shifting global demands and sector-specific disruptions.

The 2021 UNCTAD report rightly notes that "a diversified export base is the best insurance policy against external shocks." As global markets evolve and competition intensifies, Bangladesh must embrace export diversification not as an option, but as a strategic necessity. Expanding into sectors such as pharmaceuticals, information and communication technology (ICT), agro-processing, shipbuilding, and leather can create new revenue streams, generate skilled employment, and strengthen our global trade position.

Moreover, diversification will be crucial in offsetting potential challenges of post-LDC graduation, including the eventual loss of preferential trade facilities. A broader export base would allow Bangladesh to adapt more swiftly to global market fluctuations and changing trade policies. However, this transition demands proactive policy support, improved infrastructure, investment in innovation, and targeted incentives for emerging sectors. If approached with commitment and long-term planning, export diversification could serve as a transformative tactic to ensure resilience, economic stability, and sustainable growth. Otherwise, our aspirations for a robust and inclusive economy may fall short, jeopardised by overdependence and unpreparedness.

Abjana Shamu
Student

Bachelor of Business Administration
North South University
abjana.shamu@northsouth.edu

