Emerging Middle-Income Class in Bangladesh

March 2016

Acknowledgement

Disclaimer's Clause

Due to unavailability of realistic data on different income-wise population in Bangladesh, the values and calculations for forecasting future markets are mostly done based on assumptions and not intended to be actual regarding the income-wise population of Bangladesh. Moreover, alternative projections are made to ventilate ideas and perceptions for better understandings given the absence of authentic data. Therefore, if they use these data for analyzing investment and business decisions, the study team will not be responsible for any unexpected consequence.

Acronyms

AC	Air Cooler
BBS	Bangladesh Bureau Of Statistics
BCG	Boston Consulting Group
BDT	Bangladeshi Taka
BOI	Board of Investment
BRTA	Bangladesh Road Transport Authority
BSTI	Bangladesh Standard and Testing Institute
CBR	Crude Birth Rate
CDR	Crude Death Rate
DD	Digital Versatile Disc
DFQF	Duty-Free Quota-Free
ESAF	Enhanced Structural Adjustment Facility
FDI	Foreign Direct Investment
FY	Financial Year/ Five Year
GDP	Gross Domestic Product
GNI	Gross National Income
HH	Household
HIES	Household Income & Expenditure Survey
ICOR	Incremental Capital Output Ratio
ICT	Information and Communications Technology
IMF	International Monetary Fund
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
LDC	Least Developed Country
LFPR	Labor Force Participation Rate
MoP	Ministry Of Planning
PC	Personal Computer
PLC	Private Limited Company
RMMRU	Refugee and Migratory Movements Research Unit
RPC	Research Programme Consortium
SDC	Swiss Agency for Development and Cooperation
SKU	Stock Keeping Unit
TV	Television
TVET	Technical Vocational Education and Training
UN	United Nations
WB	World Bank
WI-FI	Wireless Fidelity

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Executive Summary

Overview of Bangladesh Economy

The economy of Bangladesh with a GDP of US$205.3 billion in 2015 has seen positive growth in the last decade with an average growth rate of 6% putting it to the 44[th] position in the world economy[1]. There was gradual increase in GDP per capita in US$ from 1978 to 2015 and the achievement was much better during the period between the year 2005 to 2015. The World Bank's recent report titled *"South Asia Economic Focus 2015"* and Economists are expecting an average growth of 7%. Agriculture sector's contribution to GDP declined gradually over the years whereas contribution by Services and Industry sector is in the upward trend. Increased investment in these sectors has contributed to keep the unemployment rate at normal level. National investment as a share of GDP has been stood at 15% in 2015 from 10% in 1980s. The country recently acquired the position of a lower-middle income country with the GNI per capita US$1,466[2] and reduced its poverty rate from 48.8% to 31.5%.

With steady rise in income resulting in emergence of a middle income group and the country is projected to be one of the top 20 Markets of the Future[3], offering huge opportunities for global companies producing various consumer goods and durables. Bangladesh is classified as the next eleven emerging market and one of the frontier five[4]. It is the second most pro-capitalist population in the developed world and is progressively integrated with the global economy through greater trade openness and selective liberalization of some capital account transactions.

Foreign exchange and gold reserve have seen a rising trend since 2006 up until 2014. The increasing trend is due to the rise in export earnings and remittance from abroad. Both import and export have seen a rising trend in the last decade. From 1990 the consumer credit has seen gradual increase till date in Bangladesh and the total amount exceeded BDT 7,000 billion in 2015. Under the government vision 2021, the GDP growth rate has been projected for next 5 years and if this trend continues per capita income would be nearing US$ 4,000 to place Bangladesh in the middle income country.

Demographic Dividend in Bangladesh

Bangladesh is one of the most densely populated countries having current population of 160 million plus (est. 2015) ranked 9th in the world. Bangladesh has experienced a gradual fall in population growth since 1985 due to the Government's initiative of improving reproductive health and family planning. Especially Infant mortality rate has gone down tremendously, and due to low population growth rate, Total Fertility Rate (TFR) is expected to be 2.1 in 2020, will result the stagnant population. The present population pyramid of Bangladesh has taken a shape that refers to the term *"Demographic dividend"*. Age group in between 19-40 years share 64% of the population. This age group is the main workforce of the economy. The age structure infers strength, energy, vigor, pool of work force in the economy which will continue for at least next two decades. That is why in other term "Demographic dividend" refers to a period, usually 20 to 30 years. Bangladesh started gaining demographic dividend since late seventies and recently, it has gaining most. However, it is high time to utilize this dividend through allocating additional resources to create required industrial infrastructure besides others.

Having experienced from Asian economies who took the advantage of demographic dividend, Bangladesh has planned different appropriate social and economic policies which includes openness to foreign trade and investments, importantly flexible labor markets followed by rigorous and continued investments in human capital which includes private sector participation in higher education and skills development program by the Ministry of Labor and Manpower and Ministry of Youth and Sports of Government of Bangladesh. This characteristic of the population has another impact in the household income. As it reduces the dependency ratio, households' increased income results shifting of households from poor to lower, lower to middle, middle to upper income group. In the next two decades, in the bliss of demographic dividend, consumption pattern in-term of size, varieties will be changed.

[1] World Economic Outlook
[2] Ministry of Planning, Government of Bangladesh
[3] Euro monitor International

Living Conditions and Consumption Trend of the Middle-Income Class

Of surveyed households, 85%, 15% and less than one percent spends monthly family expenditures in between BDT 31,000 to 99,000, BDT 100,000-250,000 and BDT 250,000 plus respectively. Average monthly expenditure of surveyed households is only BDT 90,190 per month. The major heads of expenditures are: food (22%), education (16%), house rent (15%), salary for human (driver, maids, cleaners, security guards, etc.) support (15%) and transportation (7%). Other expenses vary from 2 to 5% of the monthly expenditure.

Our research has found that the middle income group of Bangladesh is highly optimistic about their future income growth or increase and willing to increase their spending because 88% HHs believe possessing consumer's durables improves the overall standard of living. About 78% HHs are happy with their current standard of living; however, 22% of the population is not satisfied with the current standard of living due to inadequate income to support the family needs, social security concern, excessive pollution and inadequate healthcare faculties, etc.

Commuting from home to office by personal car was reported by only 12% surveyed respondents. Major share of the respondents (25%) were found to use public buses to go office. Respondents were found used to travel on foot (22%), by rickshaw (16%), by three wheeler 9% and 6% by motor-bike. Seventy percent passengers from these groups were found to be eager to avail metro rail in near future. Eating out habit was found among 67% respondents, of them 46 % are appetite for brand fast food, followed by tasting foreign cuisine (35%) and 15% to eat non-traditional foods. Chinese cuisine topped the chart and *Pizza hut, KFC, CP* are the branded fast food restaurants.

For kitchen and grocery stuff, 90% HH still prefer wet market due to price, long habit and availability around house. But for clothes shopping, though 95% HH were found to have attraction to go super market for getting quality and new products but due to limited affordability only 35% HH were found used to go to super market for shopping. Watching TV, Relaxing at Home, Reading Newspapers and Chatting with friends are the most common entertainment avenues for the all most all surveyed respondents. As conventional culture, visiting village home was found as popular entertainment idea at leisure period in 73% respondents. Using credit card in shopping was not found as popular media of transaction. Fear of bank interest is main hurdle for using credit card. Respondents were found to purchase in cash payment. They seem to have fewer tendencies to borrow for consumption purpose. Interest free financial and non-financial aids will help increase consumption of durable goods. Tax rebate may also help them to purchase more durable goods.

Currently, almost 100% households possess cell phones and it was also found that they also tend to buy the latest model, if available. Normal Refrigerator is the second highest possessed goods (97.5%) followed by Television (96.5%), Juice blender (73.9%), Calendar (68.4%), and Desktop Computer (40.3%) and only 11% households possess personal cars. As per respondents opinion who are planning to buy first time or change the model of existing goods are: Laptop (48.2%), Television (45.1%), Washing machine (41.7%), Microwave oven (40.9%), car (35%) motorbike, room heater, geezer and dehumidifier. Price, brand and country of origin were found to be the considering factors for buying Consumer Durables. Sending children for pursuing higher studies in abroad is growing amongst the Middle income class, 93% respondents were found to prefer USA, UK and Australia and only 7% HHs showed interest about Japan.

Projected Population and Projected Future Demand for Consumer Durables

Bangladesh is yet to have a fixed definition of middle income class and the income brackets and there is no authenticated data on different income-classes. According to HIES 2010 report of BBS, nationally BDT 33,000+ is the highest income group, which is far from reality. In absence of adequate official data classifying different income groups in Bangladesh, the study team attempted to make an estimate of income-wise population through applying two distinct methods. First estimate was based on HIES 2010 data upon some assumptions based on HIES data and the second estimate was made taking into account

the data of Pew Research Centre (PRC) as a reference for our income-wise population estimation. Both methods produced income-wise population which is used as basis.

Estimated future demand for consumer durables has been made using the data produced through two distinct analyses. The market value of the selected items will be much bigger if huge bulging lower middle income group is also targeted as potential customers. Bangladesh is an advantageous position in terms of demographic dividends in conjunction with GDP growth rate. In the next couple of decades increased number of people with better purchasing power will emerge as middle income class. Therefore, the local consumer market will expand significantly in a decade or two. As such, Bangladesh economy is a very lucrative investment location for any foreign investors catering the increased needs of domestic market.

Since the study findings expect to create further interest among the prospective investors about the existing market behavior, the study team felt to present in a brief the current scenario of local production, marketing and distribution at retail level, (although it is beyond the TOR). Basic data and information presented in the later part of this report will provide an eye-opening for the prospective Japanese investors having least or no idea about the current market situation. However, the section lacks adequate data and information for in-depth analysis that may be achieved through a separate survey or research.

Conclusion

Key findings and observations on major economic indicators of Bangladesh are articulated in a way explaining positive growth trend, total population has been analyzed emphasizing demographic changes using population pyramids and demographic dividend of Bangladesh is identified and analyzed with required recommended actions to utilize such dividends. Analysis of various aspects of living conditions and consumption trend of middle income group has been done focused to consumer market demand. Also, projected population and future demand for consumer durables has been estimated applied two distinct methods to come up with near to accurate estimate in absence of authenticated data and while calculating the average, the difference found within figures between the two estimates is not very significant. Required suggestions on possible strategic role and support from the Government of Bangladesh for developing future market has been made for both consumer goods and services (leisure/ tourism, education, health, insurance and communication services). These include fiscal and other policy measures, infrastructure and capacity enhancement, financial services, incentive and benefits for investors, enforcement of rules and norms of social security and safety, and promotion of new and innovative means and ways of extending services,

All the economic indicators show a growing trend that would impact on the consumer market expansion positively. Middle income group has aspiration for better standard of living due to income increase in future but they prefer to buy quality of consumer durable and improved services. The international companies need to ensure quality products and establish their Brands in the minds of the consumers. Besides Dhaka and Chittagong, other major cities like Khulna, Sylhet, Rajshahi, Rangpur, Mymensingh and others should be targeted as they are growing fast due to rapid urbanization. A new dimension needs to be created in establishing second-hand market through innovative and more effective approach as it is not new concept in Bangladesh. On-line shopping needs further campaign through applying creative steps. Finally, the international companies need to adapt, besides other issues, to the cultural and religious sentiments in developing a new approach of market penetration since cultural diversity plays a major role in the demand of consumer products and services.

CHAPTER 1: OVERVIEW OF BANGLADESH ECONOMY

Chapter 1
Overview of Bangladesh Economy

1.1   Introduction and Background

The economy of Bangladesh has seen positive and stable growth in the last decade with an average economic growth rate of 6%. According to the WB and IMF reports, Bangladesh economy with a GDP of US$149.99 billion based on current price in 2013 but in 2015, the GDP grew to US$205.3 billion putting Bangladesh to the 44th position in the world economy[1]. With the rising economic growth, the country recently acquired the position of a lower-middle income country from low income country with the Gross National Income per capita (GNI) US$1,466[2]. This fostered income status is supported by the reduction in poverty rate from 48.8% to 31.5% in the last decade[3], although the incidence of poverty is still high. Bangladesh has made steady progress in reducing the poverty rate and the country is on track of meeting its goal of reducing income disparity. Hence, there is a clear indication of correlation between economic growth and rise in income of the country. With steady rise in income resulting in the improvement of standard of living of the people of Bangladesh we can easily assume the emergence of a middle income group. The growing middle income group makes Bangladesh one of the fastest growing and highly promising economics in Asia-Pacific and is projected to be one of the top 20 Markets of the Future[4], offering huge opportunities for global companies producing various consumer goods and durables. Members of the new middle income classes will have the means to make additional spending in consumption, health care, education, financial and communication services. They can also afford to buy cars, houses, smart phones, durable consumer goods as well as branded luxury items.

Currently, in order to grasp the future spending pattern of middle income class in Bangladesh inclusive researches and studies on the middle income group are lacking. Such research and studies certainly could help assess the actual development of the people of Bangladesh, their domestic consumption pattern and current and future trend of use of consumer durable goods and services. As such, JICA commissioned this study on the middle income group that addressed these issues with special focus on the recent demographic changes and demographic dividend of Bangladesh. The study findings contains analysis of primary and secondary data and information on emerging middle class of Bangladesh, their living conditions and way of life, growing expenditure pattern and trend of consumption, existing and future possible usage pattern of consumer durables, etc. It is expected that the study findings satisfy the needs and appetite of the prospective Japanese investors. it also reflects prospects, possibilities and impending opportunities in the domestic market of Bangladesh which the

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[1] *World Economic Outlook*
[2] *World Development Indicators Database*
[3] *Asian Development Bank Report on Bangladesh Poverty level*
[4] *Euro monitor International*

foreign companies including those aspirants from Japan can target. Finally, JICA may re-orients its strategic intervention in Bangladesh based upon the findings and recommendations as articulated by the study team who are leading private sector development specialists in Bangladesh.

Global and Local Middle Class definition

Definition of Middle Income Class or Group varies from country to country. However, it means "the social group between the upper and working classes". In the broader sense, Middle Class has again two divisions; upper Middle Class-social group constituted by higher-status members of the Middle Class and lower Middle Class is used for the group at the opposite end of the Middle Class division.

The most acceptable approach to identify the Middle Class is on the basis of levels of income or consumption, either in *relative* or *absolute* terms. The *relative* approach defines the Middle Class on the basis of a middle share of income or consumption relative to the rest of the population. The Middle Class on the basis of *absolute* levels of income or consumption, different thresholds are used. For instance, a number of experts use the low threshold of US$ 2 per capita per day as the absolute lower bound of their definition of persons who belong to the Middle Class, in order to distinguish them from the poor. Banerjee & Duflo (2008) consider those who spend US$ 2 to US$ 10 per capita per day as a part of the Middle Class. Similarly, Ravallion (2009) uses the US$ 2 and the US$ 13 thresholds. The African Development Bank (2011) and the Asian Development Bank (Chun 2010) utilize the US$ 2 threshold as well. However, these thresholds are set in global context. For a threshold in national context, renowned economist of Bangladesh Dr. Binayek Sen considers US$ 2 to US$ 3 as middle class in his recent study "Size and Growth of Middle Class in Bangladesh: Trends, Drivers and Policy Implications". However, the definition of middle income is not fixed in Bangladesh. Various economists and researchers have taken different income level for defining the middle income group of Bangladesh.

1.2   Bangladesh Economy: An Overview

Bangladesh is a developing country, classified as the next eleven emerging market and one of the frontier five[5]. It is the second most pro-capitalist population in the developed world. The country continues to be progressively more integrated with the global economy through greater trade openness and selective liberalization of some capital account transactions. Therefore, global economic outlook and performance - output and trade growth is playing an increasingly influential role in the accelerated economic growth of the country. That is why Analysts on Bangladesh Economy need to closely watch the statistics put forth by the International Monetary Fund (IMF) in its biannual publication of World Economic Outlook in order to make any judgment on trade development as it

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[5] Goldman Sachs

impacts the overall economy. Before going for an analysis of the macro economic performance let us have an overview of the current key macroeconomic indicators as tabled below:

Table 1.1: Performance of Key Macroeconomic Indicators

Gross Domestic Products:	US$ 572 billion ranked at 33rd (2015, Estimated) US$ 209 billion (nominal) ranked 44th (2015, Estimated)
GDP Growth Rate:	7.05% (July 2015 to March 2016, Estimated)
GDP Per Capita:	US$ 3,385 (PPP, 2015 Estimated)
GDP Per Capita:	US$ 1,466 (nominal -2015)
GDP by Sectors:	Agriculture 19%, Industry 30% and Service 51% (2013-Estimate)
Inflation (CPI):	6.2% (2015)
Population below poverty live:	22% (2015)
Labor Force:	87.9 million
Labor Force by occupation	Agriculture 40% Industry 30% Service 30% (2015)
Unemployment Rate:	4.5% (2013)
Major Industry:	RMG, Textiles, Jute, Food Processing, Paper and Pulps, Ship Building, Pharmaceuticals, Electronics, Ceramic, Fertilizer, Footwear and Leather, Natural Gas, Construction Materials, etc.
Total Exports	$ 30.7 billion (2014-15)
Major Export Items:	Apparels and Textiles, Footwear and Leathergoods, Frozen food and shrimps, Ceramic, Pharmaceuticals, Software and IT-enabled services, Jute, Jute products, etc.
Total Imports:	US$ 40.69 billion (2014-15)
Major Import Items:	Petroleum, Machinery and Equipment, Food staff, Raw Catton, Edible Oils, Electronics, Iron & Steels, Automobiles, etc.
Public Debt:	22.8% of GDP (2013 Estimated)
Revenue:	US$ 14.67 billion (2013)
Foreign Exchange Reserve:	US$ 27.00 billion (October 2015)
Remittance Earnings:	US$ 15.31 billion (2014-2015)

Source: CIA and World Fact Book.

Analysis of above key economic indicators revealed a positive trend which has been outlined in the World Bank's recent report titled *"South Asia Economic Focus 2015"*. According to the report South Asia's average growth would be over 7.00%. About Bangladesh the report said, *"With political stability in the near term growth in FY 2016 is projected at 6.5% driven by strong consumption and export growth.* The report also stated that Bangladesh is not at any significant risk from contagion related to recent turmoil in the international financial markets or slower growth in China. But, the Medium-Term Macroeconomic Framework of Bangladesh as presented in the National Budget for FY-16 may be achieved provided required structural reforms in infrastructure management and business regulations are implemented by the government.

The BBS preliminary 6.5% GDP growth estimate for FY-15 shows a stronger economy relative to FY-14. However, evidences suggest that Bangladesh's GDP growth rate will be not more than 6.5% given its demographics, feeble state of physical infrastructure and lingering political uncertainties. However, statistics revealed by Ministry of Planning, GoB says the growth rate is 7.1% plus. In this regard, one should look back at the IMF's Enhanced Structural Adjustment Facility (ESAF) program which was introduced in 1980's had a positive impact on economic policy bringing in changes in privatizing public industries, budgetary discipline and liberalizing import regime. But, the program

later on failed due to lack of political stability. GDP growth pattern during the last 6 (six) five-year plans is shown as tabled below:

Table 1.2: GDP Growth Trend

5-Year Plan Period	Plan No	GDP Growth Target (%)	GDP Growth Actual (%)	Ratio of Actual to Target (%)	Per Capita GDP Growth (%)
'73-78	1st	5.5	4.0	73%	1.3%
'80-85	2nd	5.4	3.8	70%	1.5%
'85-90	3rd	5.4	3.8	70%	1.6%
'90-95	4th	5.0	4.2	84%	2.4%
'97-02	5th	7.1	5.1	72%	3.5%
'11-15	6th	7.3	6.3	86%	4.9%

Source: Bnagladesh Bureau of Statistics

The above table reveals a normal pattern during 1st to 4th plan period. However, there has been a leap from 5th plan period and 6th plan period. This has been possible due to sustainable development and growth in a few manufacturing and service sectors. Had this trend continued per capital income would be nearing US$ 4,000 to place Bangladesh in the community of middle income country group. However, one thing to be kept in mind that when Bangladesh enters into middle income country, all preferential trading arrangements meant for LDC would be gone and Bangladesh would have to compete with tougher competitors in the global trading arena. Actual scenario of GDP growth against its targets during year from 2011-2015 can be seen in the Figure below:

Figure 1.1: Target and Actual GDP Growth (2011-2015)

Year	Projected	Actual
2011	6.7	6.46
2012	6.9	6.52
2013	7.2	6.01
2014	7.6	6.12
2015	8	6.5
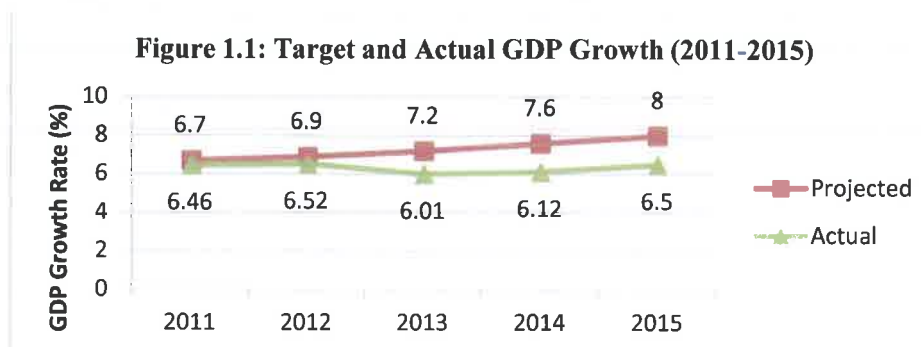
However, under the government Vision 2021, the GDP growth rate has been projected for next 5 years as shown in the chart below:

Figure 1.2: GDP Growth Target (%)

Year	GDP Growth Target in %
2016	7
2017	7.2
2018	7.4
2019	7.6
2020	8
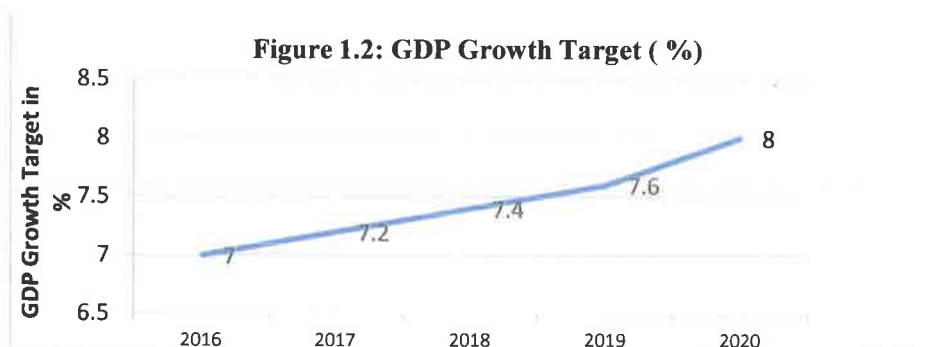
But, the major Development Partners of Bangladesh have projected the GDP growth for the year 2016 which is less than what the Government of Bangladesh has targeted as shown in the Figure below:

Figure 1.3 : GDP Growth Rate targeted in 2016 by Development partners
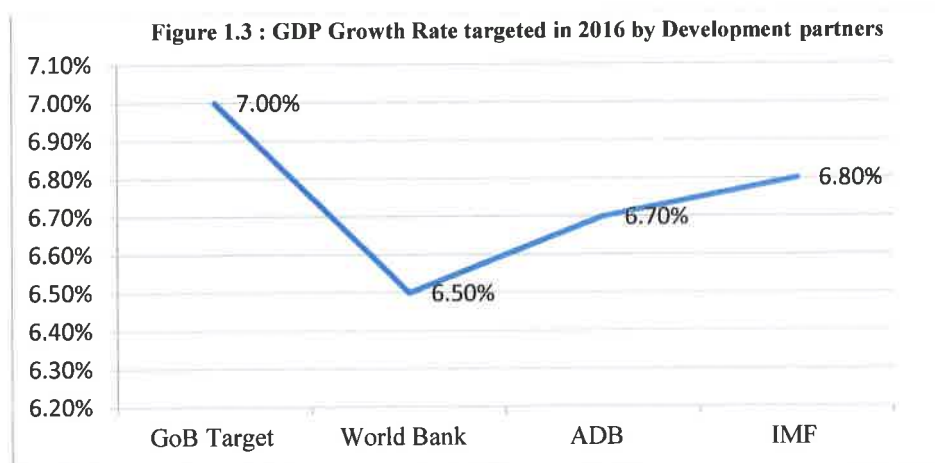
Source: Planning Commission, MOP, GoB

Figure below shows gradual increase in GDP per capita in US$ from 1978 to 2015 and the achievement was much better during the period between the year 2005 to 2015 as evident from a higher GDP per capita in 2015 as can be seen in the figure below:

Figure 1.4: GDP Per Capita (US$)
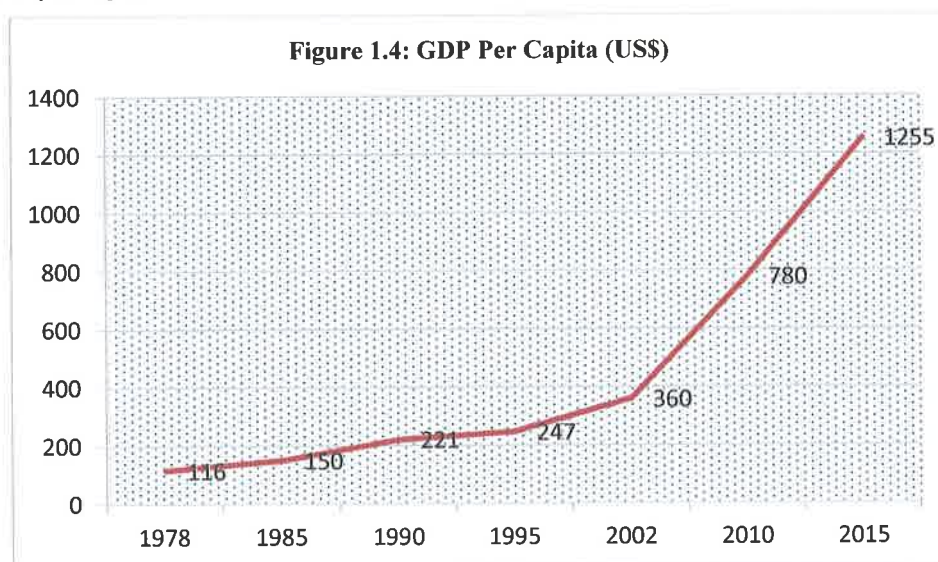
1.3   GDP Contribution by Sectors

Table below furnishes data on GDP contribution by sectors and it shows a gradual decline of agriculture sector's contribution to GDP over the years whereas contribution by Services and Industry sector are in the upward trend.

Table 1.3: GDP Contribution by Sector

Year	Agriculture	Industry	Services
2000	30%	17%	53%
2005	21.2%	27.1	51.7%
2010	18.4%	28.7%	52.9%
2015	15.9%	27.9%	56.2%

(Source: CIA Fact book)

Table above compares the sector-wise composition of GDP of Bangladesh for the year 2000, 2005, 2010 and 2015. From 2000 till 2015 agriculture sector's share of GDP fell from 30% to 15.9%. While Industry's share of GDP increased from 17% in 2000 to 27.9% in 2010. The service sector saw its share of GDP increase from 53% in 2000 to 56.2% in 2015. Recent data indicates dominance of industry and services in the economic growth due to increased investment in these sectors that contributed to keep the unemployment rate at natural level. Figure below graphically shows GDP contribution by Sectors:

Figure1.5: GDP Contribution by Sectors (1999-2015)
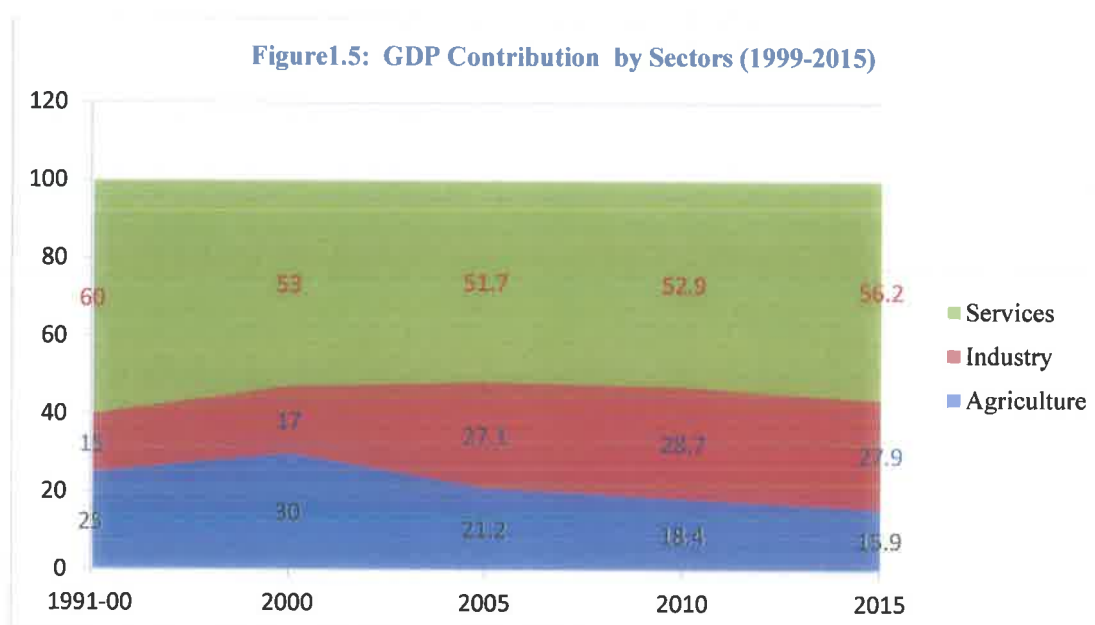
1.4 Investment Scenario and Five-year Plan of Bangladesh Government

From various studies it has been found that while the growth of labor force and total factor productivity have contributed to GDP growth, the important growth driver in Bangladesh has been capital accumulation. The national investment as a share of GDP has grown steadily over the years starting from a low level of 10-15% of GDP during 1970s and 1980s. However, the rate accelerated from early 1990s to reach 26.3% of GDP by FY 2010 (as shown below). Much of this investment

came from the private sector, whereas public sector investment has been low and on a declining trend. The total investment showed modest progress during the 6th plan period.

Figure 1.6: Investment as % of GDP
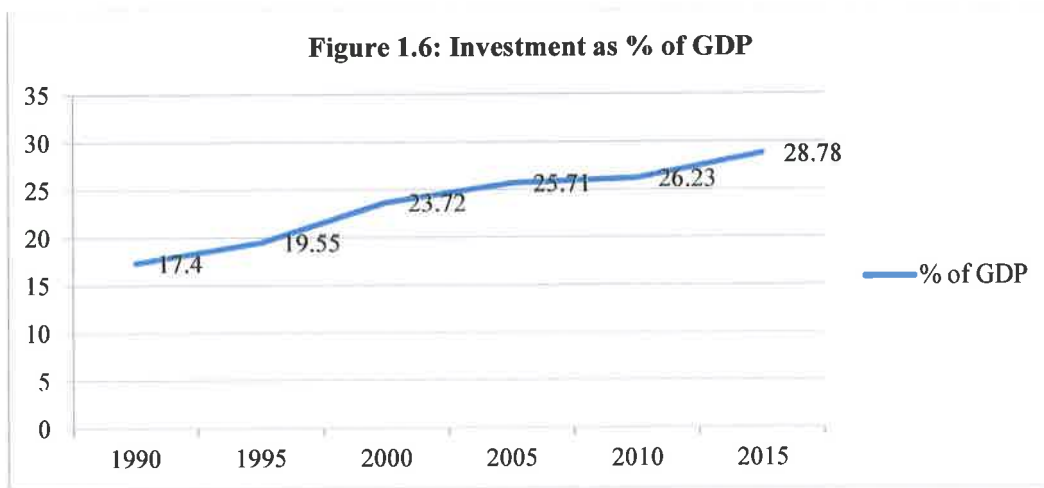
Sixth Five-Year Plan Investment Performance

Along with increasing investment rate there is evidence of growing average capital intensity of production output ratio (ICOR). This increasing capital intensity of production effort is consistent with global experience of transition from low income to middle income status. Since the country transforms to a manufacturing and services based economy, capital intensity of production grows. Recognizing the importance of investment to support higher GDP growth the sixth five-year plan targeted an increase in investment rate. However, actual performance failed to achieve the target.

Table 1.4: 6th Five-year Plans Performance

Investment Rate (% of GDP)	Base Year (FY-10)	Target (FY-15)	Actual (FY-15)
Public Investment Rate	4.7	7.2	5.8
Private Investment Rate	21.6	27.1	22.1
Total Investment Rate	**26.3**	**34.3**	**27.9**

Table 1.5: 7th Five-year Plan Investment Projection (% of GDP)

Investment Financing Source	FY15	FY16	FY17	FY18	FY19	FY20
Gross Domestic Investment	27.6	30.1	31.0	31.8	32.7	34.4
Private Investment	22.1	23.7	23.9	24.4	25.1	28.6
Public Investment	5.6	6.4	7.1	7.4	7.8	7.8
National Savings	27.1	29.1	29.7	30.2	30.7	32.1
Foreign Savings	0.5	1.0	1.3	1.6	2.0	2.3

Source =7th Five year Plan Projections

1.5 Inflation and Income Scenario

Inflation

During 2011 Bangladesh experienced the highest inflation rate which had also been highest in South Asian countries. However, adoption of an appropriate monetary policy stance by the central bank (Bangladesh Bank) the inflation rate was brought down to an affordable level. This has been evident from the trend of last 3 years as shown in the table below:

Table 1.6: Rate of Inflation as measured by CPs base ('05-06)

Inflation Rate	March 2016	September 2015	September 2014	September 2013
Point to point		6.24%	6.84%	7.13%
12 Month Moving Average	5.65%	6.24%	7.22%	7.37%

Source: BBS

The monetary policy has been successful in cutting down inflation. This could be attributed to favorable agricultural production, decreases in international commodity prices, specially petrolueum products minimum supply disruptions (both natural and man-made) due to less calamities. The improvement in domestic front in different sectors could contain inflation if political stability could be ensured. The latest analysis provided by BBS statistics states that during March 2016 inflation in urban area hasd been 7.27% whereas that is in rural area was 4.74% . As per Ministry of Planning inflation rate has been down below 6% after 40 months.

Income Scenario

Recently, a new pay structure for government employees and armed forces was declared by the government. Although this is to cover only a part of the total population it could be an influencing factor or reasons for the private sector employees expecting an enhancement in their salaries, as there are previous instances. As per the new pay scale basic salary has increased by 95% (to stand at BDT 78,000 fixed) and in the lowest grade by 101% (to become BDT 8,250). The pay scale has also incorporated an annual increment system where employees will get 4.5% for 5th grade and 3.75% in 2nd grade and 4% in the 3rd and 4th grade. Besides normal festival bonus, employees will get 20% extra bonus as Bangla New year bonus. In the 8th pay scale for Government employees, the Government included this incentive. Total amount of money required to meet this new pay scale is around BDT 2,382.80 million. This amount once injected into the economy it will have a significant impact on the consumption pattern. Again, some aspirant people may spend a part of it against one or more of the consumers' durables listed in the TOR.

Pattern of Disposable Income

With the growth of the economy, disposable income has also increased from 1990 and the increasing trend of growing disposable income has begun as indicated from the Figure below. However, the growth pattern has been more or less the same till 2012. From 2014 the disposable income of the

economy has nearly doubled. In the last 5 years, there has been high rate of investment. The impact of high investment is never instant,therefore the increase in investment rate had a lagged effect which resulted in disposable income to be double. However, it is to be looked into how disposable income has been shared by the rich and the poor. Mere increase in the disposable income does not mean that there would be a change in the pattern of consumption of thee consumers. Growth strategy followed by Bangladesh has resulted in changes in the distribution of income between the rich and the poor. This situation better explains in the graph shown below:

Figure 1.7: Trend in Disposable Income

BANGLADESH DISPOSABLE PERSONAL INCOME

SOURCE: WWW.TRADINGECONOMICS.COM
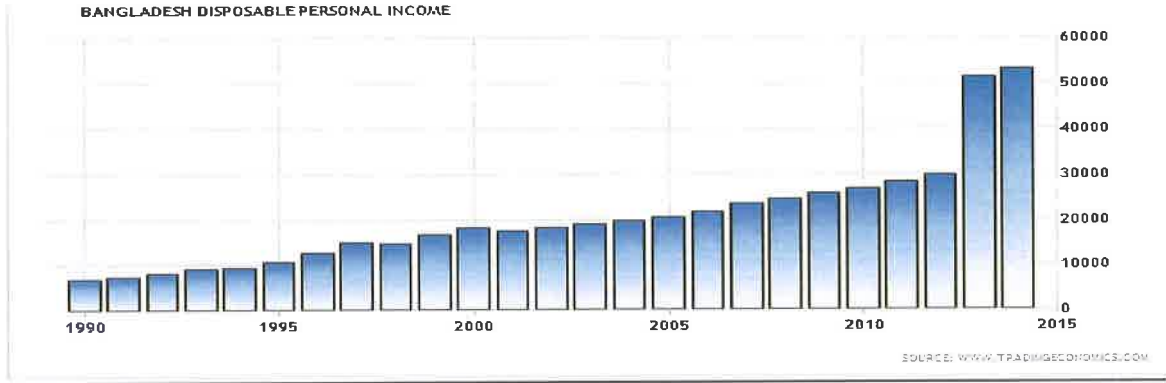
However, household income and expenditure survey (HIES) data shows that share in total income of the richest 30% was 62.40% and the share of the poorest 30% was 7.74% in 2000 with change to 63.29% and 9.32% respectively in 2010. On the other hand, the middle 40% have raised their share in total income from 26.86% in 2000 to 27.37% in 2010. The figure below explains the share of income further:

Figure 1.8: Income Share of the Population

7.74%, 30%

27.37%, 40%

62.40%, 30%

■ Richest   ■ Middle Income   ▨ Poorest
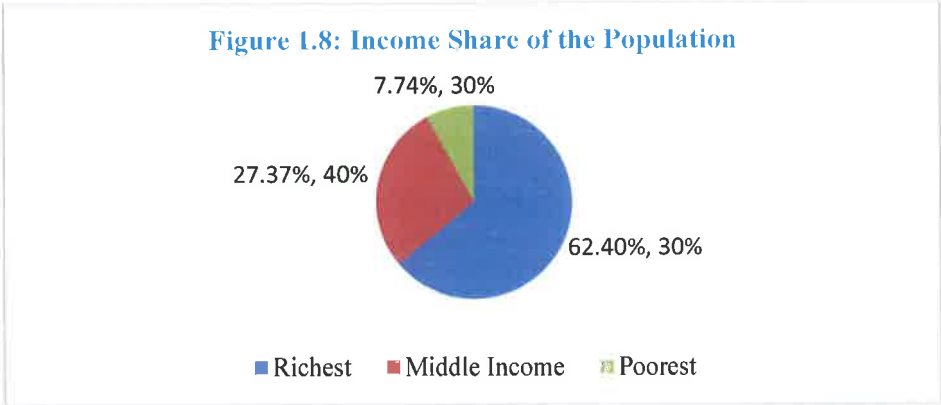
1.6 FDI Flows, Remittance, Foreign Currency Reserve and Balance of Trade Scenario

During the period from 2011 to 2015, the total amount of FDI inflows in Bangladesh in different forms has shown gradual increase from an amount of US$ 1,136.38 million in 2011 to an amount exceeding US$ 2.0 billion in 2016[6]. Table below presents data on FDI inflows in Bangladesh:

Table 1.7: FDI Inflows in Bangladesh during 2011 to 2015

Period		FDI inflows	Equity capital	Reinvested earnings	Intra-company Loans
2011	Jan-Jun	436.52	131.64	233.62	71.26
	Jul-Dec	699.86	300.21	256.01	143.64
	Total	**1,136.38**	**431.85**	**489.63**	**214.9**
2012	Jan-Jun	495.02	153.89	286.34	54.79
	Jul-Dec	797.54	343.74	301.19	152.61
	Total	**1,292.56**	**497.63**	**587.53**	**207.4**
2013	Jan-Jun	933.09	417.29	344.45	171.35
	Jul-Dec	666.07	123.77	352.66	189.64
	Total	**1,599.16**	**541.06**	**697.11**	**360.99**
2014	Jan-Mar	447.5	71.7	246.42	129.38
	Apr-Jun	366.77	38.37	196.7	131.7
	Jul-Sep	341.1	51.06	260.08	29.96
	Oct-Dec	395.91	119.17	285.61	-8.87
	Total	**1,551.28**	**280.3**	**988.81**	**282.17**
2015	Jan-Mar	606.92	195.69	330.5	80.73
	Apr-Jun	489.94	162.11	265.15	62.68
	Jul-Sep	598.08	224.91	244.38	128.79
	Total (Jan-Sep)	**1,694.94**	**582.71**	**840.03**	**272.2**

Source: Foreign Investment & External Debt (FIED) Division Statistics Department. Bangladesh Bank

The FDI inflows have seen an increasing trend from 2011 to 2015. Reinvestment of the earning by the existing foreign companies has been increasing since 2011 which shows how lucrative the economy of Bangladesh is for further investment. The equity capital has also been increasing in this period showing new investments by foreign companies are being made.

Remittance Earnings

Inflow of remittance has supported the Current Account, which has grown by 7.6% in FY 15 as opposed to negative growth of --2% in FY- 14.The upward trend in remittance growth in 2015 has

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[6] Bangladesh Bank web site: www.tradingeconomics.com

reflected the buoyancy in Remittance to South Asia as a whole. The manpower in-take by Saudi Arabia and UAE has increased by 7% and 3% respectively in FY-15 compared to those of Qatar (20%), Oman (30%), Bahrain (21%) and Malaysia (30%). Government policy has been supportive of the outward migration of workers. Banking support for mobilization of remittance, fiscal incentives (tax free inflow) and a stable exchange rate also helped a lot.
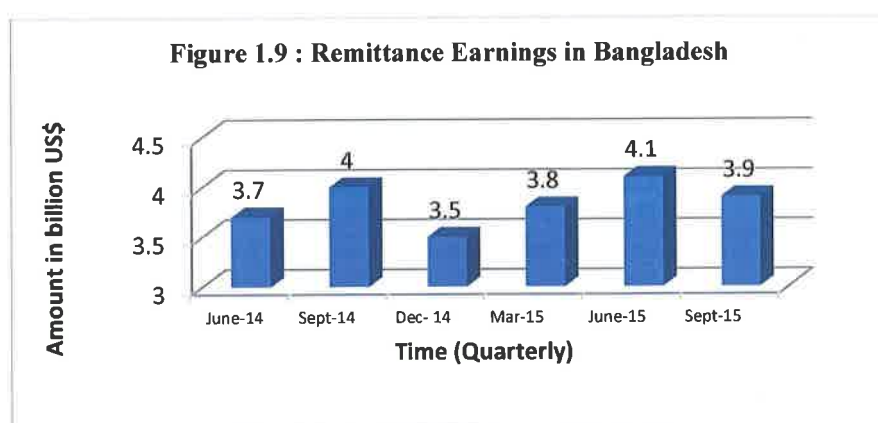
Source: BB Economic Year Book

Foreign Currency and Gold Reserves

Despite the deficit in the current account foreign exchange reserve grew to a surplus in BOP standing at all time high at $26.38 billion as of September 2015 This reserve can act as a buffer during times of Balance of payment crisis. The reserves as of September 2015 will provide coverage for about 6-9 months of imports making it safe and comfortable for an emerging country like Bangladesh.

Table 1.8: Foreign Currency and Gold Reserves

Year	Amount in US$
2006	3,877,163,417
2007	5,277,479,283
2008	5,787,356,028
2009	10,341,543,633
2010	11,174,826,634
2011	9,174,751,649
2012	12,754,226,945
2013	18,087,689,732
2014	22,319,791,708

Source: World Bank web site

The foreign currency and gold reserve have seen a rising trend since 2006 up until 2014. The increasing trend is due to the rise in export earnings and remittance from abroad. A high foreign currency and gold reserves will ensure reduction in Bangladesh's dependence on Foreign Aid, which proves the economy's increased development nationally and internationally.

Balance of Trade Scenario

During the last decade Bangladesh Current Account Balance was in the positive which turned into negative during the FY 2015 to US$ 1.65 billion from a surplus of US$ 1.4 billion in FY-2014. This was due to poor growth in exports (3%) which was overshadowed by a growth of 11% in imports of other components of this current Account also failed to fare well except remittance. However, the deficit should not be taken to be a matter of concern as long as it remains within 1% of GDP as is accepted in the developing country, like Bangladesh during the first quarter of FY -16..

Export and Import Trends

The trend in import and export has both seen a rising trend in the last decade. However, the imports have seen higher than exports and the Balance of trade has always been negative in the last decade. This is very normal for a developing country like Bangladesh. However, the Balance of payments was positive, owing to the high remittance earnings from abroad to cover up the negative balance.

Figure 1.10: Trends in Import and Exports
(Amount in billion US$)
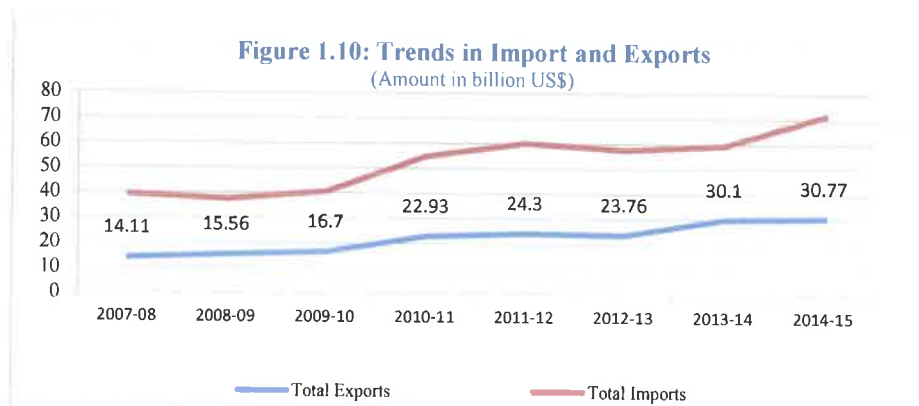
When analyzing based on the most recent data on exports for the period 2011-2014, of the major commodities of export, RMG had the highest share as usual and has also seen increase is export share in the mentioned period. Jute exports have fallen in this period as well as the exports of Fish and Shrimps. However the leather industry seemed to have done good business internationally as their exports have increased in the mentioned period as per the data. From the data it can be understood that the variety of export items is very necessary. The country's export is very much dependent on the RMG sector.

Table 1.9: Major Commodities of Export

#	Major Commodities	2013-2014		2012-2013		2011-2012		Changes	Changes
		Amount	% of	Amount	% of	Amount	% of		
		1		2		3		(1-2)	(1-3)
1	Readymade garments	146626.6	82.1	128269.2	80.6	120147.3	78.4	18357.4	26479.3
	1) Knitwear	82425.3	46.2	72706.4	45.7	70909.8	46.3	9718.9	11515.5
	2) Woven garment	64201.3	36	55562.8	34.9	49237.5	31.1	8638.5	14963.8
2	Jute manufactures	5316.6	3	5987.8	3.8	5200	3.4	-671.2	116.6
3	Fish, Shrimps and Prawns	4097	2.3	3580.2	2.3	4758.2	3.1	516.8	-661.2
	a) Fish	641.8	0.4	766.8	0.5	1102.8	0.7	-125	-461
	b) Shrimps and Prawns	3455.2	1.9	2813.4	1.8	3655.4	2.4	641.8	-200.2
4	Leather and Leather goods	6863.6	3.8	5398.8	3.4	4264.9	2.8	1464.8	2598.7
	a) Leather	3759.8	2.1	2869.1	1.8	2437.2	1.6	890.7	1322.6
	b) Leather manufactures	3103.8	1.7	2529.7	1.6	1827.7	1.2	574.1	1276.1
5	Home textile	3862.1	2.2	3315.6	2.1	3608	2.4	546.5	254.1
6	Raw Jute	948.1	0.5	1681.3	1.1	1866	1.2	-733.2	-917.9
7	Petroleum products	535	0.3	825.1	0.5	971.8	0.6	-290.1	-436.8
8	Terry towel	105.9	0.1	192.5	0.1	928.8	0.6	-86.6	-822.9
9	Bicycle	377	0.2	462.2	0.3	407.1	0.3	-85.2	-30.1
10	Pharmaceutical Products	507.5	0.3	465.6	0.3	391.2	0.3	41.9	116.3
11	Handicrafts	57.9	0	52.1	0	42.1	0	5.8	15.8
12	Tea	16.3	0	18.2	0	28.6	0	-1.9	-12.3
13	Fertilizer	0.8	0	0.6	0	129.8	0.1	0.2	-129
14	Others	9240.2	5.2	8861.6	5.6	10480.7	6.8	378.6	-1240.5

Import Composition and Growth (FY-15)

Higher growth 11.3% in FY-15 imports gives a positive indication regarding investment and economic activity, particularly, when 78% of these imports comprise capital machinery, intermediate goods and industrial raw materials and only 14% of total imports consisted of goods.

Table 1.10: Import Composition of Growth

Categories of Imports	2014 (USD million)	2015 (USD million)	Change in USD FY-15 over Fy-14
Textiles and textile articles	8008.4	8071.8	63.4
Machinery and mechanical appliances, electrical equipment,parts thereof and etc.	4970	5430.2	460.2
Mineral products	6081.2	5328.8	-752.4
Products of the chemical or allied industries	3182.9	3478.8	295.9
Vegetable products	3564.3	3245.9	-318.4
Base metals and articles of base metal	2657.3	2949.4	292.1
Vehicles, aircraft, vessels and associated transport equipment	2002.8	2108.2	105.4
Plastics and articles thereof, rubber and articles thereof	1793.3	1845.2	51.9
Animal or vegetable fats and oils, their cleavage products, prepared edible fats, animal or vegetable waxes	1781.5	1597.4	-184.1
Prepared foodstuffs beverages, spirits and vinegar, tobacco and manufactured tobacco substitutes	1609.9	1380.4	-229.5

Pulp of wood or of other fibrous cellulosic material, waste and scrap of paper or paperboard, paper or paperboard and articles thereof	627.8	598.3	-29.5
Live animals, animal products	340.9	380.8	39.9
Optical ,photographic, cinematographic measuring, medical or surgical instruments and apparatus, clock and watches, musical instruments, parts and accessories thereof	261.3	277.8	16.5
Miscellaneous manufactured articles	212.5	228.7	16.2
Arms and ammunition, parts and accessories thereof	168.6	124.5	-44.1
Articles of stone, plaster, cement asbestos, mica or similar materials, ceramic products, glass and glassware	128.6	115.4	-13.2
Raw hides and skins, leather, furskins and articles thereof, saddlery and harness, travel goods, handbags, articles of animal gut	77.2	112.9	35.7
Wood and articles of wood, wood charcoal, cork and articles of cork, manufactures of straw, of esparto or of other plaiting materials, basketware and wickerwork	108	87.9	-20.1
Footwear, headgear, umbrellas, sun umbrellas, walking-sticks, seat sticks, whips, ridding-crops and parts thereof, prepared feathers and articles made therewith, artificial flowers, articles of human hair	45.9	52.2	6.3
Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, imitation jewelry, coin	15	7.6	-7.4
Goods and commodities not included elsewhere	5.8	1.8	-4

(Source: Bangladesh Bank web site)

1.7   Urbanization and Growing Consumer Credit Market

Likewise in other countries, rapid urbanization is also taking place in Bangladesh and every year a portion of rural people are migrating (0.46 out of 1,000) to urban areas due to better education, employment and livelihood. The share of urban population is 34.3% of the total population and it is is increasing every year. It is further found the rate of urban population growth had an average of 4% indicating the growth of urban cities in Bangladesh. The increasing growth of urban population is indicating effective engine of economic growth and socio-cultural development. In pure economic terms, besides contributing to the national economy, urbanization also creates new and expanded consumer market that necessitates HHs procuring various consumer durables for rapid tweaking with urban life style. Therefore, consumer credit is one of the most important tools which caters the increase consumer spending of HHs. From 1990 the consumer credit has seen gradual increase till date and the total amount exceeded BDT 7,000 billion in 2015 as shown in Figure 1.11 below:

Figure 1.11: Flow of Consumers Credit from 1990-2015
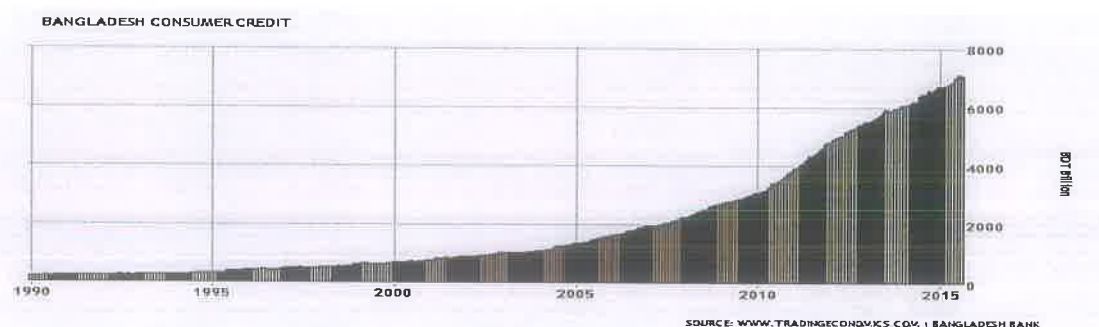
Source: Bangladesh Bank www.TRADINGECONOMICS.COM. World Fact Book

CHAPTER 2: DEMOGRAPHIC DIVIDEND OF BANGLADESH
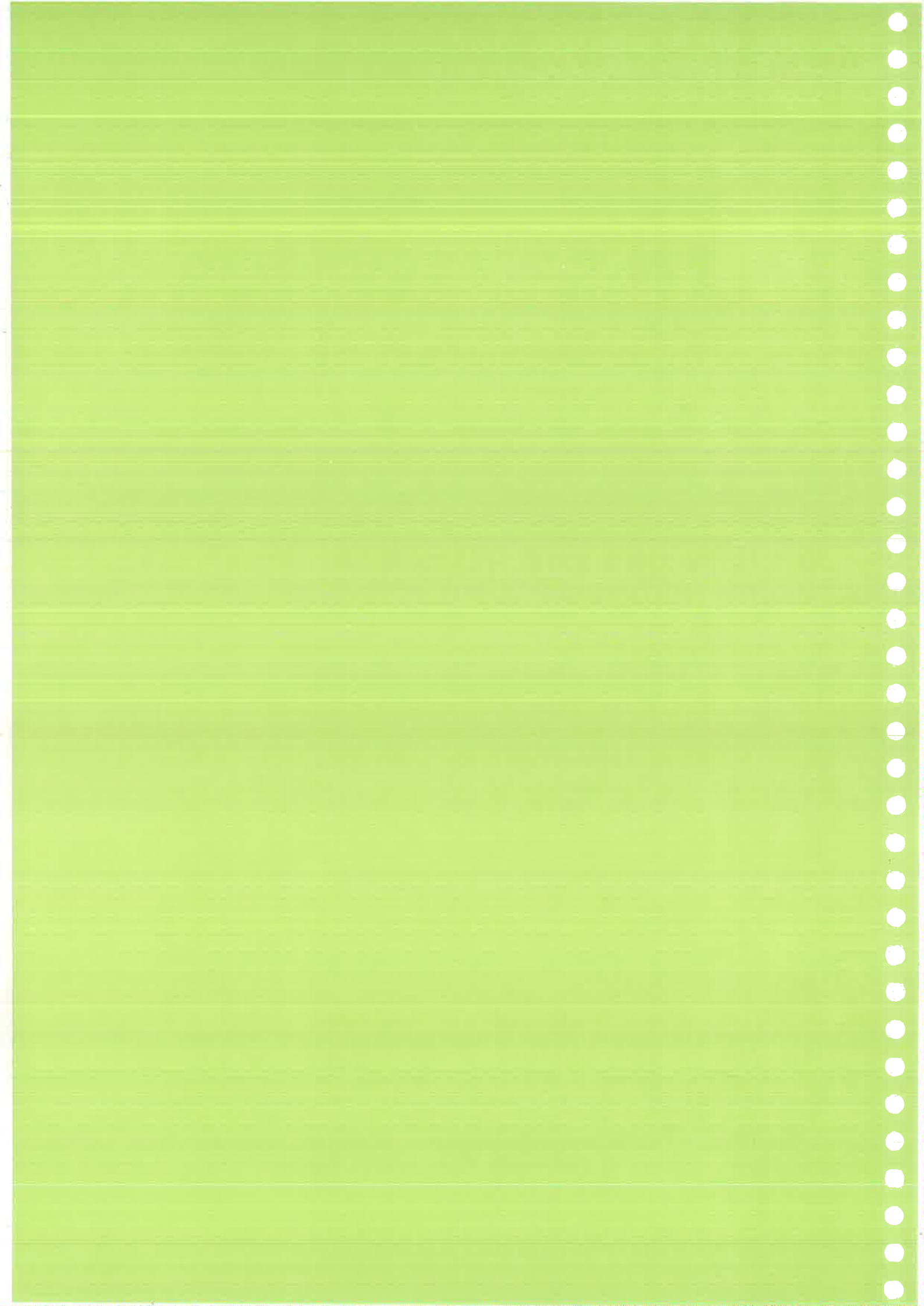
Chapter 2
Demographic Dividend of Bangladesh

2.1 Demography – its way path

Bangladesh is one of the most densely populated countries in the world ranked 9th on the basis of density and is ranked 8th in the list of countries by population. The country's current population is 160 million (est. 2015) with male to female ratio of 0.95 male(s)/female. The population grew over the last four decades at an average rate of 2%. The table below shows the total population in different times.

Table 2. 1: Population of Bangladesh (2015 and Historical)

Year	Population	Population Growth Rate
1975	72,265,173	1.74%
1980	82,498,440	2.68%
1985	94,287,722	2.71%
1990	107,385,847	2.64%
1995	119,869,585	2.22%
2000	132,383,265	2.01%
2005	143,135,180	1.57%
2010	151,125,475	1.09%
2015	160,411,249	1.20%

Source: Bangladesh Bureau of Statistics

From the table above it can be seen that Bangladesh has experienced a gradual fall in population growth from the year 1985 where it had the highest growth rate. The fall in population growth rate has been achieved due to the Government's initiative to control the population growth by vigorous campaign on improving reproductive health and family planning policy. Let us now focus on how the Government initiative has impacted the population growth over the years. From the figure below we can see the Crude Birth Rate (CBR) graph. Crude birth rate indicates the number of live births occurring during the year, per 1,000 people. The graph explains that the Crude Birth Rate (CBR) has shown a decreasing trend over the years. Moreover, we can see from the figure below a similar trend in Crude Death Rate (CDR). Crude death rate indicates the number of deaths occurring during the year, per 1,000 people.

Figure 2. 1: Crude Birth and Crude Death Rate (1975-2013)
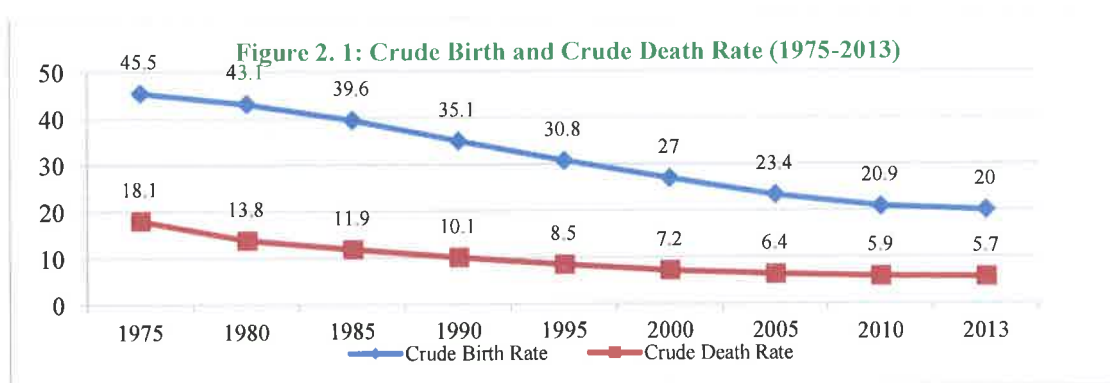
Figure 2.1 showing that there has been a consistent decline in both CDR and CBR due due to two major factors, one is women empowerment delaying the marriage age and the other being the scope of opportunities opened up for rural women in the readymade garment factories in Bangladesh. The recent report of UNICEF namely *"The Levels and Trends in the Child Mortality Report 2015"* states that the under 5 year's mortality rate in Bangladesh has come down by 73% in the last 25 years resulting population boom over the last two decades that contributed into demographic dividend.

2.2 Projected Population Growth and Age Distribution

Based on the above population trend projected growth rate of population in Bangladesh has been made until 2050 with an interval of five years starting from 2020:

Table 2.2: Projected Growth Rate of Population

Year	Total Projected Population (000)	Projected Growth Rate (%)
2020	170,467	1.15
2025	179,063	0.98
2030	186,460	0.81
2035	192,500	0.64
2040	197,134	0.48
2045	200,381	0.33
2050	202,209	0.18

Source: *UN Department of Economic and Social Affairs*

Table above presents the projected growth of the population of Bangladesh. As per projection, the population will be increasing but at a decreasing rate. By analyzing the world economic trend and keeping in mind the consistent 6% plus GDP growth of Bangladesh, will impact in GNI as the population growth will have decreasing trend. Table 2.3 presents a trend in the population by different age groups ranging between 1950 and 2015. Most interesting revelation from this Table is the groups between age group 15-24, 25-39 and 40-64 are the most vital and vibrant workforce of Bangladesh.

Table 2.3: Population by Different Age Groups

Period	0-14	15-24	25-39	40-64	65+	Ratio of Working Population to Dependent Population
1975	32,138	11,382	13,364	12,210	2,153	1.08
1980	36,488	15,472	13,386	13,533	2,484	1.09
1985	40,772	19,315	15,309	14,833	2,787	1.14
1990	44,871	21,817	19,321	16,671	3,303	1.20
1995	47,300	24,263	24,817	18,065	3,982	1.31
2000	48,670	27,541	29,217	20,832	5,020	1.45
2005	49,272	29,708	32,994	24,876	6,079	1.58
2010	48,711	30,425	36,162	29,214	7,105	1.72
2015	47,408	31,349	39,804	34,328	8,007	1.90

Source: *UN Department of Economic and Social Affairs*

From the table above, it can be established that, with the growth in population, the age group of 15-24 and 25-39 have seen the highest growth rate over the years compared to the rest of the age group

cerating solid workforce and thus it reduces dependency ratio. This implies that the biggest share of the current population is young. Now, from the table above, a population pyramid in drawn as shown in **Figure 2.2** below:
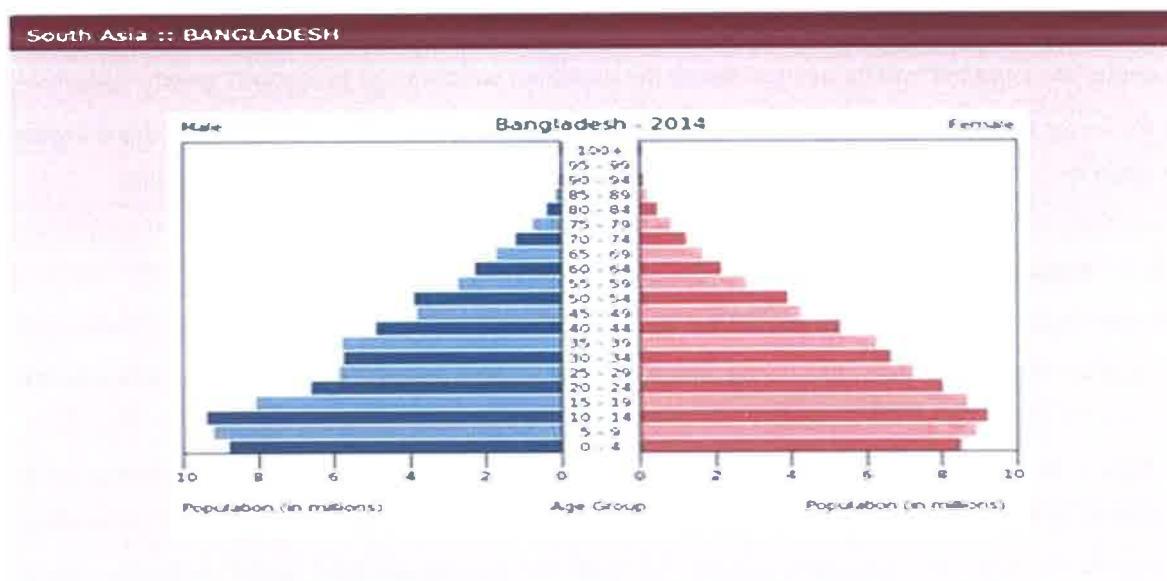
Figure 2.2 Population Pyramid of Bangladesh

Population pyramid shows that major share of population belongs to age groups 15 to 40 years who are the major workforce of Bangladesh with strength, energy, vigor and having potential to contribute to overall productivity towards accelerated economic growth. This advantage of the age group is expected to continue in future which refers demographic bonus for the country. This can be evident by comparing the population pyramids drawn on past (1950 and 2010) and future (2050 and 2100) scenario as shown in Figure 2.3 below:
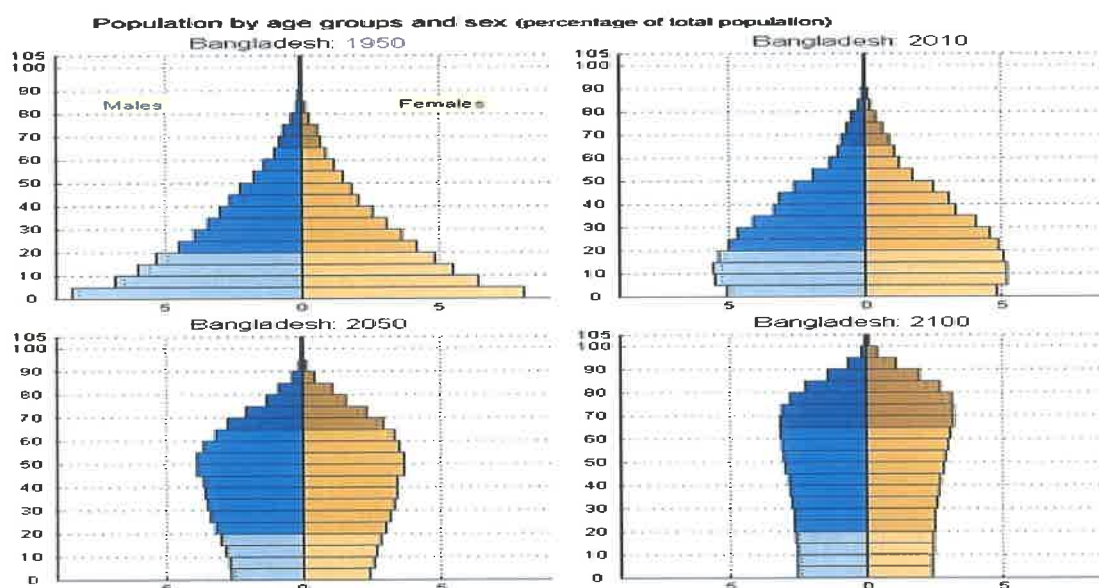
Figure 2.3: Changing Age Structure : Past and Future

A projection has been made taking into account the trend of population growth of Bangladesh (Nabi, 2012). If we analyze the projection of Changing Age-Structure as shown in Figure 2.3, we see the possible reduction in the dependency ratio. This means, more working age population and less young and older dependent population. From the rising trend in the country's economic growth and after reaching the expected middle income status, the projected working age group will greatly contribute to the future economic growth. In consequence, it will increase overall consumption and create higher demand for new and innovative goods and services including the selected consumer durables.

2.3   Demographic Dividends

Demographic dividend can be measured by the the ratio of working population to dependent population and if it is more than 1 meaning the country gains demographic dividend. Demographic dividend refers to a period – usually 20 to 30 years; when birth rates decrease due to significant reduction in child and infant mortality rates. Although Bangladesh started gaining demographic dividend in the year 1975 at a very negligible rate however in the year 2005 the ratio of working population to dependent population crossed 1.5 times and moving upoward further as can be seen in the figure shown below:

Figure 2.4: Ratio between workforce and Dependents

| 1975 | 1980 | 1985 | 1990 | 1995 | 2000 | 2005 | 2010 | 2015 |
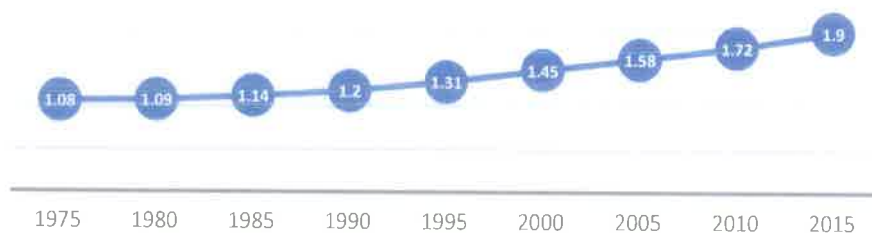
This has created a window of economic opportunity that can be expressed as demographic dividend of Bangladesh (Shohag, 2015). Renowned Economists have distinguished following 4 ways in which the benefits of demographic dividend can be achieved in general:

a) Growing size of the working-age population will result to increased labor supply. But, this will greatly depend on the economy's ability to absorb and efficiently employ additional workers.

b) Reduction in dependency ratio will positively influence savings which in turn will increase investment in the economy.

c) Fall in fertility will significantly reduce economic pressure on the households, which in turn will influence the parents to make more investment in children's health and education, leading to a healthy, educated and more skilled labor force in the future and thus forms human capital.

d) Increase in local demand due to rise in per capita income and reduction in dependency ratio.

The evidence of demographic dividend can be better understood when we look into the East Asian Economies. Those economies benefitted from the knowledge, experience and technology of other countries which had already passed through the demographic transition. The Asian economies were able to take advantage of the demographic dividend because of their appropriate social and economic policies which includes openness to foreign trade and investments and more importantly flexible labor markets followed by rigorous and continued investments in human capital which includes education and public health. About one-third of economic growth between 1965 and 1990 in the East Asian countries is attributed to demographic dividends. (Raihan, 2016) Recently, in an article compared an East Asian country (Malaysia) with a South Asian country (Bangladesh) where we can find that both Malaysia and Bangladesh, during 1990 and 2010, were experiencing rising demographic dividends which is one of the major contributors for the rise in their per capita incomes. Detailed explanation has been shown in **Appendix-1.**

Finally, the policymakers and social scientists of Bangladesh confidently discuss about demographic dividend as if the benefits are bound to happen and within grasp. However, many developing countries, including Bangladesh, will not be able to achieve this economic benefit without appropriate policies and substantial investments in a number of areas. There is little scope to waste time by postponing fast, effective and decisive actions to make all these things happen sooner. Otherwise, the **'demographic dividend'** will be lost as the current bulge in the country's working-age population will transform into a bulge in the elderly population within the next one decade or so. Hence, the so-called demographic dividend could easily turn into a huge demographic burden.

2.4   Bangladesh Labor Market

Bangladesh being a geographically small country has a massive population of 160.23 million people (2016) and a labor force covering around 78.9 million people (The World Bank) with an average 2.05% growth rate of labor in the last 5 years. Labor is often considered to be Bangladesh's most precious resource. This valuable resource with perfect planning has the potential to unleash a rapid transition towards prosperity. With abundant labor, Bangladesh is provided the comparative advantage in production of labor intensive goods. Below is the age profile of the labor force collected from the latest Labor Force Survey 2013 and 2005. From the Figure 2.5 below we see the growing age group of 30-64, indicating a more experienced workforce at present.

Figure 2.5: Growing Age Group of 30-64 Years (More Experienced)

	Bangladesh 2013	Rural 2013	Urban 2013	Bangladesh 2005	Rural 2005	Urban 2005
15-29	38.5	38.6	38.2	40.57	40.05	42.14
30-64	56.7	55.9	58.9	53.53	53.49	53.67
65+	4.8	5.5	2.9	5.9	6.46	4.19
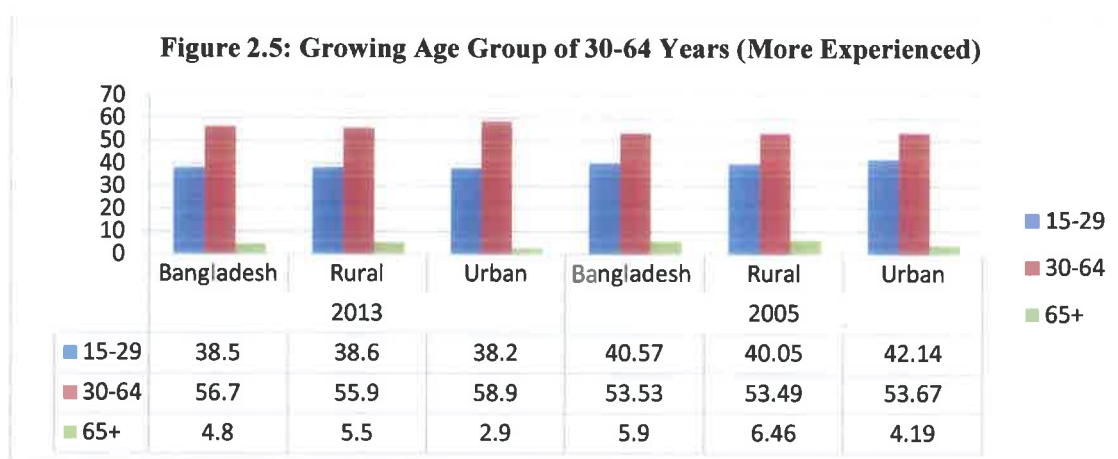
The detailed labor market analysis will be done in 4 segments, starting with:

2.4.1 Sector-wise Labor Force

Although contributing only 16% to the GDP at present, agriculture sector holds the maximum share of employed labor force which is 45.1%. The share of labor has decreased in comparison to 2005 for the agriculture sector, while the share of labor has increased for the industrial sector. For an economy to develop, it cannot depend on the agricultural sector for long given the current area of land of Bangladesh, which is 40% of Japan. Thankfully, the industrial sector and service sector have been greatly contributing to the country's economic growth for a long time. But, the rate at which labor share is increasing in the industrial sector is not yet very satisfactory. More jobs in the industrial

Figure 2.6: Sector-Wise Labor Force

sector need to be created to cater the growing labor force. However, taking into consideration of the geographical, cultural and economic condition, Bangladesh may not be able to drastically change into an industrial economy without skill training and changing the perception. It is the agricultural sector that keeps the unemployment rate so low for a developing country like Bangladesh.

2.4.2 Gender-wise Labor Force

As per the recent data of Labor Force Survey, Female labor force population increased to 18.1 million in 2013 from 12.1 million in 2005 and the male population increased to 42.5 million in 2013 from 37.3 million in 2005. As we analyze the labor force, we firstly look into the labor force participation rate of the population. As per data of World Bank, we generate a graph below for a better graphical presentation shown in Figure 2.7:

Figure 2.7: Percentage of Labour Force Participation Rate by Gender
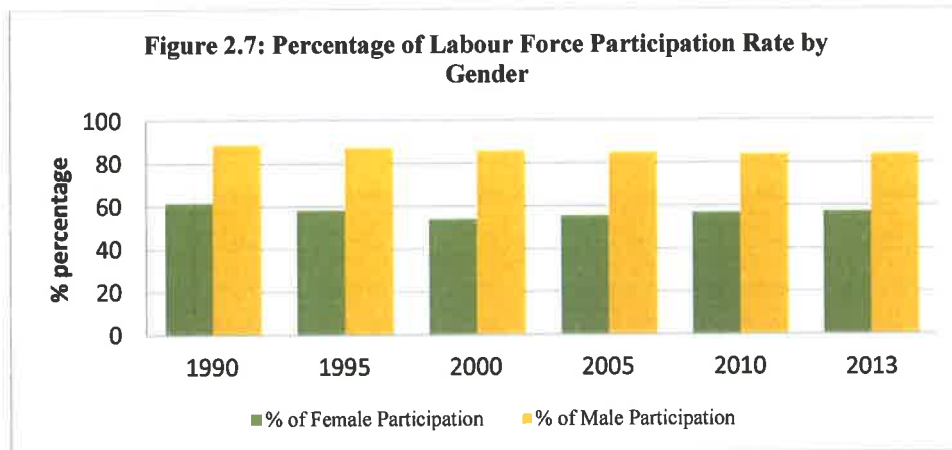
According to data of World Bank on female and male LFPR, it is seen that female LFPR went through a continuous rise from 2000 while the male LFPR has decreased from 88.7% to 84.1%. Rise of female LFPR to some extent has been due to the initial low value of Female LFPR. But, the overall LFPR has declined heavily since 1990 as can be seen in the Figure 2.8 shown below.
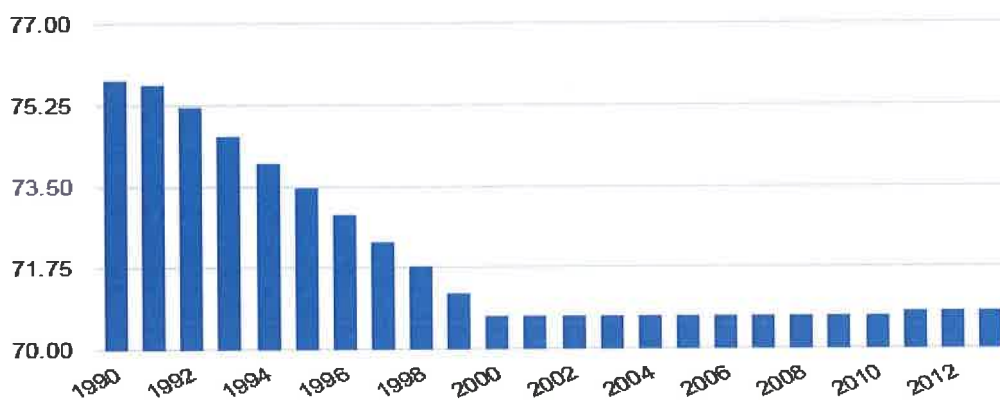
Figure 2.8: Labor Force Participation Rate

One of the most evident reasons for a fall in LFPR would be the ageing population due to fall in death rates. Similarly, the participation rate for younger workers (age 15 to 24 years) has been on the decline indicating that young workers are more likely to stay in school longer for higher education as evident in Figure 2.9 below showing gradual decline of annual school dropout rate over the period from 2005-2014 :

Figure 2.9: Year-wise School Dropout Rate 2005-2014
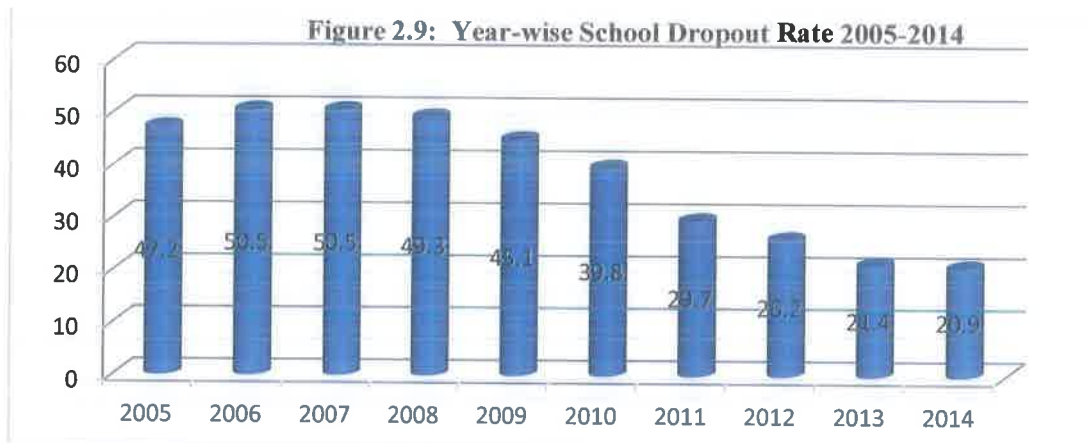
Labor force participation takes into account both employed and unemployed population. Now as we do a gender based analysis of the employed population we can see from the **Figure 2.10** below the increasing trend of both male and female population. This indicates two things; Firstly, the country has been generating new jobs, trying to keep the unemployment rate stable. Secondly, we see increased job for female in the work force, which is a very good sign. The evident women empowerment in the economy is vital for the growth of the country.

Figure 2.10: Percentage of Female Labour Force Participation Rate
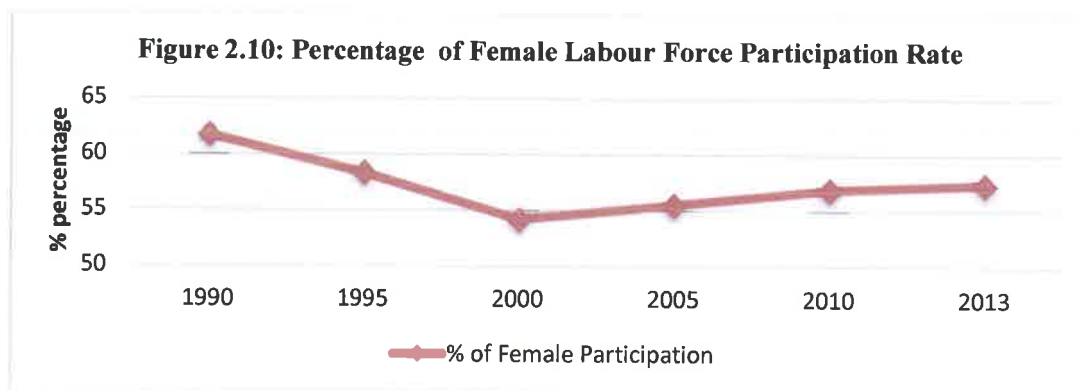
However, a major concern for the labor market is the under employment issue. Underemployment can be defined in terms of either willingness to work more hours compared to the actual hours or in terms of work input lower than a standard hour.

Figure 2.11: Trend of employed persons by gender
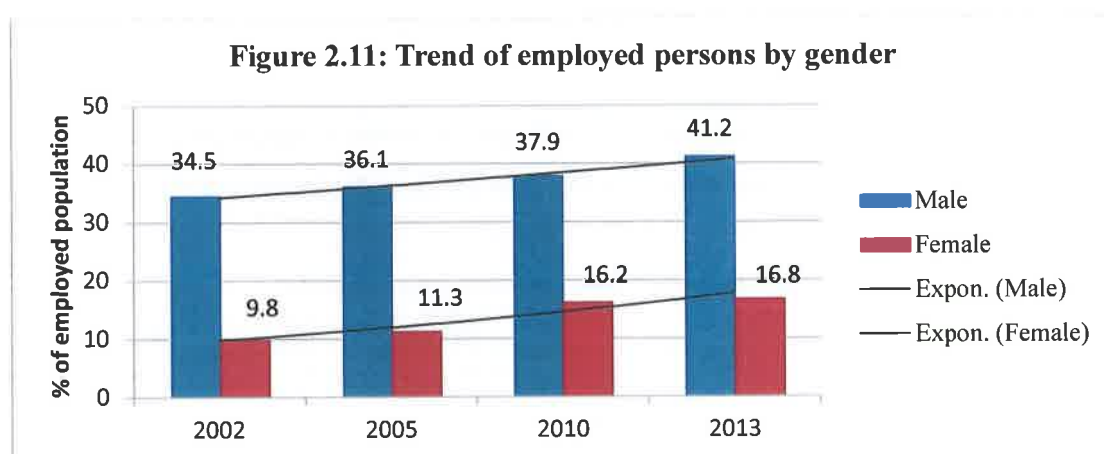
The table presented below shows that during the period of 2000-2010 female underemployments have increased and the difference between male and female underemployment is huge.

Table 2.4: Underemployments Situation 2000-2010

Year	Male	Female	All
2000	6.6	31.5	14.2
2005	3.7	40.1	12.6
2010	7.4	52.8	16.6

2.4.3 Skill-wise Labor Force

For an economy that wants to place itself on the path to development innovativeness and quality of education is very crucial. Education defines the skill of a worker can be acquired through both general and technical education. Proper schooling and education is vital to ensure a productive workforce in present and future. Although, the educational attainment trend has improved since 2005, it is still not at satisfactory level. The number of unskilled labor is still at a very high level along with a very low proportion of skilled labor in the market. The existing government owned Technical and Vocational Training Institutes (TVTI) are yet upgrade their areas of skill training based on market demand to create a huge pool of skilled labor force. New areas of skill training that TVTI plans to offer includes Mechatronics, Computer science and Technology, Data Tele communication and Networking, Electromedical, Mining and Mine Survey, Environmental Technology, Instrumentation and process control, Construction and Telecommunication. To reap the advantages of demographic dividends, skill training and education is crucial element requires extensive support from the government.

Table 2.5: Skill-wise Labor Force

Labor	2005 (%)	2010 (%)	2013 (%)
Skilled (Tertiary+others)	2.88	3.80	5.80
Semi-Skilled (Higher Secondary)	3.00	3.70	6.00
Unskilled (None+Primary+ Secondary)	94.12	92.40	88.10
Total	100	100	100

Again, the literacy rate of the country has increased in the past decade, but the number of skilled labor is still at a very low level. The slow rate of increase in skilled labor is a matter of great concern. Immediate attention of the government as well as the private sector is important in this sector. To understand the skill-wise labor force analysis, we need to look into the formal and informal sector of the labor market also.

Table 2.6: Formal and Informal Labor Force

Sector	2005 (%)	2010 (%)	2013 (%)
Informal[7]	86.08	87.5	86.9
Formal	13.91	12.5	13.1

Formal labour is any sort of employment that is structured and paid in a formal way. Unlike the informal sectorof the economy, formal labour within a country contributes to that country's gross national product. Formal employment is more reliable than informal employment. Generally, the former yields higher income and greater benefits and securities for both men and women A significant amount of people of Bangladesh joins the informal sector regularly. Table above shows that the period of 2005-2010 has shown rise in growth rate of the informal sector, but in 2013 the share of labor from the informal sector has slightly reduced. When we further look into the Labor Force Survey data of 2013, we find the informal sector employment in Rural sector is around 3 times the number of employed persons in Urban area with the reasons being, most of the rural population are involved in agriculture and small business related services and sales. Moreover, if we analyze further, we find that the informal employment amongst the female population is higher (90.3%) than that of the male (86.3%). But, the growing urban middle income class engages increased number of household workers (maids, caretaker, babysitters, security, etc) with increased participation of husband and wives in the corporate world, demand for such informal groups is expected to increase.

Workers from the Informal economy receive 35% lower wages than formal sector on average. Most of the unskilled or less educated population is usually involved in the informal market. To keep consistency in the economic growth, the inclusion of the workers in the formal sector is very crucial. With such a massive population employed in the informal sector the government is losing potential tax revenue and the economy is running with a very less productive workforce.

2.4.4 Migrated Labor Force

Labor migration has been an integral part of Bangladesh's economic and social development since the last few decades. Labor migration has ensured stability to a foreign exchange reserve and have created many job opportunities for the massive labor force of Bangladesh (both skilled and unskilled), which has also contributed in keeping the unemployment rate at a very low level. With the rate of

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[7] *Informal sector means sectors of employment not covered by the National Wage Board.*

urbanization still at a high rate, indicating internal migration, but the international migration has been very crucial for the economy of Bangladesh. International migration opened additional pathways for the government to attain its long term developmental goals.

In 2015, a total of 538,667 workers have migrated overseas from Bangladesh to take up employment. In 2014, the total number who went was 425,684. In 2013, it was 409,253. Compared to 2014, this year migration flow has increased more than 30%, while when compared to last four years combined, it increased by 35%[8]. Since January to November 2015, a total of 91,858 female workers has gone abroad to take up employment. This is more than 19% of the total flow of the year. In 2014, the number of female migrant was 76,007 and again it was 18% of the total flow. As per recent statistics, just about 80% of the workers, who migrated in 2015, went to the Gulf and other Arab countries. The average flow of migration over the last 39 years also represents the same scenario (82%). The remaining 20% went mostly to different South East Asian countries (125,492).

A research book named 'Impact of Migration on Poverty and Local Development' published by SDC and RMMRU in 2015 displays the period of 2014 and 2015 migration cost in average. For male the cost is about BDT 380,000/= whereas female migrants spent about BDT 100,000/= as migration cost. The report also writes that male migrants remit about BDT 200,000/= a year. On the other hand, female migrants remit BDT 80,000 a year. While female migrants earn less than male migrants, they remit 90% of their total income, while the male migrants remit only 50% of their income. A comparative study which took place recently among both migrant and non-migrant households shows that annual income of the household with international migrant is BDT 260,000. And annual income of non-migrant household is BDT 114,000 while national rural annual average income is BDT 115,000/=

According to the Bangladesh Bureau Statistics 26% of the rural population is living under the poverty line. SDC and RMMRU survey found that only 13% of international migrants' family is living under poverty line, whereas 40% of non-migrant family and 46% internal migrants' family live below poverty line. A current research study conducted by RMMRU and RPC found that migrants' households spend much more money for primary and secondary level education than non-migrants' household. But for higher education they spend less money comparing to non-migrants' household. From the data collected, it could be assumed that migration is one type of impediment for higher education among the poor people.

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[8] The Daily Star

2.5   Future Entry into Labor Market

Bangladesh is the eighth most populous country in the world and its population is projected to grow to more than 202 million by 2050. Normally, the large size of population has traditionally been considered a barrier for rapid growth in low income country. But, the recent studies indicated two way positive interactions between population and economic growth. Especially in terms of its changing age structure. Changes in age structure lead to decline in dependency ratio, which favors higher economic growth. It has been observed that demographic transitions across the world suggest that as income increases child dependency ratio declines while old age dependency ratio rises in low income countries. In Bangladesh between the years 1950 to 2020 the country's total dependency ratio fell by 24% from points 82.3% to 58.3% due only to fall in child dependency ratio.

Healthcare products and Insurance services may experience a gradual improvement in Bangladesh as the income level rise may parallel to the rise of elder educated health conscious people. On the other hand, in case of working age population the number will rise from 17.9 million (54.8% of total population) in 1950 to 83.5 million in 2010 and it has been projected to reach its peak of 137 million (69.5% of total population) in 2040 and thereafter, it will start to decline to 136 million (67.3% of total population) in 2050. This shows that the size of the country's labor force will increase by nearly 53 million during 2010-2050. This will give a wide window of opportunities for Bangladesh to raise economic growth by developing its human capital and attracting FDI in labor-intensive industries.

As a result, higher economic growth will ensure increased per capita income and purchasing power parity (PPP) among the people and there is a definite possibility of influx of low income people in the middle income bracket and thus, they are expected to pursue increased overall consumption including a desire of availing new and innovative goods and services like in the developed economies.

CHAPTER 3: LIVING CONDITIONS AND CONSUMPTION TREND OF THE MIDDLE-INCOME CLASS

Chapter 3
Living Conditions and Consumption Trend of Middle-Income Class

Besides desk research, the study team also conducted a field survey on 1,038 families for collecting primary data applying the most appropriate and poven methodology **(Appendix-2)**. A well-structured survey instrument was developed to ensure required primary data collection and the questionnaire is attached **(Appendix-3)**. The study findings revealed the Households' (HH) existing living conditions and consumption pattern and trend of the emerging middle-income class like lower middle income and upper middle-income groups having monthly income ranges from BDT 31,000-99,999 and BDT 100,000-250,000 respectively. Subsequent sections explain various findings of the field survey:

3.1   Basic Profile of Respondents (Middle Income Households)

A total of 1,038 Households (HHs) were interviewed where the majority of the respondents are female housewives (28.1%), however, they were requested to provide information about the heads of the families. More than 73% of them belong to age group ranging from 25 to 55 years, while only around 5% are above 65 years who are mainly retired and elderly persons. More than 58% of the respondents' families heads are found educated individuals (i.e. Bachelors and Masters), and 27.6% went to colleges while 14% could not enroll for college education. In terms of profession, more than 47% family heads are businessmen, while 38% are service holders either in government and private sector and around 7% are professionals. Only 125 (12%) families are found where both husbands and wives earn. In most cases, number of earning member per family ranges from 1-2 persons while 1.1% families do not having earning member and they survive on their house rent and other sources of income. More than 65% families are having 1-2 student members, while more than 15% families having 3-4 students. The study also investigated the size of family where it is found that more than 60% families are having 2-3 members, while around 15% families having 4-5 members, more than 25% families having 6-10 members and there are families having even 11-20 members, but the number is least.

3.2   Monthly Households Expenditure

In order to understand and analyze the consumption trend of the households, the current expenditure pattern has been considered and allocation of Household (HH) income on the key elements of expenditure has been assessed and analyzed. In this regard, primary data have been collected guiding an exhaustive list of heads of expenditure like food, house rent, transportation, education, clothing, utility bills, service charges for human support (driver, maids, cleaners, security guards, etc.), expenses for eating outside, medical and healthcare, cost for electronic devices and goods, gift ceremonies, telephone and internet bills, mobile bills, other expenses, etc.

The survey data reveals that most of the lower and higher middle income households (85%) spend an amount in between BDT 33,000 to 99,000 per month as family expenditure and only around 15% households (HHs) spend an amount in between BDT 100,000-250,000 per month and a negligible number of HH spend above BDT 250,000 per month as family expenditure. Table 3.1 below presents head wise data on household expenditure and the total monthly income as well as average monthly income:

Table 3.1: Head-wise Household Expenditure and Total Monthly Income

Head	Amount (BDT)
Food	20,107
House rent	13,624
Transportation	6,526
Education Purpose	14,732
Clothing	3,316
Utility Bills	4,007
Salary for Driver and Maids	13,514
Entertainment & Recreation	4,680
Medical and Healthcare	4,142
Expense for electronic & ICT support	3,583
Others	1,968
Total Monthly Expenditure	**90,199**

Figure 3.1 below indicates the heads of household expenditure and their individual shares in the total monthly HH expenditure as collected during the field survey on middle and higher middle income families within divisional cities.

Figure 3.1 : Heads of HH Expenditure and their Shares
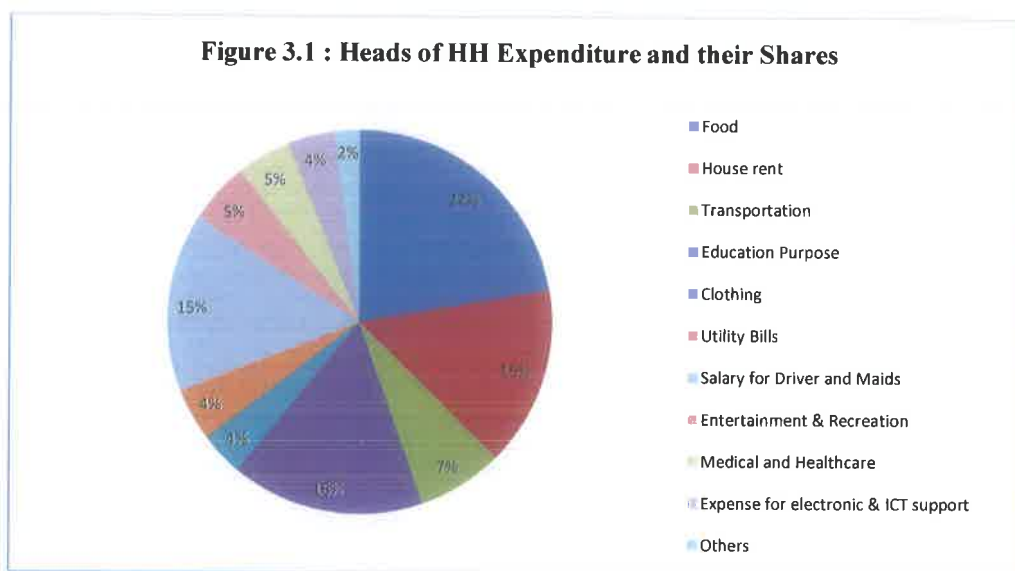
Food Market

The food market represents the largest share of household expenditure, on an average 22% (Figure 3.1). The actual expenditure on food items increases with the rise in income, but the shares of spending decreases with higher income. The average monthly spending of household on food is BDT 20,107. There is an obvious business opportunity for Japanese enterprises in the food market to provide food with better quality and competitive price and can reduce production cost by utilizing local raw materials and cheap labor force.

Housing Market

Rent is the major part of middle income household spending, investment in housing sector is one of the most attractive markets especially in the urban areas. The middle income families spends 15% of their expenditure on housing (Table 3.1). The increasing urbanization across all divisions represents a huge untapped market opportunity, and obviously this increase business opportunity in the real estate sector as well as construction sectors. Japan Garden City project has been a successful case can be mentioned as example.

Education Service Market

The parents are now-a-days are very much serious about the education of their children and therefore, the households spend on an average 16% of their spending, which is major amount of their income. This implies that education sector has huge scope for introducing quality education and business enterprises can work in this sector to improve quality of education at global standards.

Energy Market

The middle income households spend on an average 4 percent of their monthly expenditure on energy. The spending on energy increases as they use more durable goods due to increased income, e.g. TV, refrigerators, micro woven, washing machine, mobile, etc. There is a high potentiality of business opportunities in the energy market since we have nationally deficiency energy, especially, electricity supply. Access to energy can create more business opportunity as well, i.e. electronics product sale might increase.

Transportation Market

The middle income household spends on an average 7 percent of their monthly expenditure on transportation (Table 3.1), and which is increasing significantly as income rises. We have huge lacking of good quality public transport among all divisions, which creates huge demand for providing improved transportation systems.

Clothing Market

The middle income household spends on an average 4 percent of their monthly expenditure on clothing (Table 3.1), and which increases significantly as when income rises. Due to rapid urbanization and changing attitude towards dress code, people are now more fashion conscious and they buy quality and branded clothes. Globally reputed brands are opening stores and shops besides many local brands. With increased income, people's aspiration to have better quality clothing, this creates huge demand for brand companies.

Medicine and Healthcare Market

The middle income household spends on an average 5 percent of their monthly expenditure on medicine and healthcare products (Table 3.1), and which is increasing significantly due to increased health conscious and income rises. Per capita expense in healthcare in Bangladesh is still minimum compared to other developing countries in this region and it is expected spending on healthcare products and medicine will increase in near future. With increased elderly population, the total healthcare spending will certainly increase due to new and innovative medicine and healthcare items.

Entertainment and Recreation Market

The middle income households spend on an average 5 percent of their monthly spending on entertainment and recreation activities that cover buying gift while attending social ceremonies, eating out with family and friends. However, type of existing entertainment and recreation activities are very traditional or not recreation in true sense, where lots of scope for injecting new and innovative ideas, and thus it implies a huge opportunity for investment in this sector.

Household Durable Goods Market

The spending on household durables increase as income rises. If the new intervention through market based approach reduces poverty and inequality, it will obviously increase the demand for consumer durables like PC, AC, TV, Washing machine and many other consumer durables.

Cosmetics and Other Products Market

The use of the cosmetics is now popular irrespective of income groups, and this will increase as poverty declines with female participation in the labor force. Specially, with increased number of younger generation, use of various cosmetic items will increase. There is huge potential to supply good quality cosmetics with differentiated prices.

3.3   Monthly Household Income (Including Remittance and Other Sources)

The survey covered 1,038 lower and higher middle income families in all divisional cities, where about 55% (566) HHs reported their monthly family income ranges from BDT 33,000 to 99,000 and

about 45% (472) HHs have monthly income ranges from BDT 100,000 to 250,000. However, the average monthly expenditure per HH is only BDT 68,663 per month.

Among the families surveyed, only 140 HHs (13.5%) have remittance earners and the amount of remittance earning ranges from less than BDT 2,000 to above BDT 100,000 per month and an average monthly remittance received per family is BDT 46,808/-. Remittance earners working in countries namely USA (19.3%), Dubai (16.4%), UK (14.3%), Saudi Arabia (7.1%), Canada (4.3%), Australia and Oman (3.6%), Italy, Malaysia, Kuwait and India (5.6%) and other countries (25.7%). Main occupation of remittance earners is private services (58.6%), followed by business (27.1%), professionals (9.3%) and rest are students and others. A mentionable portion of Bangladeshi people living abroad are having entrepreneurial skills as reflected in the survey findings, for example in Malaysia and Dubai, there are places where Bangladeshi people opened restaurants and variety stores like Chinese.

The survey also analyzed the expenditure pattern of remittance earning families and it was found that 73.6% of the earnings is spent in daily family expenditure (subsistence), followed by 11.4% in investment, 93.% in savings, 7% in children education and least amount in spent for buying landed property. Therefore, it may be concluded that remittance earning has some impact on the 'daily household consumption' although the number of remittance earning families is only 140 (13.5%). Also, western and developed countries (more than 38%) are the main attraction to the lower and higher middle income families. Apart from remittance, some middle income families (8.7%) also receive external financial support and the amount ranges from less than BDT 5,000 to above BDT 20,000 per month.

Most of the families (90.8%) are having savings and 61.5% families regularly save money and 21.5% families save money whenever they find scope to save and this indicates families are having high propensity of savings (83%) and such habits grew over the years. Moreover, it is found that around 16% families save above 30% of their monthly income, followed by around 14% families save 20-30% and 24.4% families save 10-20% and around 46% families save less than 10% per month.

3.4   Income and Expenditure Pattern

Our research has found that the middle income group of Bangladesh is highly optimistic about their future income growth or increase. About 90% of the respondents are expecting their income to rise very soon, which is a good reason to believe their willingness to improve to consume and spend more. From this rise in income expectants, 68% are expecting their income to increase in the coming year, while 25% are expecting their income to rise in 2-3 years. With the country consistently having a 6%

economic growth, it seems typical of the people to expect their income level to rise earliest. Table 3.2 below presents data on whether income will increase and when the income will increase:

Table 3.2: Income Increase and Expected Timing of Increase

Whether income will increase	Frequency	Percent	When income will increase	Frequency	Percent
Yes	930	89.6	Next year	633	68.0
No	37	3.6	In 2-3 years	233	25.1
No idea	71	6.8	In next 5 years	64	6.9
Total	**1,038**	**100.0**	**Total**	**930**	**100.0**

Furthermore, when the respondents were asked how they plan to spend if their income level rises, majority of them responded that they wished to invest in fixed assets, increase their savings level and expect to increase their current spending level. From this, we can interpret that being an owner of a fixed asset makes the people feel a rise in social status. This can be validated by the response we collected from the surveyed respondents when asked what kind of fixed asset they wish to invest in. We found that majority chose to procure Household appliances, buy apartment or land. But, in comparison to buying property and apartment, 88% of the respondents believe possessing consumer's durables improves the overall standard of living, which clearly explains the hunger for consumer durable goods among the middle income group. Table 3.3 below presents data on plan to spend increased income and type of asset they would like to purchase with increased income:

Table 3.3: Plan to Spend Increased Income and Type of Fixed Assets to Procure

Plan to spent increased income	Frequency	Percent	Type of fixed asset to procure	Frequency	Percent
Invest in fixed asset	638	68.6	Buy Apartment	269	42.2
Increased spending	597	64.2	Residential Plot	261	40.9
Savings	507	54.5	Agriculture land	24	3.8
Pay-off liability	28	3.0	Household Appliance/ consumer durables	306	48.0
Children's education	20	2.2			
Others	15	1.6	Others	62	9.7

3.5 Standard of Living and Life Style of Middle Income Class in Bangladesh

3.5.1 Opinion about Standard of Living

It is everyone's dream to have an improved standard of living and it is not different for people of a developing country like Bangladesh. For assessing the standard of living of the people and aspiration for possible improvement, we asked the respondents to rate their current standard of living in comparison to the standard of living 10 years before. About 66% of the respondents consider their standard of living to have greatly improved over the last 10 years while 28% stated that their standard

of living to have improved slightly, with a handful of the respondents stating otherwise. Figure 3.2 below shows change in standard of living over the last one decade:

Figure 3. 2: Change in standard of living during last decade
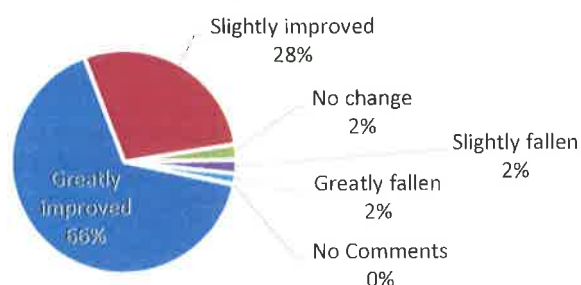
In addition to rating the standard of living, the respondents were asked about their satisfaction level of the current standard of living. About 78% of the respondents are happy with their current standard of living which is a very good sign for assessing the consumption confidence of the middle income group. Usually, the economic growth does not ensure that the standard of living of the people would increase, but the collected data reveals that with the consistent economic growth of the country the standard of living of the people have greatly improved and the people are very satisfied. However, the 22% of the population who are not satisfied with the current standard of living have stated reasons of why they are not satisfied. Inadequate income to support the family needs, social security concern, excessive pollution and inadequate healthcare facilties are the most mentioned reasons for not being satisfied with the current standard of living.

For analyzing the impact of possessing consumer durable goods in the standard of living of the middle income group, we asked their opinion regarding the importance of consumer durable goods on the standard of living of the people. About 88% HH opined that some consumer durable goods are crucial to ensure improved standard of living. These respondents considered that owning a personal car, bicycle, washing machine, refrigerator, air conditioner and DVD player would immediately cause their increase in standard of living.

3.5.2   Way of Commuting and Time it Takes

The respondents were asked about the daily lifestyle in particular, the distance between residence to the work place and how they commute to their work places. More than 7% household heads commute for more than 20 kilometers, more than 2% commute for 15-20 kilometers , more than 4% commute for 10-15 kilometers and more than 18% commute 5-10 years every day to reach their offices. However, 57% reported commuting distance for less than 5 kilometers and thus, it indicates the density of population as can be evident from the housing conditions with road congestion within the

major cities in Bangladesh. Table 3.4 below shows data on distance between the residence and work place (in km).

Table 3.4: Distance between Residence to Work Place / Office (Km)

Distance (km)	Frequency	Percent
Less than 5 km	592	57.0
5 - 10 km	189	18.2
10 - 15 km	46	4.4
15 - 20 km	24	2.3
More than 20 km	75	7.2
Not available	112	10.8
Total	**1,038**	**100.0**

Average distance is 5.78 km with standard deviation 9 km

The survey also attempted to assess the commuting time required from the residence to the work place or office and such information was collected considering both in normal traffic and heavy traffic situation. The findings reveal that in normal traffic situation, more than 47% people can reach to their office in less than 20 minutes, around 27% people can reach in between 20-40 minutes and more than 11% people can reach in between 41-60 minutes, more than 4% people can reach in between 61-90 minutes, and 3% people reach even more than one and half hours. During heavy traffic, the additional time is required to commute to their offices as can be seen in the table below:

Table 3.5: Time required to Commute to the Office

Time required	Time needed in normal traffic		Time needed in heavy traffic	
	Number	%	Number	%
Below 20 minutes	493	47.5	378	36.4
20-40 minutes	279	26.9	175	16.9
41-60 minutes	116	11.2	186	17.9
61-90 minutes	46	4.4	121	11.7
Above 90 minutes	31	3.0	105	10.1
Not Available	73	7.0	73	7.0
Total	**1,038**	**100.0**	**1,038**	**100.0**

Mode of transport used in commuting to the offices include Rickshaw, Three Wheelers (CNG/auto), Public buses, Human haulers, Bi-cycle, Motor bike, Personal car, Office car and by-walk. From the Figure 3.3, it is evident that more than 24.5% people use public buses, 22% people go to their office on foot, 16.2% people use rickshaws, 9.1% use three wheelers and only, about 12% people use both cars, and 6.2% people use motor bikes and use of bi-cycle is least. Although, bi-cycle is the most

environment friendly and it can avoid traffic jam, the practice of using bi-cycle is at the minimum. Probably the weather conditions do not encourage people riding bi-cycle like in China and other Asian countries. It can be concluded here that upcoming metro rail once it is completed may pull many passengers (more than 70%) from these groups who are using rickshaws, public buses, three wheelers and human haulers.

Figure 3. 3 Mode of Transport to Commute to Office (in %)

- Rickshaw
- Three Wheelers (Auto)
- Public bus
- Human Hauler
- By-cycle
- Motor bike
- Personal car
- Office car
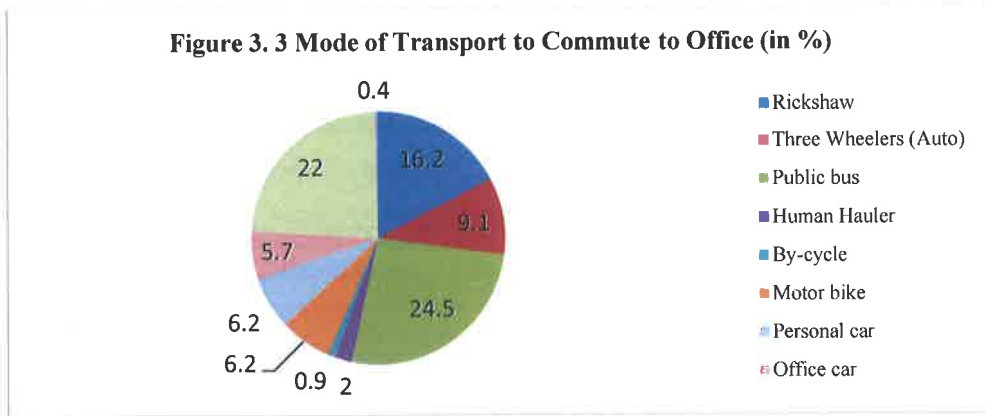
3.5.3   Eating and Shopping Habit of Middle Income Class in Bangladesh

Eating Habits

Among the respondents, majority (67%) like to eat outside restaurants and there is a growing tendency among the middle income people of urban areas in Bangladesh to eat outside and this can also be evident for the growing number of hotels and restaurants within Dhaka, Chittagong and other major divisional cities. Regarding factors influencing their decision of eating outside, a number of aspects they mentioned during the field survey; most important factor is the appetite of tasting branded fast food (46%), followed by tasting foreign cuisine (35%) and to eat non-traditional foods 15%. Thirty one (31%) respondents mentioned eating outside for fun while 21% eat outside to celebrate occasions and 17% eating outside is on ceremonies. There is a huge demand for hotels and restaurants although 18% HH do not eat outside.

Figure 3. 4: Factors Influencing Decision of Eating Outside

Branded Fast Food	46%
Foreign cuisine	35%
Eating outside for fun	31%
Celebration	21%
Do not eat outside with family	18%
Ceremony	17%
Non-traditional Food	15%
Others	0%
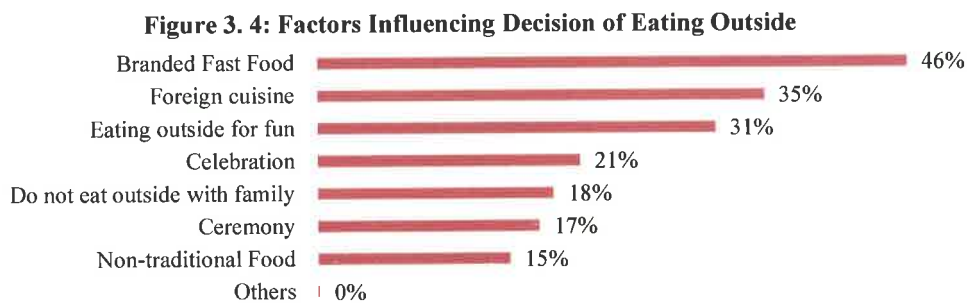
More than one third (35%) of these people who like to eat outside at restaurants also eat outside with their family once in a month. This high tendency of eating-outside indicates that these people are

willing to pay for foods at restaurants. Eighty two percent of the respondents who like to eat outside mentioned *"money does not matter"* while eating their favorite foods at restaurants. Their list of preferences for eating-outside also verifies their willingness to pay. Almost 80% of these respondents like branded fast food and foreign cuisine. In case of foreign cuisine Chinese cuisine toped the chart and *Pizza hut, KFC, CP* are the branded fast food restaurants.

Shopping Habit and Preferred Market Places

Almost 90% of the respondents still prefer kancha market [9]due to price, long habit and availability around house, 70% family buy from grocery shops followed by street market and supper stores. People still buy from the street market as those things are convenient to buy. Only 0.1% family use online platform to buy daily necessary goods. This is happening because people still doubt that those goods may lack in quality. Also, the number of online shops and respondents' idea about online shopping are not so high. Figure 3.5 below shows data on preferred market places of the middle income people:

Figure 3.5: Preferred Places for Purchasing Grocery Items

Kancha Market	90%
Grocery shop	70%
Street side market	51%
Superstore	46%
Floating Market	29%
Others	3%
Online shopping	0%
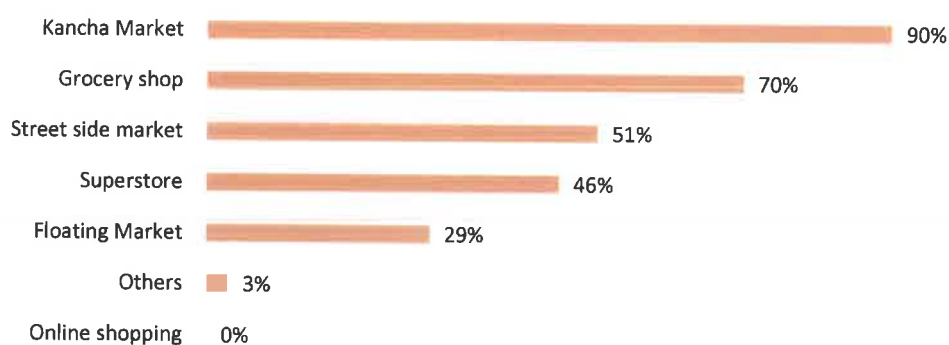
3.5.4   Trend of Shopping on Clothes

At first, people consider quality of clothes and latest fashion while purchasing clothes. The survey findings undoubtedly showed that these two important factors occupy the first two place followed by brand and price. In these case, almost 35% respondents considered quality of clothes as the 1st preference among six important pre-defined factors. This indicates that quality products have a large market demand in the context of Bangladesh.

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[9] *Kancha market means informal market places where daily essential items like food, fishes, meat, vegetables, fruits, etc. are sold.*

Table 3.6: Factors considered (in order of importance) while Buying Clothes

Factors	Number	Mean Rank
Quality	1,038	2.17
Latest Fashion	1,038	2.56
Brand	1,038	3.29
Price	1,038	3.35
Warranty	1,038	4.34
Discount Offer	1,038	5.28

Note: Close to 1 indicates 1st preference while close to 6 as last

Though warranty of goods was not considered as popular among the respondents, more than 50% of the respondents thought after sales service is important. Finally, almost 95% respondents agreed that every year there are more things to buy. This indicates that people in Bangladesh have natural inclination to accept and buy new products. These people are also cautious about the quality of those products but they are not reluctant to buy those high quality products with exhorbitant price. Primary data from our study shows that 49% people agreed that for high quality goods they are willing to pay high price where 39 % people normally agreed with the statement. Less than 5% of the respondents disagree with the statement. Therefore, in the context of Bangladesh people are ready to buy quality clothing products provided the cost within certain limits.

3.5.5   Leisure and Past time Activities

Most popular and preferred leisure activities include *Watching TV, Relaxing at Home, Read Newspapers, visiting friends and Chatting with friends*. Out of all possible leisure activities (16), above activities do not cost any money. Expenditure based leisure activities such as *Internet Browsing, Watching Movies at Theater* are not significantly preferred by these respondents. This may happen due to the unavailability of such standard movie theaters and lack of cheap and suitable internet connection. Therefore, availability of innovative amusement with affordable pricing may draw attention to a large portion of the citizen in urban area of Bangladesh.

For amusement, among the preferred places *Visit Village Home* has been found to be the most popular ideas as 73.3% families preferred to visit their ancestors' home at village. More than 58% liked to visit friends and relatives at home and only 42.7% visits local tourist places. Therefore, it may conclude that this middle income class people normally like to spend leisure time with their friends and families as well as they have a good tendency to visit home town.

Only 11% of the respondents prefer to go abroad. More than half of these respondents prefer to visit India, whereas 20% people like to visit Malaysia followed by Thailand and Singapore. These respondents who are willing to go abroad spent almost BDT 240,000/= against overseas travelling.

Figure 4.6: Pass Time Activities (%)

Activity	Value
Watching TV	88.5
Relaxing at home	62.4
Chat with friends	36.6
Read Newspapers	32.7
Hangout with friends	14.8
Worship	5.9
Listening music	5.6
Reading books	3.7
Others	3.1
Internet browsing	2.7
Exercise	2.4
Teaching Children	2.1
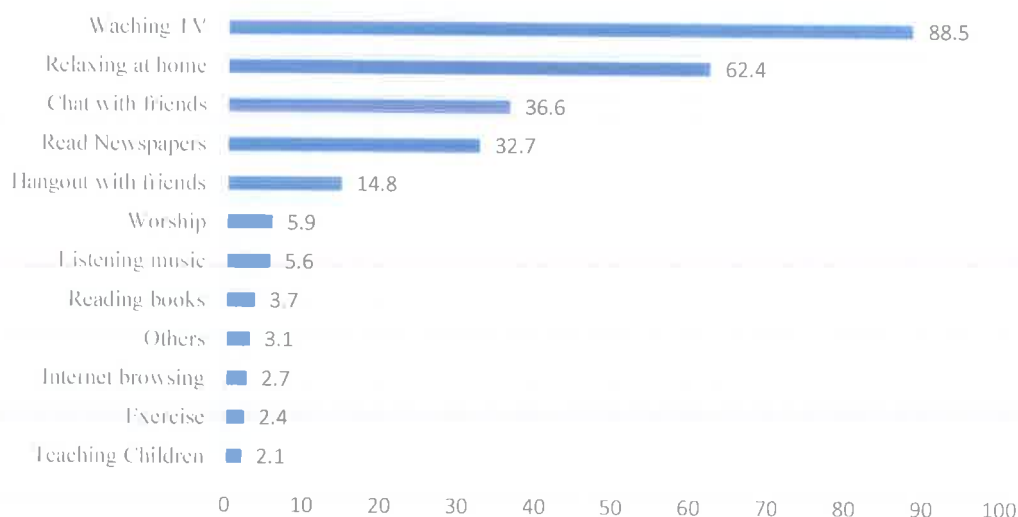
Before spending on leisure, people normally consider lot of important factors which play an important role on their leisure activities. Among those factors safety and security is considered as the most important factor as everyone wants their family to be safe. Mode of transport comes later. In our country transport and local communication are not that flexible. As a result, safety issue and transport comfort hold first two places unquestionably.

Figure 3.7: Factors consider before Spending on Leisure
Note: Close to 1 indicates 1st preference while close to 6 as last

Factor	Value
Location (Abroad)	5.5
Price/Cost	3.74
Quality of service provider	3.53
Location (Local)	3.14
Mode of transport	2.95
Safety and Security	2.13
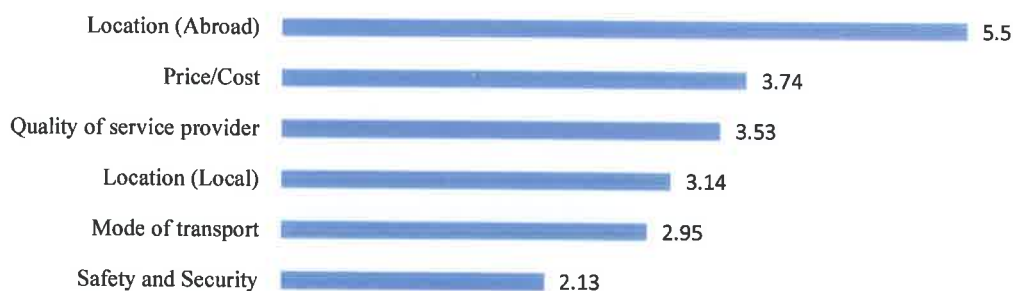
3.5.6 Borrowing for Consumption using Credit/Debit Cards and Expected Support

Middle income people seem to have fewer tendencies to borrow for consumption purpose. It has been observed from the survey that only 13.4% family took loan for household consumption. This may happen due to higher conditions on loan facilities in this field which is why 85% family prefer to avail installment facilities only.

Figure 3.8: Usage of Credit and Debit Cards
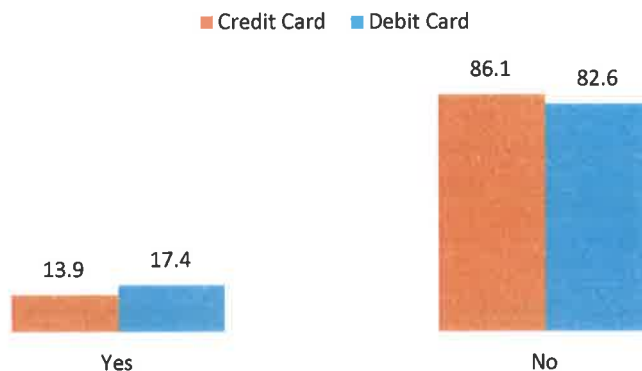
While purchasing consumer durables, consumers usually use cash payment. Now a day number of credit card users are increasing which is not satisfactory. Only 14% and 19% of the respondents use credit card and debit cards respectively. Respondents claimed several reasons behind their reluctance to card payment system. 72% of the respondents mentioned that number of retail shops are limited and 50% claimed that the approval process of credit card is complicated. But, the scenario was different for upper middle income credit card holder as 90% of them mentioned that they are satisfied with their existing card service. Most of these users prefer credit or debit card as mode of payment is always comfortable, easy and hassle free through card.

Source of funds to procure consumer durables includes salary income, loans, savings, business, remitatnce and others as can be seen in the figure below:

Figure 3.9: Source of Funds to Procure Consumer Durables
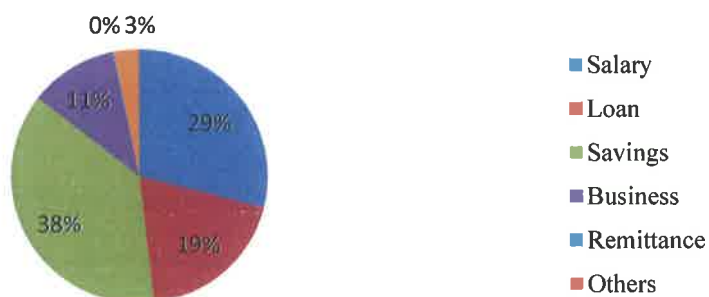
Within the scope of this study we have collected data regarding current possession of 27 specific consumer durable goods by survey of 1,038 HHs along with the brand and country of origin of the goods. Similarly, the future plan of the HHs to procure these 27 consumder goods was also collected. While collecting those information respondents mentioned lots of financial and non-financial aids to increase their consumption of durable goods at home. Almost 60% of the respondents thought improvement of product quality and their quality of service will definitely enhance the usage of consumer durables at home. Also, few people believed increasing number of power saving home appliance may increase the current percentage of home appliance usage.

High priced products are always difficult to buy with full payment at a time for middle income people. In this regard, they firmly believed instalment facilities in purchasing consumer durables will undoubtedly boost their consumption. 60% of the people also mentioned tax rebate may help them to purchase more durable goods.

Figure 3.10: Expected Non-financial Government Support (in %)

Category	Value
Improved service quality	29.5
Enhanment of products' quality	29.5
Better home delivery system	19.7
Availability of goods	3.6
Power savings home appliances	1.9
Others	0.8
No idea	26.4
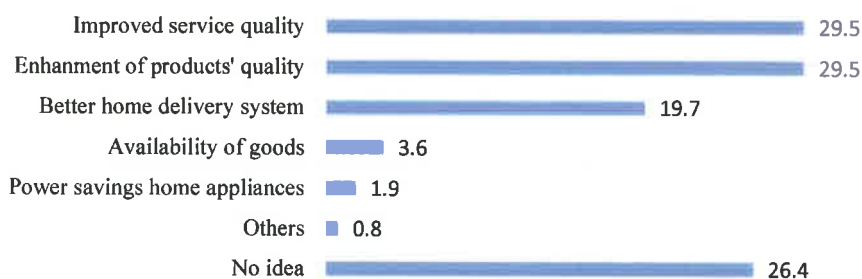
Figure 3.11: Expected Financial Government Support (in %)
multiple response considered

Category	Value
Tax rebate	60.3
Installment facilities	57.7
Reduced Price	19.3
Subsidy	11.2
Profitless installment	0.8
Bank loan	0.3
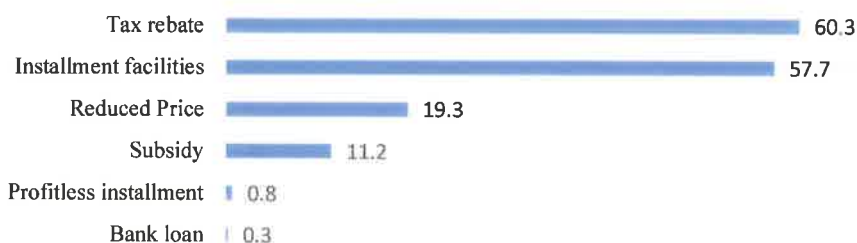
3.6   Consumer Durables - Current and Future Usage

In line with the terms of reference, the study collected primary data on current possession of selected Consumer Durables along with their brands and country of origin through interviewing 1,038 HHs in all divisional cities of Bangladesh. Also, information on future plan of possessing or buying these items by the HHs along with brand preference and other aspects was also collected.

3.6.1 Current Possession and Future Demand of Selected Consumer Durables by HHs

Table 3.7 below furnishes data on the number and percentile share of current and prospective users of 28 selected consumer's durables.

Table 3.7: Current and Future Possession of Different Consumer Durables by HHs

Item	Existing Users		Prospective Users		Future Demand
	Number	%	Number	%	(%)
1. Personal Car	114	11.0	366	35.3	46.3
2. Motor bike	155	14.9	193	18.6	33.5
3. By-cycle	141	13.6	65	6.3	19.9
4. Three wheelers	4	0.4	7	0.7	1.1
5. Washing machine	106	10.2	433	41.7	51.9
6. Television	1,002	96.5	468	45.1	141.6
7. Refrigerator (normal)	1,012	97.5	229	22.1	119.6
8. Refrigerator (deep)	358	34.5	341	32.9	67.4
9. Microwave oven	371	35.7	425	40.9	76.6
10. Electric Iron	710	68.4	139	13.4	81.8
11. Air conditioner	247	23.8	405	39.0	62.8
12. Rice cooker	410	39.5	217	20.9	60.4
13. Juice Blender	767	73.9	250	24.1	98
14. Toaster	143	13.8	66	6.4	20.2
15. Desktop Computer	418	40.3	189	18.2	58.5
16. Laptop	376	26.2	500	48.2	74.4
17. DVD Player	163	15.7	18	1.7	17.4
18. Camera	338	32.6	194	18.7	51.3
19. Cell phone	1,033	99.5	717	69.1	168.6
20. Vacuum Cleaner	19	1.8	19	1.8	3.6
21. Exercise equipment	70	6.7	3.2	3.1	9.8
22. Medical Device	286	27.8	80	7.2	35
23. IPS	361	34.8	252	24.3	59.1
24. Room Heater	50	4.8	54	5.2	10
25. Geaser	88	8.5	163	15.7	24.2
26. Dehumidifier	1	0.1	2	0.2	0.30
27. Sewing machine	288	27.7	68	6.6	34.3
28. Water filter	80	7.7	29	2.8	10.5

Table above shows the percentage distribution of the studied households who are possessing different consumer durable items and also who are planning to buy these goods in near future. Table depicts that almost 100% households possess cell phones and majority of them have more than one cell phones. Normal Refrigerator is the second highest possessed goods (97.5%) followed by Television (96.5%), Juice blender (73.9%), electric iron (68.4%), and Desktop Computer (40.3%). In order to explore future market demand of these items, we have asked the Respondents regarding their future plans of procuring these goods. Table also shows that maximum 69% HHs have future plan to buy cell phones in near future followed by Laptop (48.2%), Television (45.1%), Washing machine (41.7%), and Microwave oven (40.9%).

Information of current users and future demand of 28 different household consumer durables presented in the table indicates that out of 28 items, overall demand will increase for 9 items namely, personal cars, motorbike, laptop, microwave woven, room heater, geaser and dehumidifier. Again, among the items with better market prospect, demand for micro wave woven is expected to be highest i.e. 31.5%, followed by personal cars at 24.2% and laptop at 22%. At present, only 11% of the surveyed HHs possess personal car, but 35.3% of the HHs are the prospective car buyers in the next five years. Similarly, current user of air conditioners is 23.8% households and the prospective users in the next five years is 39% HHs.

On the other hand, future demand will decline in case of rest 18 items at varying degree and demand for vacuum cleaner will remain static. Demand for refrigerator, television, electric iron, juice blender. desktop computer, rice cooker, cell phone, sewing machine, etc. will fall in future with a drastic fall is expected in case of first 2 items (refrigerator & television). The overall scenario of using these selected consumer durables is not very optimistic and only three items possessed by most of the families, fail to reach 100%. Religious families are not possessing television due to their religious sentiment, 5 families do not possess cell phone.

A comparative scenario of consumer durables in six neighboring countries is presented below:

Table 3.7.1: Possession of Consumer Durables in Six Neigbouring Countries (in percentage)

Country	GDP per capita $ 2015 (PPP)	Personal Car	Motorbike	Television	Refrigerator	PC/Laptop	Mobile
China	14,107	17%	60%	29.5%	86.9%	43.8%	92%
India	6,162	6%	47%	13.6%	9%	11.9%	74%
Indonesia	11,126	4%	85%	38.3%	30.6%	15.6%	129%
Vietnam	6,024	2%	86%	25.9%	40%	19%	147%
Thailand	16,097	51%	87%	32.9%	55%	28.7%	144%
Malaysia	26,315	82%	83%	49.6%	99%	65%	149%

Note: GDP (PPP) per Capita 2015 based on IMF estimates

Malaysia with the higest GDP per Capita (PPP) of US$26,315 amongst the 6 asian countires has the highest penetration rate in almost all the 5 consumer durable goods. Bangladesh with a GDP per capita (PPP) of US$3,607 still has a long way to reach the penetration rate of Malaysia. With a GDP growth rate of above 6% it will very soon be equal to that of India and Vietnam. Patterns of ownership of 5 Consumer Durables in 7 countries is shown below:

Figure 3.11.1 Car Ownership %

Country	%
Vietnam	2%
Indonesia	4%
India	6%
China	17%
Thailand	51%
Malaysia	82%
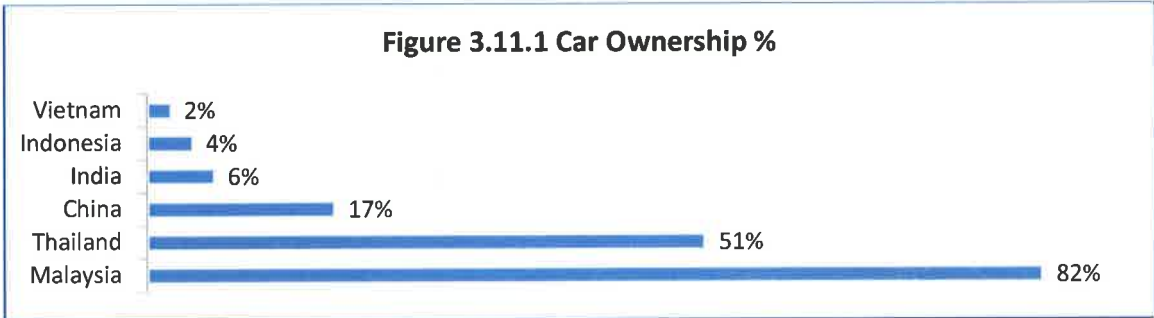
Source: http://www.pewresearch.org/fact-tank/2015/04/16/car-bike-or-motorcycle-depends-on-where-you-live/

In general, ownership of cars is very low in south Asian region except Malaysia and Thailand where ownership of car is relatively higher. However, highest number (82%) of car ownership is in Malaysia while in Bangladesh it is merely 2% at present (Pew Research, 2015).

Figure 3.11.2 Motorbike Ownership %

Country	%
India	47%
China	60%
Malaysia	83%
Indonesia	85%
Vietnam	86%
Thailand	87%
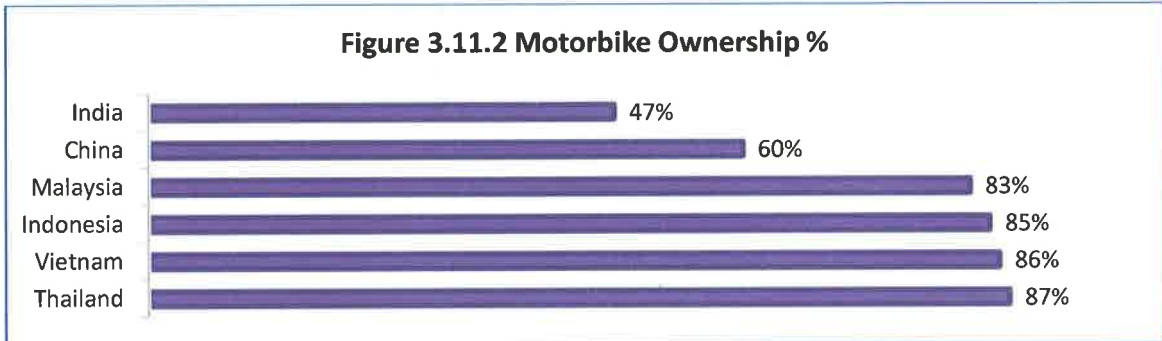
Source: http://www.pewresearch.org/fact-tank/2015/04/16/car-bike-or-motorcycle-depends-on-where-you-live

Motorbike ownership is above 80% in four countries namely, Vietnam, Thailand Indonesia and Malaysia. In Thailand and Malaysia, many motor bikes are usually used for carrying passengers. In China and India, penetration rate of motor bikes remains relatively low. In Bangladesh, use of motor bikes is more than double in rural areas according to the BRTA statistics on registration of vehicles.

Figure 3.11.3 Television Ownership (%)

Country	%
Malaysia	49.60%
Thailand	32.89%
Vietnam	25.89%
Indonesia	38.30%
India	13.57%
China	29.48%
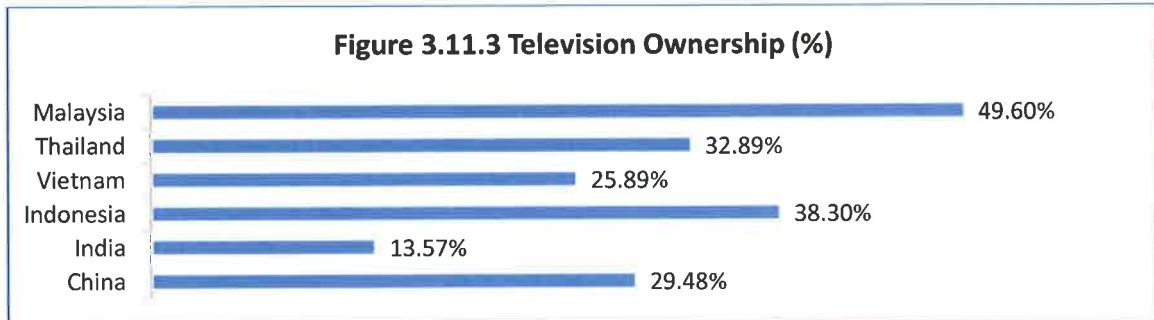
Source: 2015-2016 Outlook for the Retail and Consumer Products Sector in Asia

Television is usually present in middle income and rich households. Hence the penetration rate of television is below 50% for all the 6 asian countiures.. The penetration rate of Television in India is the lowest among these countries (13.57%) while in Malaysia, penetration rate of television is highest.

Figure 3.11.4: Refrigerator Ownership (%)
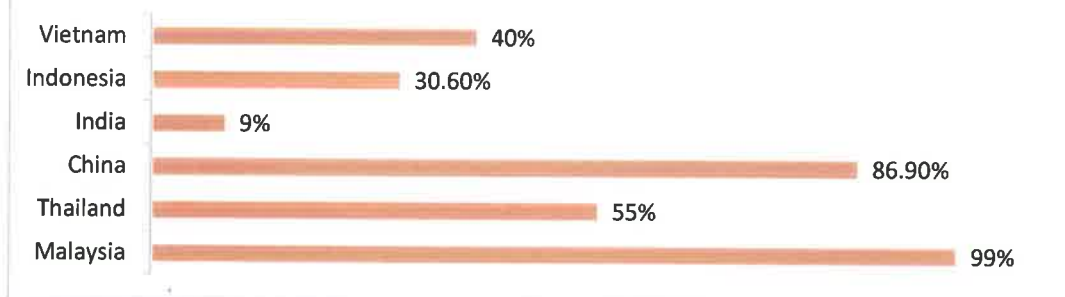
Country	Percentage
Vietnam	40%
Indonesia	30.60%
India	9%
China	86.90%
Thailand	55%
Malaysia	99%

Penetration of Refrigerator of China (94%) and Malaysia (99%) is highest. Refrigerator is yet to penetrate at a large number in India (9%). Thailand (55%), Indonesia (30.6%) and Vietnam (40%) are yet to gain a position near to Malaysia and China.

Figure 3.15.5: Personal Computer Ownership (%)

Country	Percentage
Vietnam	19.00%
Indonesia	15.58%
India	11.90%
China	43.80%
Thailand	28.69%
Malaysia	65.00%
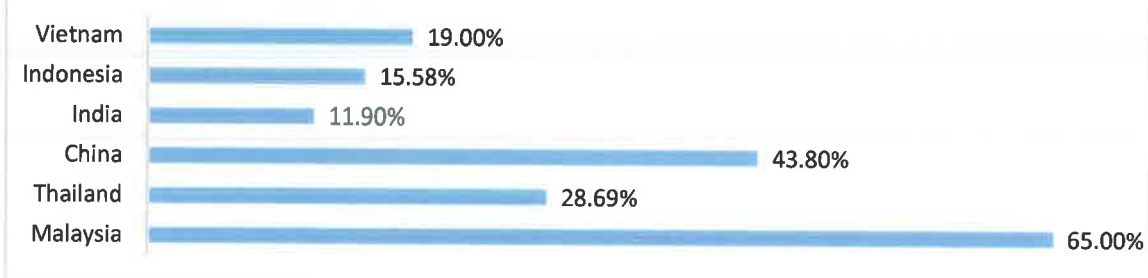
Penetration rate of computers (desktop and laptop) is comparatively higher in countries namely Malaysia (65%) and China (43.8%). However, personal computer holding is not very prominent in Vietnam (19%), Indonesia (15.6%) and India (11.9%).

Figure 3.11.6: Mobile Ownership (%)

Country	Percentage
Vietnam	147%
Indonesia	129%
India	74%
China	92%
Thailand	144%
Malaysia	149%
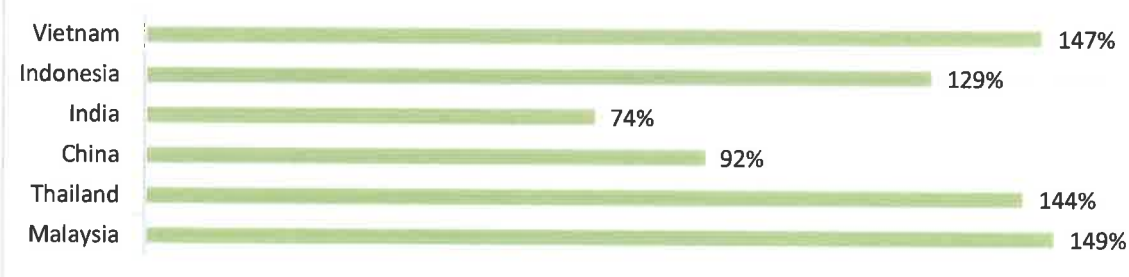
Penetration rate of mobile phone is above 100% for countries like Malaysia (149%), Vietnam (147%) Thailand (144%) and Indonesia (129%). While it is comparitively low in countries namely India (74%) and China (92%).

3.6.2 Average Price and Expected Price of the HH Consumer Durables

Table 3.8 presents data on the average purchasing price of the currently possessing goods and expected price of the consumer's durables planning to buy in future:

Table 3.8: Average Price and Expected Price of HH Consumer Durables

Consumer Durables	Average Price of the Currently using Goods		Expected Average Price of Goods Plan to buy in future	
	Number	Mean	Number	Mean
1. Personal Car	99	1,819,940	220	1,846,454
2. Motor bike	143	144,150	131	176,938
3. By-cycle	132	9,412	51	15,862
4. Three Wheelers				
5. Washing machine	82	26,487	256	24,780
6. Television	870	26,660	329	44,253
7. Refrigerator (normal)	902	35,286	171	44,248
8. Refrigerator (deep)	317	27,995	233	29,703
9. Microwave oven	284	13,764	255	15,070
10. Electric Iron	541	1,754	94	3,628
11. Air conditioner	201	66,891	242	59,212
12. Rice cooker	317	3,055	146	3,205
13. Juice Blender	569	3,127	179	3,102
14.Toaster	74	2,625	35	1,828
15. Desktop Computer	370	37,318	129	36,829
16. Laptop	305	43,765	348	46,247
17. DVD Player	119	7,028	13	11,115
18. Camera	225	21,448	119	22,921
19. Cell phone	950	15,131	465	23,113
20. Vacuum Cleaner	9	7,500	7	5,857
21. Exercise equipment	57	13,575	25	14,860
22. Medical Device	204	3,195	65	3,093
23. IPS	302	25,761	167	26,116
24. Room Heater	34	5,232	32	8,178
25. Geaser	67	12,208	89	12,176
26. Dehumidifier	1	5,000	2	13,000
27. Swing machine	249	5,208	47	6,161
28. Water filter	70	13,852		

Table 3.8 shows the average price of the consumable goods possessed by the surveyed households along with the average price willing to pay for future possession of the corresponding goods. Average price has been calculated for those HHs which provide information regarding price of the respective goods. From table it is evident that there is no significant difference between the average price of the currently using goods and the expected price of the corresponding goods planning to buy in future. The only difference is in case of television people are willing to pay much more price for future procurement. The reason is due to replacement of traditional TV by flat screen LED TV. Respondents mentioned that they are willing to pay more price for some of the products like vehicles, some of the kitchen appliances (refrigerator, microwave oven, and rice cooker), room heater and sewing machine etc. On the other hand expected/desired price reported to be a bit less for the goods like Toaster and Vacuum cleaner.

3.6.3   Preference of Brand and Country of Origin of Consumers Durables

The Respondents were asked about the 'brand' and 'country of origin' of the consumer durable goods they are currently using and planning to buy in near future. Table 3.9 below presents the findings. Eighty eight (88%) percent of the HHs currently possess personal cars is of Toyota brand and the remaining HHs possesses Mitsubishi, Nissan and Hyundai, and 95% of the currently used personal cars are of Japanese origin. As far as the prospective car buyers /owners is concerned, 97% mentioned that they would buy cars of Japanese origin and 84% reported Toyota brand as the first choice. Among the middle income families, Japanese cars are enjoying tremendous market dominant share compared to cars origin from other countries. Most common reasons are quality, availability of spare parts, country image and others.

In case of motor bike, Indian origin and branded bikes are currently used by the majority of the respondents. However, the scenario is different in case of the future users. Against 51% of currently Indian origin bike users, HH aspirants less for Indian origin bike (40%). On the contrary, the prospective Japan origin bike buyers found to be 52% while, among current bike users 28% use Japan origin bike. Indicating an expanded Japan origin bike market in Bangladesh. In case of washing machine, 16% reported to use Korean, 12% Chinese and 5.7% Japanese. Among the prospective buyers, 32.3% would buy Japan origin machine, followed by Korean 31.7% and Bangladeshi 18.6%. Same trend (increased number of prospective buyers compare to current users) was observed in case of other products. Which is a clear indication that products originating from Japan are very popular and the popularity is increasing over time due to quality and reliability.

Table 3.9: Brand and Country of Origin of the Consumers Durables

Item	Brand	Current Users		Future Users		Country	Current Users		Future Users	
		No.	%	No.	%		No.	%	No.	%
Personal										
Car	Toyota	100	87.7	105	84	Japan	108	94.7	173	97.1
	Hyundai	1	.9	2	1.6	Korea	1	.9	3	1.7
	Nissan	1	.9	3	2.4	Others	5	4.4	2	1.2
	Mistusbishi	2	1.8	-	-	**Total**	**114**	**100.0**	**178****	**100**
	KIA	-	-	3	2.4					
	Others	10	8.8	12	9.6					
	Total	**114**	**100.0**	**125***	**100**					

* 241 Prospective buyers yet to decide brand. ** 188 Prospective buyers yet to decide country of origin

Item	Brand	Current Users		Future Users		Country	Current Users		Future Users	
2. Motor	Suzuki	2	1.3	4	6.9	Bangladesh	9	5.8	1	1.2
bike	Honda	23	14.8	12	20.7	Japan	43	27.7	43	51.8
	TVS	16	10.3	2	3.4	China	4	2.6	4	4.8
	Hero	25	16.1	12	20.7	India	79	51.0	33	39.8
	Bajaj	34	21.9	18	31.0	Italy/korea	1	.6	2	2.4
	Walton	7	4.5	0	0.0	Don't Know	19	12.3	-	-
	Runner	2	1.3	0	0.0	**Total**	**155**	**100.0**	**83****	**100**
	Yamaha	16	10.3	3	5.2					
	Vespa	2	1.3	1	1.7					
	Others	28	18.1	6	10.3					
	Total	**155**	**100.0**	**58***	**100**					

* 135 Prospective buyers yet to decide brand. ** 110 Prospective buyers yet to decide country of origin

3.6.4   Factors considered while Buying Consumer Durables

While buying any HH consumer durables, they pay importance on different aspects and it varies from buyer to buyer. Among the surveyed population, we collected data regarding the order of importance on different factors while buying these products. From the Figure 3.12 below it is evident that product brand has been considered as the most important factor (41.7%), followed by quality of the product (37.8%), price of the product (12.1%). Quality of the product was considered as the second most important factor by 32.7% respondents, followed by Brand of the product (18.9%). Price of the product was considered as the third most important factor by 22.3% respondents. Guarantee of product was considered as 4th important factor and the latest model of the product as 5th important factor. Discount offer has been considered as the least influencing factor while buying a consumable

good. The underlying fact is that middle income group people consider Brand and Quality of the product while buying a product. Therefore, Japanese entrepreneurs intending to operate business in Bangladesh should keep these consumers choice in mind while making any investment.

Figure 3.12: Ranking of factors influencing purchase
(from 6 being highest and 1 being lowest)

| Brand | Quality | Price | Gurantee | Latest Model | Discount Offer |

3.6.5 Importance of After Sales Services while selling Consumer Durables

After sale service is very important for a customer and producer as well. A rational customer will buy a product among the competing products available in the market which will provide him required after sale services for longer period. Table 3.10 below shows the data relating to the opinion of the respondents regarding the importance of after sale service for the consumer durable goods. It appears from the Table that more than 90% respondents considered after sale services as important and only 4% considered it as not important for reasons not known. Again, among 1,038 respondents, about 62% reported to have recent experience of receiving after sale services for a branded product. Those who experienced recent after sale service, 60.5% mentioned that services were above average, while 6% reported that the services were below average. Table 3.11 shows the quality of most recent after sale services received by the respondents.

Table 3.10 : Importance of After Sale Services

Importance	Frequency	Percent
Very Important	562	54.1
Important	377	36.3
Neutral	54	5.2
Not Important	45	4.3
Total	1038	100.0

Table 3.11: Quality of After Sales Service

Service quality	Frequency	Percent
Excellent	127	19.7
Good	263	40.8
Average	215	33.3
Poor	31	4.8
Very poor	9	1.4
Total	645	100.0
No service taken	393	
Total	1038	

3.6.6 Choice of Consumer Durables among HHs: Imported vs. Locally Produced

In order to assess the market size, it is important to know what types of consumer durable goods are preferred by the customers. Table 3.12 below shows the preference of the products of the surveyed population. Majority of the respondents mentioned that their choice is imported goods (58.6%) followed by foreign branded locally assembled product (24.9%) and locally produced products (16.6%). This table depicts that there is a huge market of imported and locally assembled products.

Table 3.12: Product Choice (Imported versus locally Produced)

Choice	Frequency	Percent
Locally Assembled	258	24.9
Locally produced	172	16.6
Imported	608	58.6
Total	**1,038**	**100.0**

3.7 Analysis of Financial, Healthcare, Education and Medical Service Sector

3.7.1 Use of Education Services

Data collected through household survey on Educational expenses of the middle income group reveals some interesting insight. Major portion (28.8%) of the expenses on education takes the shape of private tuition. However, some specific issues shall have bearing on the pattern of educational expenses as shown in figure below:

Figure 3.13: Share of cost in various sector of education (in percentage)

Category	Percentage
Private Tuition	28.8
School Transport Charge	18.3
Tiffin/ Snacks	14
Coaching	11.3
Reading materials	8.8
Stationary Purchase	8
School Dress	5.3
Excursion and Class Party	3.1
Educational movies	1.4
Others	1
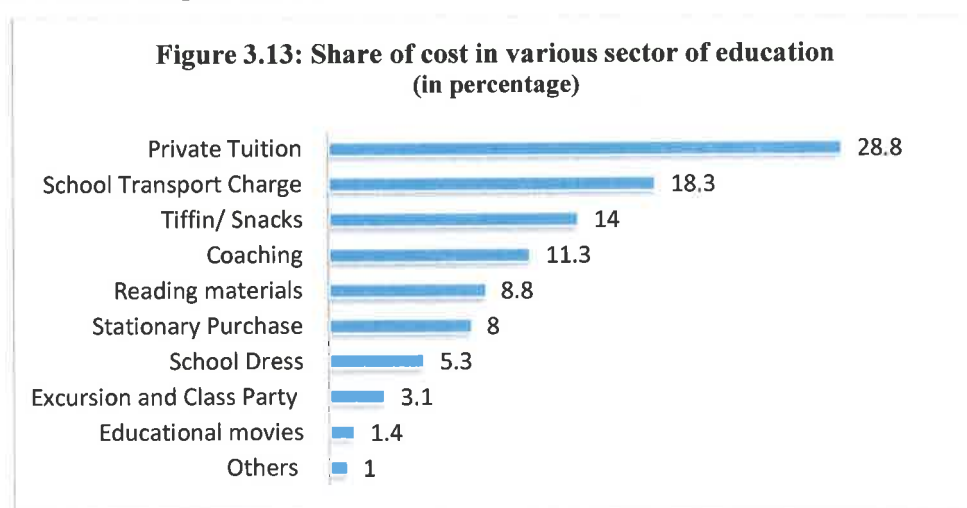
From the above graphical presentation, we can see that after private tuition, school transportation, coaching and tiffin are the major area of spending for the middle income group. Further detail analysis of stationery and reading material it has been revealed that books, guide book, markers, art paper, exercise books, wood pencil, eraser, sharpener etc. are regularly used by all students. In case of more

than single child, if the number of children is more than one, the quantum of expenditure will further go up. In case of snacks Japanese tin/ canned food, or cookies packed in small quantities including jam/ jelly, could have a good market as many of the middle income families prefer to have foreign manufacture food.

Online education services is one of the latest methods of gaining knowledge easily from all over the world and around 86% of the respondents seem aware of such services although they are not provided locally. Such awareness is due to the national agenda "Vision 2021" for a Digital Bangladesh which contributed to the growth in internet users of Bangladesh by 9% last year.. As per data provided by World Bank (WB), in 2011 only 4.5% of population availed internet services and in 2014 9.6% are using internet in Bangladesh showing a high rate of increase in internet users. [10]

Figure 3.14: Awareness of On-line Education
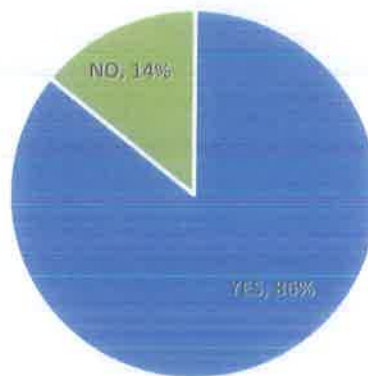
Animation program presently shown in cable T.V. in Bangladesh has a very high popularity among kids, especially among kids aged between 7 to14. This tendency could be en-cashed by providing educational video.

The data collected and analyzed one interesting aspect. That is around 23% families do not spend any money for education, as they do not have children. As such, it could be safely said that about 1/4th of the families surveyed have handsome amount saved for their purpose.

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[10] http://www.internetlivestats.com/internet-users-by-country/

Figure 3.15: Desire to send Children abroad for Higher Study

Don't Know 14%

No student 2%

Yes 52%

No 32%
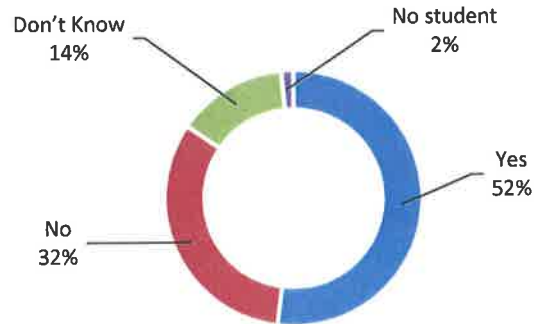
The quality of Higher education has been of great concern amongst the people in Bangladesh. For increased income and higher standard of living, education is one of the most important components. In assessing the demand for higher education abroad, 52% of the respondents desire to send their children abroad for higher education while 32.5% think otherwise due to high cost and sending children out of sight and the rest 15.5% are undecided.

Figure 3.16: Prefered Countries

India 1% Germany 2% Canada 7%

Malaysia 4%

Australia 21%

China 1%

Japan 7%

UK 29%

USA 28%
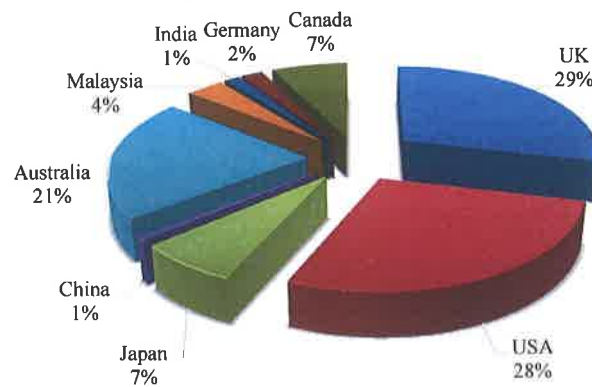
The preference for sending children abroad varies from country to country but English speaking countries come in the first place as English being the 2nd language among majority of the Bangladeshi's and the previous education being conducted in English. Hence, it is easier for them to continue studies, otherwise in non-English education system, one need to learn the language as is seen in Japan and Germany. At least 1½ to 2 years is taken to have at least the working knowledge of such foreign language. English speaking countries are prefered compared to others. That is why 76.6% of the 541 families 1st preference is developed countries namely UK, USA, Australia, or Canada and the preference for other countries is much less i.e China (7%), Japan (6.7%), Germany (1.8%), Malaysia (3.3%) and India (1.3%). Besides 144 families have not yet decided about their children's higher

education abroad. However, 7% families may send their children for higher study abroad if scholarship and financial supports are available.

Seeking loans for higher education in Bangladesh is yet to be an acceptable norm. People even if they need financial assistance seek cooperation from their relatives/family friends, rather than approaching banks and financial institutions. This has evident by the positive response of only 6% families who borrowed money from the banks. In view of the trend, future of such financial scheme is not bright.

3.7.2 Use of Medical Services

Normally people buy medicine when they require depending on the nature of illness and diseases. Some of the medicine are meant for temporary recovery of sickness, while certain medicines are purchased as long as one lives. Heart disease, diabetics, blood pressure, kidney disease, diseases of nerve, etc. need life-long medication. Some medicine for curable diseases are purchased infrequently. Life-long medicines are mostly purchased weekly/ monthly basis. Around 74% families buy medicine following the doctors' prescription. Only 12.5% families seldom buy medicine, rather they think that for recovering from such temporary diseases, nature is the best healer.

For diseases like diarrhoea, stomachs upset, headache, toothache, influenza and similar types of diseases, people hardly consult any physicians, rather they either buy medicine in consultation with pharmacy people, or using their self-experience or general knowledge.

Figure 3.17 : Place for Treatment (in %)

Place	%
Pharmacy	1.2
Abroad	1.9
Expensive Local Hospitals	35.8
Local medical Practitioner	39.6
Government Hospital	37.6
Nearest Private Hospital	57.6
Nearest Clinic	57.5
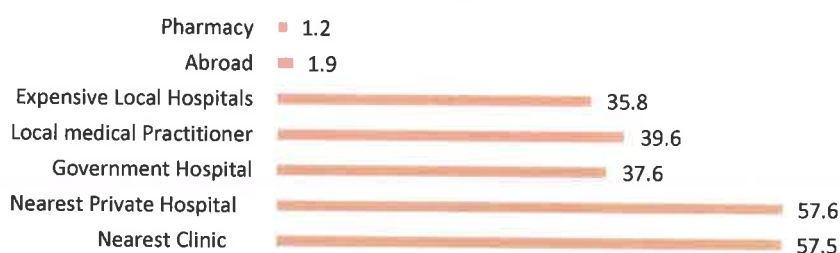
More than 57% go to nearest private hospital and clinic for general consultation, although charges are important factor while taking service from private hospital. Households prefer to go to the government hospital where charges are affordable. Data reveals that 39.6% prefer to consult the local medical practitioner unless the illness needs specialist's opinion. Only a scanty number of HH (1.9%) of the middle income group goes abroad for higher medical treatment when the type of illness is of a very serious nature. Figure below shows different range of medical expenditure by families.

Figure 3.18: Medical Expenditure (Amount in BDT per month)
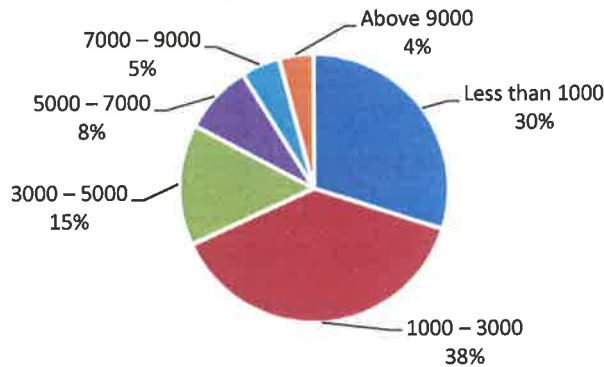
The survey reveals that the average monthly expenditure on medicine has been around BDT 2,650 although the amount of monthly expenses on medicine varies between BDT 1,000 to BDT 5,000 depending upon the nature of illness. Aboit 83% HHs have their expenditure on medicine in between BDT 1,000 to 5,000 and only 13.1% of the HHs spend BDT 5,000 to 9,000 per month to buy medicine. Consumption of medicine is a regular and common phenomenon if the HHs are having some senior citizen or children /kids.

Health Awareness

People interviewed believe that diet has been the 1st element in the process of better healthcare. However, 95.6% opined that Restricted diet, 79.9% mentioned Preventive medicine and 71.5% mentioned Alternative medicine are vital elements to take care of good health. In addition, 66.9% mentioned regular exercise contributes greatly to better healthcare and 68.1% mentioned regular checkup at homestead do have an impact on good health . Arounf 67% families prefer doing exercise using equipment although senior citizens prefer walking and jogging rather than depending on exercise equipment.

Figure 3.19: Awareness of Heathcare Ideas and Their implication (in %)
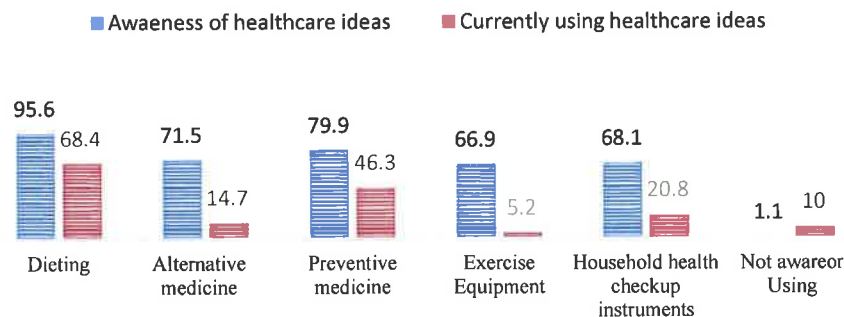
Currently, individual families practice multiple ideas of health care and these are dieting (68.4%), alternative medicine (14.7%), preventive medicine (46.3%), use of exercise equipment (5.2%), and use of homebased health checkup instrument (20.8%[11]). Family members take the advantages of using or applying alternative elements as per situation and requirement. The survey reveals that for sourcing

[11] Device to measure blood pressure, blood sugar calculation, etc

funds to buy medicine or for treatment or to procure exercise equipment, only 9 families have taken loans, of these 4 families have taken loan from banks.

Expected Role of Government in Healthcare Services

State of affair in our healthcare services appear to be unsatisfactory due to reasons like lack of medical equipment, lack of efficient hospital management, lack of treatment facilities, shortage of specialists, physicians' high cost, non-availability of doctors in time of emergency, lack of proper monitoring, lack of supply of medicine and rampant corruption in the purchase of medicine, provisions of food, etc. Around 28% families reported corruption to be the number 1 issue to be addressed, followed by improvement in treatment facilities (16.6%), adequate supply of medical equipment (13.4%), increased number of specialist/ physicians and hospitals (12.8%). Also, reduction in charges is also demanded by 8.78% families. Finally, in order of priority, improving medical treatment services, appointing qualified doctors and supply of quality medicine ranked 1st, 2nd and 3rd respectively.

Figure 3.20 : Expected Government Support (in %)

Alleviate corruption in health sector	27.7
Improvement of treatment facilities	16.6
Medical equipment	13.4
Increase number of doctors and hospitals	12.8
Reduced hospital charges	12.8
Proper monitoring of the existing facilities	9.5
Improvement of Hospitals	8.7
Region wise employment of doctors	3.9
Improvement in medical sector	2.8
Improvement in medicine supply	1.8
Ensuring presence of doctors all time in the…	1.2
Providing health card and medical insurance	1.1

3.7.3   Use of Insurance Services

In Bangladesh when someone talks about insurance it normally refers to life insurance or general insurance (car, machinery and equipment, factory building, commodities and products in international trade, etc). Generally, people do not refer to health and education insurance or other types (education saving etc). Data shows 84.3% of HHs view in the positive to have life insurance policy, but only 8.2% and 6.7% have health and education insurance respectively. Normally, these 8.2% people include those who frequently travel abroad and need to have health insurance before visa is stamped in their passports. In Bangladesh, health insurance is not very much practical. Therefore, only 15.2% are expected to have health insurance in future. Figure below shows share of insurance services where life insurance occupies more than 84% and thus it reveals huge scope for innovative insurance scheme

that can target the expected population identified as demographic dividend. Also, Bangkadesh will have a large number of elderly people going for retirement with higher life expectance but increased need for soe common diseases due to their age.

Figure 3.21 : Insurance Services Availed
(in %)

| Life Insurance | Health Insurance | Education Insurance | Saving & Retirement | Others |
| 84.3 | 8.2 | 6.7 | 7.5 | 2.7 |
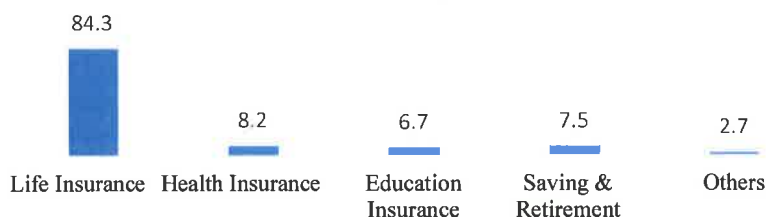
Satisfaction with regard to insurance services by Insurance Companies differs and 47% of the people expressed satisfaction with insurance companies' service, but the population in these HHs surveyed is so scanty that it would not be wise to drive a conclusion on service provisions.

3.7.4   Use of Communication Services

Data shows that 76.3% HHs have access to internet and only 23.7% do not. This indicates That means that HHs are not only aware of ICT benefits but also taking advantage of this. In this regard, maximum use is being made via mobile phone, which in around 52%. Since everyone in the middle income HHs have been keen to have at last a mobile there exists a big market for mobile phone. The demand for mobile set shall gain momentum irrespective of age bracket. On the other hand, demand and use of laptop is mainly confined to members aged between 20 to 55 years, because they maintain necessary information in their computer. But, currently, only 11% people use computer in Bangladesh and therefore, there is a huge untapped market exists. People mainly prefer to take the service of mobile Internet (68.8%) and second prefered internet is Broadband (24.5%). However, Wi-Fi-service is yet to gain popularity among the upcoming consumers which now stands around 7%.

Figure 3.22: Status on Internet Access

No 24%
Yes 76%

Figure 3.23: Interent Service System

Wi-Fi services 7%
Broadband Internet 24%
Mobile Internet 69%
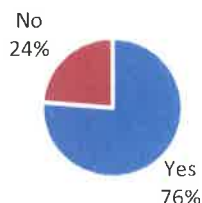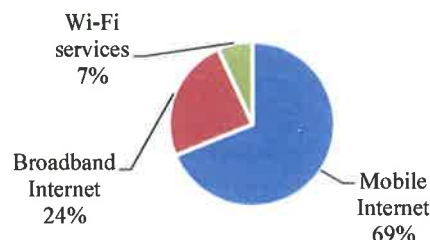
The survey reveals that almost 90% of the HH are aware of **'Online Shopping System'** presently in operation in Bangladesh. However, the service has yet to gain popularity as people prefer to take purchasing decision only after physical verification of the products. Acceptable facility for virtual display of products needs further improvement to convince untapped consumers. Only 14.9% go for

Online Shopping whereas majority of the people are yet remain outside this facility. Those who prefer on line shopping, 56.1% of them bought clothes, 15.8% bought electronic goods, 13,7% watches (mainly wrist watches), and 9.4% cosmetics as can be seen in Figure below:

Figure 3 24: Goods Purchased via Online
(in %)

Others	Shoes	Cosmetics	Watch	Electronic goods	Cloths
10.8	3.6	9.4	13.7	15.8	56.1
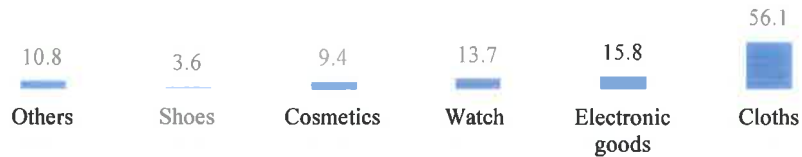
Till now **Online Shopping** system gains popularity among consumers, however, it needs more time to take bigger shape . Creating provision for change or replacement of goods bought online may promote more buyers or users of online shopping. Furthermore, online shopping mostly involves cash payment and payment via credit card poses difficulties. Purchasing items using mobile still remain very much limited and used for home delivery food item only.

CHAPTER 4: ESTIMATED INCOME-WISE POPULATION AND MARKET SIZE OF CONSUMER DURABLES
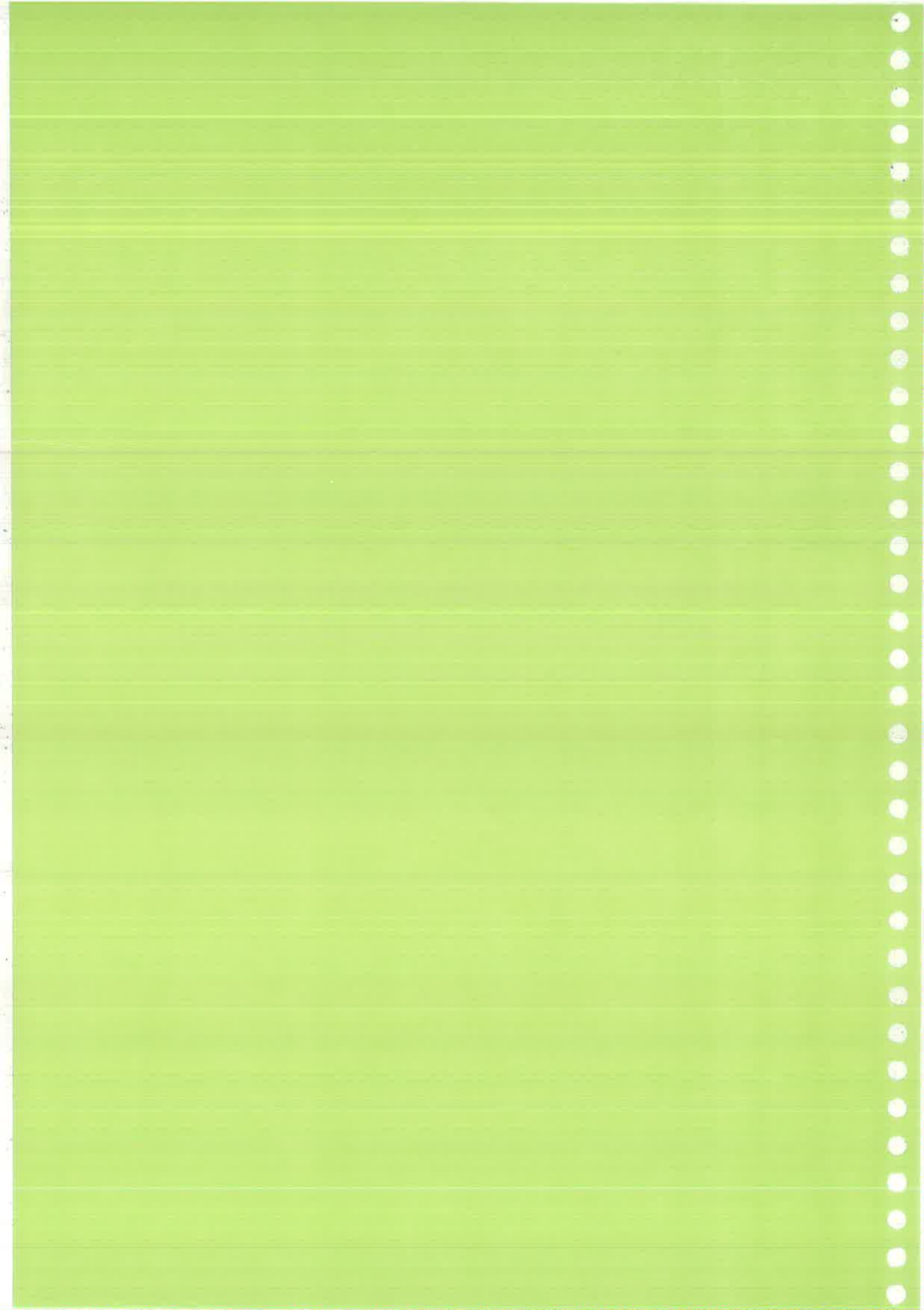
Chapter 4

Estimated Income-wise Population and Market Size of Consumer Durables

4.1   Middle Income Class in Bangladesh

There is no fixed definition of a middle income class in Bangladesh. Moreover, available data on income-wise population of Bangladesh with BBS is not consistent to reality, which made the estimation of future demand for selected consumer durables a very tough job. Furthermore, the categories of income broken down in the TOR seems more appropriate for a developed country as the national average income per household is provided in the HIES 2010 report of Bangladesh Bureau of Statistics (BBS) is around Tk. 11,500 only (US$147 approximately). These income brackets are not appropriate for a developing country like Bangladesh. In absence of any realistic statistics on different income-wise population in Bangladesh, the study team found it difficult to project the future demand of selected consumer durables.

4.2   Methodical Approaches in Estimating Income-wise Population in Bangladesh

In order to come up with a robust estimate of income-wise population for future demand analysis, two distinct methodical approaches have been applied based on various secondary data and recent research findings. Demand projections are also made following two sets of data to assess future market prospects of selected consumer durables in Bangladesh. Thereafter, one can draw a line based on his/her requirements. Both approaches are briefly explained below:

4.2.1   Approach in Estimating Income-wise Population based on BBS data

Under this approach, the study considered Households Income and Expenditure (HIES) 2010 report that contains data relating to household income and expenditure. Over the period 2010 – 2016 income of the household has increased significantly due to many factors like increase in incoming remittance flow, increased job opportunity, and most importantly new pay scale implemented by the government of Bangladesh in 2015. GDP growth rate in Bangladesh is 6% plus constantly for last half-decade. Considering all these factors, we assume that during the period from 2010 to 2016 overall income of the population of Bangladesh has increased at a rate of 10% per year.

Based on this assumption (10% income increase /year) and using the HIES 2010 data, the average household income has been estimated and presented in Table below along with percentage of households belonging to different income groups:

Table 4.1: Projected Average Monthly Income (in BDT) of Households

Income Range (BDT)		Region-wise Percentage of HHs		
2010 (HIES)	2016 (Assuming 10% increase /year)	Urban	Rural	National
<1500	< 2,657	1.30	3.25	2.72
1,500 – 1,999	2,657 – 3,542	0.80	2.70	2.19
2,000 – 2,499	3,543 – 4,428	1.06	3.76	3.03
2,500 – 2,999	4,429 – 5,314	1.42	4.62	3.76
3,000 – 3,999	5,315 – 7,085	5.05	10.81	9.26
4,000 – 4,999	7,086 – 8,857	5.74	11.34	9.84
5,000 – 5,999	8,858 – 10,628	6.90	9.26	8.62
6,000 – 6,999	10,629 – 12,400	6.72	8.36	7.92
7,000 – 7,999	12,401 – 14,171	5.97	6.60	6.43
8,000 – 8,999	14,172 – 15,943	5.49	5.14	5.24
9,000 – 9,999	15,944 – 17,715	4.80	4.44	4.54
10,000 – 12,499	17,716 – 22,144	11.51	9.02	9.69
12,500 – 14,999	22,145 – 26,572	8.25	5.47	6.22
15,000 – 17,499	26,573 – 31,001	6.82	3.67	4.51
17,500 – 19,999	31,002 – 35,430	4.63	2.78	3.28
20,000 – 24,999	35,431 – 44,288	6.67	3.32	4.22
25,000 – 29,999	44,289 – 53,146	3.93	1.77	2.35
30,000 – 34,999	53,147 – 62,003	3.58	1.30	1.91
35,000+	62,004 +	9.37	2.40	4.27

The major income groups as indicated in TOR are HH having income below $5,000 (Low income bracket), HH Income between $5,000-$15,000 (Middle income bracket), HH Income between $15,000-$35.000 (Upper middle income bracket) and HH Income more than $35,000 (High income bracket). Dollar figures of these income groups are converted in BDT per month and the modified income groups are:

- HHs having an average monthly income below 31,000 BDT is Low Income,
- HHs having average monthly income between BDT 31,000-99,999 is Middle Income,
- HHs having average monthly income between BDT 100,000-249,999 is Upper Middle Income,
- HHs having average monthly income above BDT 250,000 is High Income.

The study assumed that the emerging middle income group population of Bangladesh belongs to HHs having average monthly income between BDT 31,000-250,000 and the primary data was collected on these types of HHs. The income level as outlined by BBS under HIES of 2010 corresponding to income level of 2016 assuming a graduate year on year increase stands at BDT 26,573 to BDT

31,001. From BDT 31,000 onward lower middle income class has been gradually doubled upward to upper middle income and high income. HHs having monthly income of BDT 250,000 and above has been catagorized as high income whereas household earning between BDT 31,000 to BDT 62,003 (HIES level 3500+) lower middle income class. Table 4.1 reveals that 28.18% (4.63%+ 6.67%+ 3.93%+ 3.58%+ 9.37%) of the urban households have monthly income more than BDT 31,000. Since a few household has income more than BDT 250,000, we have assumed that $1/7^{th}$ of the households are "High Income Group" or above upper middle income class. As such, 14.29% HHs (1.33%) of 9.37% belongs to high income group and the rest are upper middle income group (8.03%)[12]. Lower middle income populaiton are those having income of BDT 31,000 and above i.e. 4.63% + 6.67%+ 3.93%+ 3.58% = 18.81%. According to the Ministry of Finance the level of poor stands at 24.8%. Therefore, lower middle income group stands at 47.02% (100%-52.98% (1.87%+ 7.5%+ 18.81%+ 24.47%)). Based on these data of different income groups, the pyramid has been drawn as shown below:

High Income 1.33%

Upper Middle Income 8.03%

Lower Middle Income (18.81%)

Low Income (47.02%)

Poor (24.8%)
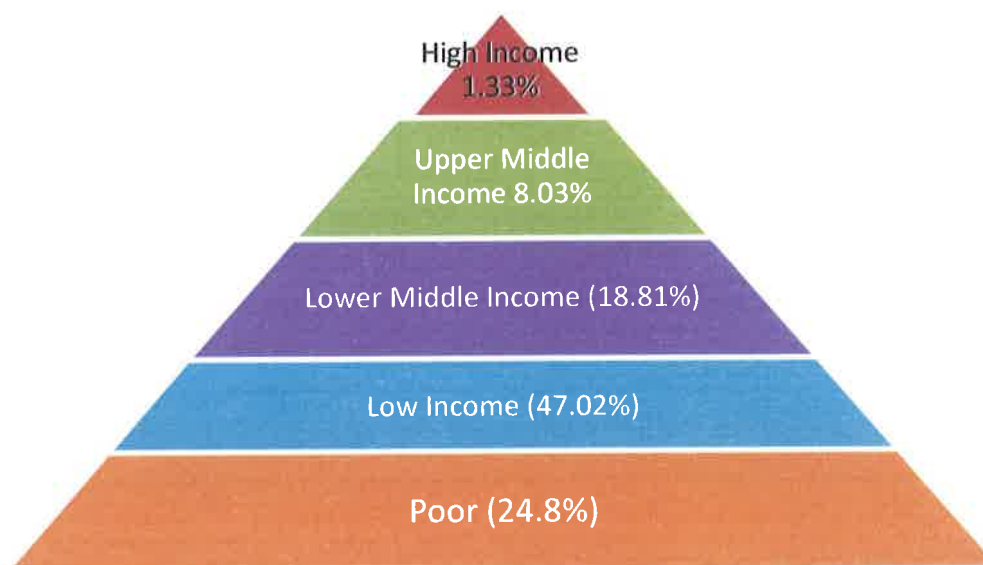
Figure 4.1 : Population Pyramid Of Urban Area

Projected Population in Different Income Brackets

At first, projection of emerging middle income population of Bangladesh has been made. In this process, considering Population Census of 2011 as base, a number of researches or studies have been projected as future population of Bangladesh, the latest projection published by Bangladesh Bureau of Statistics in 2015. The projected population until 2061 for median variant fertility and mortality scenario is given in **Table 4.2**:

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[12] *The primary survey on middle income HH reveals that at least $1/7^{th}$ of upper middle class belongs to high income group as they spend more than BDT 200,000 per month as their household expenditure.*

Table 4.2: Projected Total Population (in thousands)

Year	Urban	Rural	National
2011 (Census)	35,095	114,678	149,765
2016	44,701	115,518	160,219
2021	50,990	120,694	171,684
2026	57,724	124,371	182,095
2031	64,468	126,266	190,734
2036	71,659	126,843	198,502
2041	79,170	126,466	205,636
2046	86,782	124,881	211,663
2051	94,811	121,652	216,463
2056	103,001	117,558	220,560
2061	111,248	112,142	223,390

Since the study concentrates mainly on urban middle income (income ranges from BDT 31,000 – 250,000) group, population projection of future middle income group has been made. It is not realistic to project future market demand on a long term basis due to possibility of continued future changes in product basket of the customers as well as availability of new and innovative goods and services. Therefore, the study attempted to predict the future demand of selected consumer durables until 2026.

Table 4.3: Projected Urban Population and Percentage of Middle Income Group

Year	Total Urban Population ('000)	% in Middle Income Bracket	Total Middle Income Group Population	*No. of Middle Income Group HHs
2016	44,701	26.84	11,760,833	2,613,518
2021	50,990	31.2	15,908,880	3,535,307
2026	57,724	37.4	21,588,776	4,797,506

*Assuming average HH size = 4.5 persons per family. **Income groups for the year 2021 and 2026 shown above have been estimated following the method as presented in Table 4.1. Then sum of the percentages of different income groups indicates middle income population).

Fourth column of above table shows projected urban population and the percentage of urban middle income group for the year 2016, 2021 and 2026. It is assumed that they will be the prospective customers of the consumer durable goods and services. Detailed calculation is shown in **Appendix-4A.**

Projection of Future Market Size

The market of the durable goods is expected to increase due to increased income at HH level in near future as reflected during the field survey. We made an attempt to quantify the future market size of these products with the help of future projected population and present usage pattern of the surveyed HHs. The survey reveals data on the existing possession of these products as well as collected opinion on aspiration to buy these in future. Based on these finding and also taking into account the projeted income-wise population, future market has been estimated for year 2021 and 2026 as shown below:

Table 4.4: Projected Future Demand of Consumer Durables

Year	2016	Existing Penetration Rate(%)	2021	Expected Penetration Rate (%)
Middle Income HHs	2,666,166		3,535,307	
Personal Car	293,278	11.00%	1,161,410	33%
Motor Bike	397,259	14.90%	853,251	24%
Washing Machine	271,949	10.20%	1,355,989	38%
Television	2,572,850	96.50%	3,198,552	90%
Refrigerator (Normal)	2,599,512	97.50%	2,920,492	83%
Refrigerator (Deep)	919,827	34.50%	1,742,942	49%
Microwave Oven	951,821	35.70%	1,948,898	55%
Air Cooler	634,548	23.80%	1,547,650	44%
Laptop	698,535	26.20%	1,955,806	55%

For calculating the future demand of the selected consumer durables, the survey data of the HH's intent to buy the selected consumer goods has been crucial. To calculate the future demand we took a conservative approach due to the uncertainity of the future hence we assumed a 50% replacement of consumer durable of the households who already owns a consumer good and has shown intent of purchasing. Detailed calculation of table 4.4 is shown in **Appendix-4A**

Future market trend among the selected consumer durables can be made more visible from the figure presented below:

Figure 4.2: Estimated Future Demand For Consumer Durables
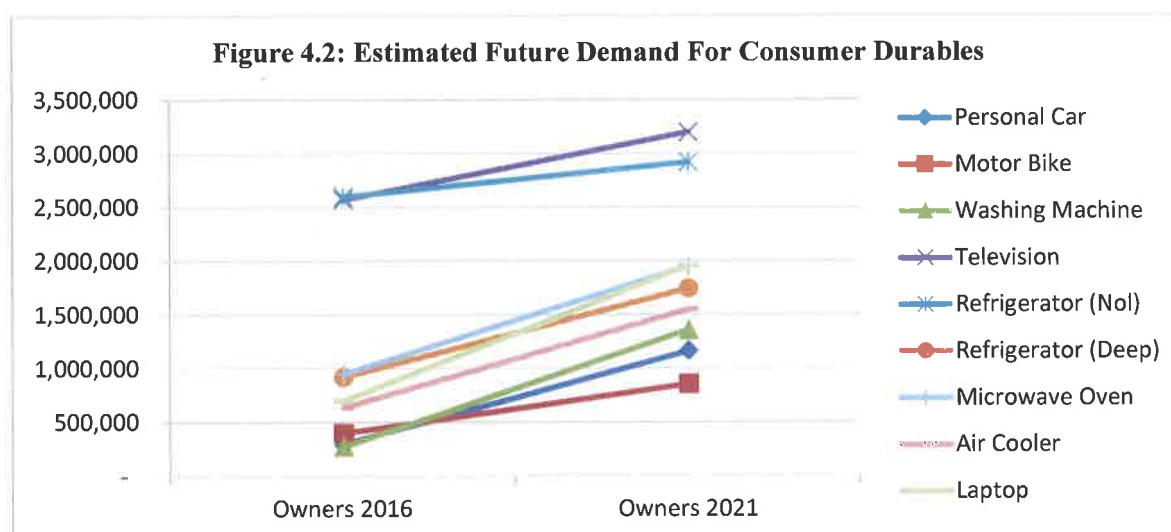
From the table 4.4 and figure 4.2 we can interpret an increasing rate of owners from 2016 to 2021 as per calculation. Based on the calculations, the expected penetration rate of of all consumer durables have increased expect television and refrigerator this is because from the near 100% HHs owning

television and refrigerator only a 45% and 21% of them showed intent in purchsing these two goods of which 50% is assumed to be replaced. Demographic dividend of Bangladesh indicates a large number of young generation who are aspirant to own laptops, demand for air cooler is increating due to climate change and other reasons, micro woven is yet to penetrate in HH at a reasonable number as it is a new addition to home appliance; normal refrigerator is commonly used, however house wives have aspirantion to own deep freeze to preserve packed and canned foods and to avoid frequent shopping from the wet market; demand for Television will increase to change the models from the traditional ones to flat screen LED; washing machine is also a new item having huge untapped market within middle class families in Bangladesh.

4.2.2 Approach in Estimating Income-wise Population based on another secondary data

The study team takes into account three different researches concerning income group classification and population in Bangladesh. These studies are produced by Dr. Binayak Sen, Boston Consulting Group (BGC) and Pew Research Centre. According to (Sen, 2015) per day earning 2-3 US$ refers middle income group while BGC refers per day income 13-21 US$ as middle income. But, (Pew Global, 2015)[13] classified the income group in Bangladesh in different way which are <2US$ as poor, US$2.1 - US$10 as Low income, US$10.1 - US$20 as middle income, US$20.1 - US$50 as upper middle income and lastly > US$50 as rich. This is a standard considered globally according to the paper. In order to make the income categories more logical and realistic as per BBS data, we make a further division in the low income group category. It is assumed that US$2-$4 as low income and US$4-10 as Lower middle income and the rest remained same. The methodology below explains how we estimated the income-wise population of Bangladesh for the year 2015 and further. The research findings of Pew Research Centre are used as a reference for our income-wise population estimation where income-wise population has been calculated for the year 2001 and 2011 and the change in income-wise population during this time is explained as shown below:

Table 4.5: Income-wise Population in the Year 2001 and 2011

Particulars	2001	% Share of Total Population	2011	% Share of Total Population
Total Population	133,776,064	100%	153,405,612	100%
a. Poor <2US$	73,844,387	55.2	59,981,594	39.1
b. Low income US$2.1 - $10	58,460,140	43.7	90,969,528	59.3
c. Middle income US$10.1 - $20	1,337,761	1.00	2,147,679	1.4
d. Upper middle income US$20.1 - $50	267,552	0.2	460,217	0.3

Note: As per Pew Research Team there is no population in the rich category for Bangladesh

From the data presented above, we were able to find a pattern which helped us estimate the income-wise population for the year 2015 and further. We found that, the net number of increased total population and the number of people coming out of poverty from 2001 to 2011 has been distributed at around 97% to the low income group, of which 54% for Low income and 46% at Lower middle income after dividing the income groups. Then the rest has been distributed at 3% and 0.06% to upper middle income and high income respectively. Detailed calculation can be seen in **Appendix-4B**.

Taking the pattern of distribution into consideration for calculating the income-wise population, we calculated the poor population of 2015 which was 24.8% the poverty rate as per Bangladesh Bureau of Statistics. Then we calculated the number of total population increased and the number of poor coming out of poverty. Based on the calculation methodology mentioned above we estimated the Low income, Lower Middle income, Upper Middle income and High income groups for the year 2015. The distribution can be seen below in the pyramid (figures are all rounded up to nearest decimal place):
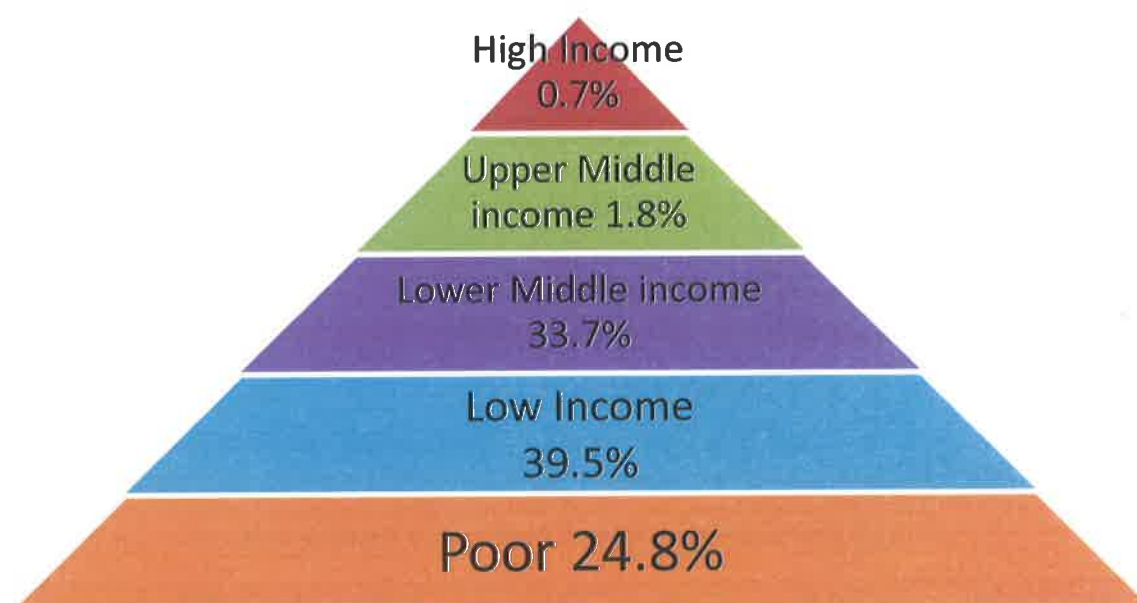

Figure 4.3: Income-wise Population Pyramid

Keeping consistency with the monthly household income of income groups as per Pew research team and BBS, we consider Poor (<$2 per day = BDT 8000 per month), Low income ($2.1-$4 per day = BDT 8000-14999 per month), Lower middle income ($4.1-$10 per day = BDT 15000-40000 per month), Upper middle income ($10-$20 per day = BDT 40000-78000 per month) High income (>$20 per day = > BDT 78000 per month).

The income range mentioned in the TOR for middle and upper middle income group is considered to be equivalent with the upper middle income and high income group of Bangladesh by the study team. For forecasting the future income-wise population in Bangladesh, the expected growth rate of population of 1.2% as per UN Population Divisions and the rate of poverty reduction at 3.3% was

taken, and then calculated based on the data available from the World Bank. Taking these rates, we estimated future income-wise population as provided in the table below:

Table 4.6: Projected Income-wise Population for the Year 2020 and 2025

Income-wise Category	2015 (million)	% Share	2016 (million)	% Share	2021 (million)	% Share	2026 (million)	% Share
Total Population	160	100	163	100	170	100	181	100
a. Poor	39.9	24.8	38.6	24	33	19.8	28	15.7
b. Low income	63	39.5	65	40	73	42.1	80	44.2
c. Lower Middle	54	33.7	55	34.1	61	35.9	68	37.7
d. Upper Middle income	2.8	1.76	2.9	1.79	3.2	1.9	3.6	2.0
e. High income	1.15	0.715	1.17	0.718	1.2	0.73	1.3	1.0

Note: The figures are all rounded up

Based on the above estimation, we have calculated the number of households considering the average household size of 4.5 persons, for the year 2015, 2020 and 2025 as furnished in the table below:

Table 4.7: Estimated Number of HH in Different Income Categories in Bangladesh

Income-wise Household/ Year	2015	2016	2021	2026
a. Poor	8,872,649	8,579,851	7,254,578	6,134,010
b. Low income	14,134,187	14,512,433	16,372,137	18,196,245
c. Lower middle	12,040,213	12,362,443	13,946,635	15,500,505
d. Upper middle	630,844	648,897	737,657	824,718
e. High Income	255,852	260,185	281,487	298,640

Considering the above projected number of HH and based on the survey findings of primary survey conducted at HH level, the market penetration rate of selected consumer durables has been estimated as shown in the tabled below:

Table 4.8: Estimated Market Penetration Rate for 2016

Consumer Durables	Number of Owners (Upper Middle)	Income group Penetration Rate	Number of Owners (High Income)	Income Group P/Rate	Total number of owners (UM+HI)	Total Penetration Rate
1. Personal Car	11,000	11%	88,999	89%	99,999	11%
2. Motor Bike	58,636	43%	77,726	57%	136,362	15%
3. Washing Machine	22,727	25%	68,181	75%	90,908	10%
4. Television	476,177	54%	405,632	46%	881,809	97%
5. Refrigerator (N)	467,359	53%	414,450	47%	881,809	97%
6. Refrigerator (D)	95,454	30%	222,725	70%	318,178	35%
7. Microwave Oven	98,181	30%	229,088	70%	327,269	36%
8. Air Cooler	45,818	21%	172,362	79%	218,179	24%
9. Laptop	121,090	37%	206,180	63%	327,269	36%

Note: Number of owners= Numbner of Households, N=Normal, D= Deep

With the aim of forecasting the future demand of selected consumer goods of Table 4.8 the HHs were asked about their willingness to buy the mentioned goods in the next 5 years. Although the findings have been shown in Chapter-3 Table 3.7, we broke it down further to get detailed information of the

HHs' intention, who currently own a consumer good and who do not, to buy a consumer good in the next 5 years. Based on the data we calculated the demand for the selected consumer goods by the middle and upper middle income households for the year 2021. The table below shows the forecasted upper middle and high income households that will be using the selected consumer goods:

Table 4.9: Estimated Demand for Consumer Durables in 2016 and 2021

Consumer Durables	Owners 2016	Expected Owners 2021
Personal Car	99,999	399,587
Motor bike	136,362	289,088
Washing Machine	90,908	460,449
Television	881,809	1,094,670
Refrigerator (Normal)	881,809	996,490
Refrigerator (Deep)	318,178	595,675
Microwave oven	327,269	668,356
Air cooler	218,179	531,266
Laptop	327,269	719,628

Note: Number of owners= Numbner of Households

From the survey, we were able to find the data of the middle and high income households' willingness to buy selected consumer good in the next 5 years. There were households already owning a consumer good who showed intent of purchasing another consumer household of which we assume 50% replacement purchase. The rest 50% along with new households willing to own a consumer durable will be added with the existing owners of 2016. The added value have provided the figures found for the year 2021. The calculation of the above table is shown in **Appendix 4B.**

Future market trend as projected and shown in the above table can be made more visible using the graph as below:

Figure 4.4: Future demand of Selected Consumer Durables
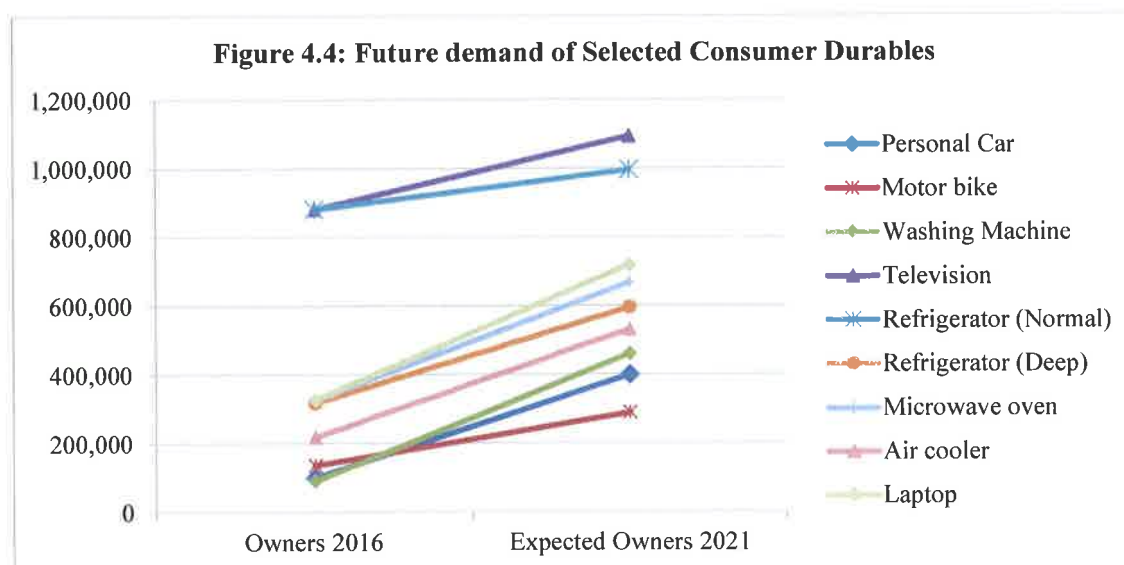
Based on the estimated market penetration as shown in the Table 4.8, the future market value of selected consumer durables has been estimated as shown in table below:

Table 4.10: Estimated Future Market Value of Selected Consumer Durables (in US$)

Consumer Durables	2016 *Purchase Price in US$	Existing Market Value in US$ (in million)	2016 Total Market in US$ (in mil.)	2021 Total Market in US$ (in mil.)	2026 Total Market US$ (in million)
Personal Car	25038	2503	22,761	32,567	45,816
Motor bike	1940	264	1,764	2,524	3,550
Washing Machine	357	32	324	463	652
Television	359	316	326	466	656
Refrigerator (Normal)	475	418	431	617	869
Refrigerator (Deep)	377	119	342	490	689
Microwave Oven	185	60	168	241	339
Air Cooler	900	196	818	1,171	1,647
Laptop	589	192	535	766	1,078

*Market value has been estimated based on assumed purchase price of consumer durables

Personal Car: From the survey we found that 11% respondents of upper middle and high income group together owns personal car. Of the 11% households, 89% are from high income group owning personal car while only 11% of them are from upper middle income group. In total 100,000 households are owners of personal cars. As per BRTA's (Bangladesh Road Transport Authority) data, till end of February 2016, 292,147 personal cars are registered. The figure for holding personal car is low because the survey has been done on middle income class but BRTA's data shows 226,645 of the total registered cars are from Dhaka. As per our estimation, the current market value is US$ 2.5 billion while the total market size is estimated at US$ 22.76 billion and a huge market is still untapped at present. Based on the current trend of holding personal cars, the total market value for personal cars is estimated at US$ 32.57 billion and $45.82 billion in 2021 and 2026 (Table 4.10) respectively.

Motor Bike: Total penetration rate in the middle and high income market is 15% of which 43% belongs to upper middle and 57% belongs to high income group. Currently, 136,362 motor bikes are owned by the upper middle and high income group. There are 1.4 million motor cycles registered currently in Bangladesh as per BRTA statistics. This shows motor bike is not usually preferred by the upper middle and high income group. It is assumed from the data that most of the motor bikes are normally owned by the lower middle and low income group. The total market size of the motor bike for the upper middle and high income group is estimated at US$ 1.6 billion in 2015, of which US$ 264 million market has been captured by the motor bike companies. The total market size for motor bike is estimated at US$ 2.5 billion and US$ 3.5 billion in 2021 and 2026 respectively (Table 4.10).

Washing Machine: Total penetration of washing machine is 10%, of which 25% belongs to the upper middle income and 75% belongs to the high income group. In total, 90,908 washing machines are currently owned by the upper middle and high income group. Washing machines have entered the consumer market of Bangladesh very recently. From the market penetration rate we can consider it to be a rich man's product as the washing machine owners are mostly from high income group. The estimated market size of the washing machine for upper middle and high income group is US$ 301

million, of which US$ 32 million is already captured. The future market is estimated at US$ 463 million and US$ 652 million in 2021 and 2026 (Table 4.10) respectively.

Television: Of the total upper middle and high income HHs surveyed, around 97% own television,. Television has become a necessity for every household belonging to upper and high income group. The penetrated market size of television is US$ 294 million whereas the total market size is US$ 303 million. The future market is expected to grow in 2021 and 2026 worth US$ 466 million and US 656 million respectively (Table 4.10).

Refrigerator (Normal): Normal refrigerator is also a common good owned by most of the upper and high income households. Nine seven percent families own refrigerator, of which 53% belong to upper middle income group and 47% belongs to high income group. The penetrated market size is US$ 389 million whereas the total market size is US$ 401 million. The estimated market of normal refrigerator is expected to grow to US$ 617 million in 2021 and US$ 869 million in 2026 (Table 4.10).

Refrigerator (Deep): The total penetration of refrigerator (deep) is 35%. Of which 30% owners belong to the upper middle and 70% owners belong to the high income group. From the collected data it is found that purchasing a refrigerator (deep) is common for a high income group. The market penetrated size is US$ 111 million whereas the total market size is US$ 318 million and a huge market still remains untapped. Future market of refrigerator (deep) is estimated to grow at US$ 490 million in 2021 and US$ 689 million in 2016 (Table 4.10).

Micro Oven: Thirty six percent (36%) families bought micro oven, of which 30% are upper middle income groups and 70% are high income group. The micro oven market worth US$ 56 million. Survey findings revealed that upper middle and high income households normally buy micro oven. The total market size in 2015 is estimated to be US$ 156 million. The future market size of micro oven is expected to increase at US$ 241 million in 2021 and US$ 339 million in 2026 (Table 4.10).

Air Cooler: The total market penetration is 24% which is valued at US$ 182.5 million against the total market size worth US$ 760 million. Demand for air cooler will increase in Bangladesh due to several reasons including adverse effect of climate change. The estimated the market size to grow further at US$ 1.17 billion in 2021 and US$ 1.65 billion in 2026 (Table 4.10).

Laptop: The market penetration rate stands at 36% which is valued at US$ 179 million, of which 37% are upper middle income group and 63% high income group. Laptop has entered the market very recently and is capturing the market very fast. Gradually the owners in both groups will increase. The future market is estimated at US$ 766 million in 2021 and US$ 1,078 million in 2026 (Table 4.10).

CHAPTER 5: EXISTING PRODUCTION, SALES AND DISTRIBUTION OF CONSUMER DURABLES
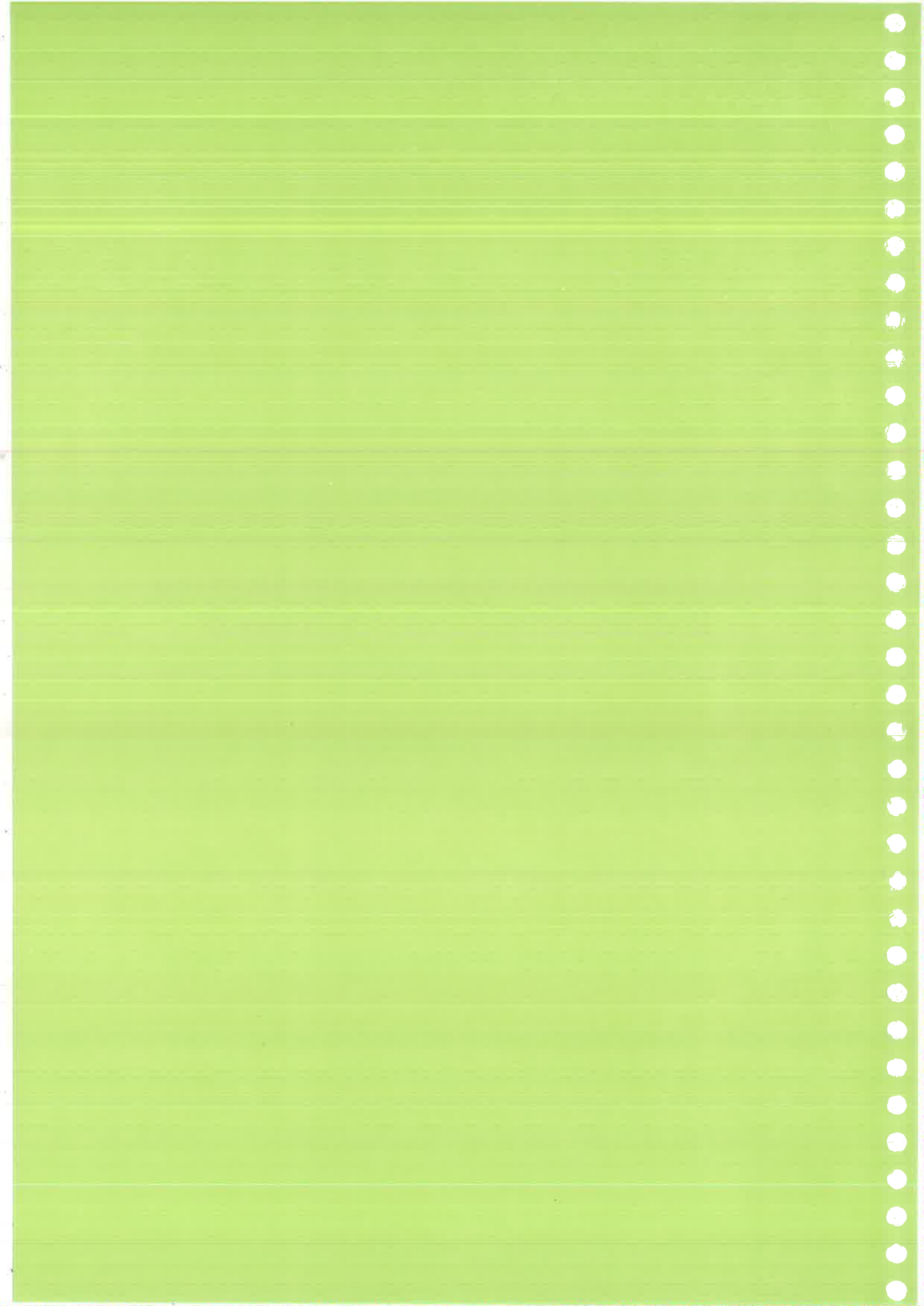
Chapter 5

Existing Production, Sales and Distribution of Consumer Durables

This part of reporting is beyond the TOR that contains issues in brief to provide an opening idea about production, sales and marketing of electronics products in Bangladesh, which may be hint for the prospective investors. Subsequent sections explain the initial findings of the survey on 9 (nine) leading local producers and 87 (eighty seven) retailers in six divisional cities. Retailers are mainly Dealers or Agents or Distributors nominated by the local producers and importers of these items.

The leading local producers in Bangladesh who agreed to share their data include Rangs Electronics, Howlader Electronics (Royal), Electro-mart, RB Group (Walton), Esquire Electronics, Butterfly Marketing, PRAN Group, Unitech Electronics and Khan Trading House .Questions of divergent nature have been asked to solicit production status, total annual turnover, nature of operation (assembling or production), marketing channel, main customers, current business or market trend, future market growth possibilities and required assistance expected from the government.

5.1 Basic Profile of Leading Local Producers

Most of the local companies are private limited companies with exception to a few having public limited companies. Except one importer the rests are engaged in assembling and production singly and also in joint venture. The total estimated annual turnover of eight local companies was reported to be BDT 71.145 billion and the annual business turnover of individual local producers ranges from BDT 120 to BDT 28,000 million. Attempt was made to collect basic data on three common items namely Television, Refrigerator and Air cooler. Existing capacity utilization of local companies ranges from 10% to 81%, expect one company that utilizes 100% capacity for assembling of Television. Average company-wise capacity utilization level for Television, Refrigerator and Air Cooler is around 51%, 56% and 37% respectively. Reasons behind capacity underutilization could be identified. However, it is apparent that the local market of electronic products is competitive. Table below furnishes data on nature of business and capacity utilization level of leading companies:

Table 5.1: Local Productions of Key Consumer Durables

Name	Television		Refrigerator		Air Conditioner	
	Nature of business	Capacity Utilized	Nature of business	Capacity Utilized	Nature of business	Capacity Utilized
1.Butterfly Marketing	Assembling	21%	Assembling	50%	Assembling	22%
2.Esquire Electronics	Assembling	47%	-	-	Assembling	10%
3.Unitech Products	-	-	Production	81%	Production	30%

4.PRAN RFL Group	Assembling	60%	Assembling	50%	Assembling	50%
5.Rangs Electronics	Assembling	50%	Assembling	50%	Assembling	40%
6.Howlader Electronics	Assembling	50%	Assembling	33%	Assembling	20%
7. Electro Mart	Assembling	100%	Assembling	75%	Import	100%
8. RB Group (Walton)	Assembling	-	Assembling	58%	Production	23%
9. Khan Trading House	Assembling	30%	Assembling	50%	-	-

Beside these items stated above, two companies import and market washing machines. However, other items like Toaster, Juice Blender, Rice Cooker, Micro Woven, Geezer, Room Heater, Dehumidifier, etc. are being imported and sold by the Retailers. Companies are applying almost similar strategies but at a varying degree that can be evident from primary data furnished below:

### Table 5.2: Method of Sales and Distribution

Name	Pran	Unitec	Khan	Rangs	Royal	Electro-mart	Walton	Esquire	Butterfly
Method of sale									
Direct sale	10%	35%		55%		25%		50%	40%
Own distribution	35%	65%		30%		55%	40%	20%	60%
Distributor	50%	-		10%			60%	30%	
Retail sales	5%	-		5%		20%			

More than seventy seven (77.7%) Respondents opined that current market trend would be positive due to gradual increase in people's income level and easy access to product market and only 11.2% local producers anticipated a decline in future and another 11.2% expect a stagnant situation. With increased extra demand the local producers will expand their capacity as reported by 100% respondents and 77.7% expect that demand to grow by 20% whereas 22.22% anticipated growth rate to be 11.20%. Analysis revealed that proliferation of selling points by the Retailers have a negative impact on the sale of individual outlets due to increased competition among them keeping the pie as it although they reported decline in sales.

Challenges being faced by the local producers include market competition, poor infrastructure, restricted regulatory policy and lack of access to finance and sourcing raw materials at a reasonable cost. In future, they anticipate further challenges like political instability, tougher regulatory policies and change in customers' buying behavior. Expected support from the government includes tax incentives, easy access to finance and relaxation of government regulations.

5.2 Findings of Retailer's Survey

In order to assess the current market demand and trend of consumer durables in Bangladesh, 87 Retailers in 6 divisional cities (Dhaka, Chittagong, Sylhet, Barisal, Khulna and Rangpur) were interviewed. Among these cities Dhaka and Chittagong were focused more in view of the population size and as such, 29 Retailers in Dhaka and 21 Retailers in Chittagong were interviewed. Figure 6.1 shows the Retailers surveyed in different divisional cities:

Figure 5.1 : Number of Retailers Surveyed
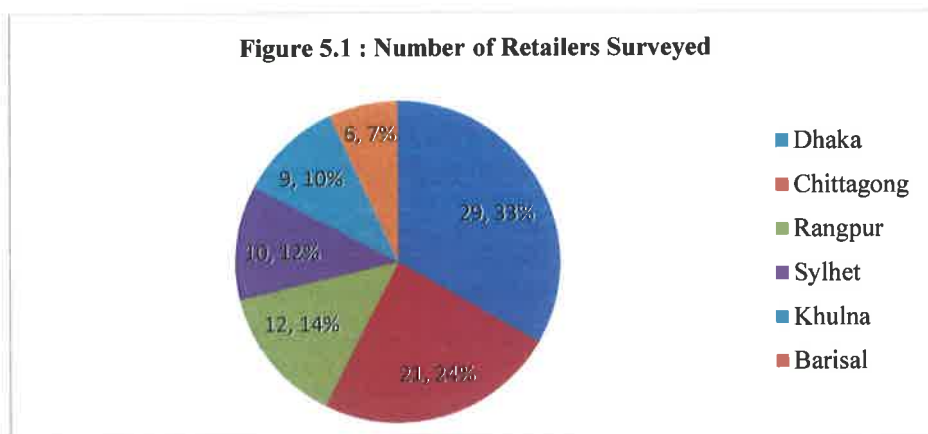
The survey aimed at identifying the nature of ownership of enterprises, their business pattern (like Agent or Dealer or Distributor), legal forms and size, amount of investment and bank loans (if any), number of stock keeping units (SKU), sales volume, sales commission/incentive, mode of payment (cash or credit), customer's preference, importance of after sales service, etc. The study attempted to assess the presence of Japanese products, prospects of second hand market in Bangladesh and also sought suggestions for required support to promote sales and usage of these consumer durables.

5.2.1 Basic Profile of Retailers

A comparative scenario among those three business forms are shown below in table below:

Table 5.3: Profile of Retailers/Dealers/Distributors

Type of Legal Entity	Average monthly Sales (in million)	Average signed agreements	Average No. stock keeping units	Average investment (in mil)
Proprietorship	1.65	6	72	13.17
Partnership	0.45	1	15	1.25
Private Limited Company	2.20	6	43	13.87

Among the 87 enterprises surveyed, 87.4% are Sole Proprietorship and the rest are Private Limited Companies (PLC) and Partnership concerns. The average monthly sales of PLC is BDT 2.2 million which is highest, followed by BDT 1.65 million and BDT 0.45 million for sole proprietorship and partnership entities respectively. Similarly, average number of signed Dealership or Distributorship agreement. Average number of stock keeping unit (SKU) is highest for PLC. Also, the private limited

companies invested higher amount compared to other types of business entities. The average daily sale of a Retailer is BDT 40,000. Mode of payment at retail level varies from buyer to buyer; however, commonly cash sales are being taken place in most cases. Retailers receive sales commission as incentive from time to time on each item they sell. Security deposit is common for almost every Retailer if he or she wants to be an Agent or Dealer and Distributors. However, the amount and other conditions may vary product to products. For convenience, the survey team interviewed those retailers who sell multiple products or variety of selected electronic products and home appliances under one roof. Again, items like Personal Car, Motor Cycle, Bi-cycle, Camera, Medical and Exercise Equipment were covered less as there are a limited number of outlets selling these items. Accordingly, the findings are analyzed in two product groups; one group covers Personal Car, Motor Cycle, Bicycle, Camera, Medical and Exercise Equipment and the other group covers all other products.

5.2.2   Main Customers of Selected Products

While this study was conducted on different Retailers, Dealers and Distributors of consumer durables, they were asked about their customers. According to their responses, customers are based on 3 categories of different products are listed as below:

**Fiigure 5.2 : Main Customers of Selected Consumer Durables**
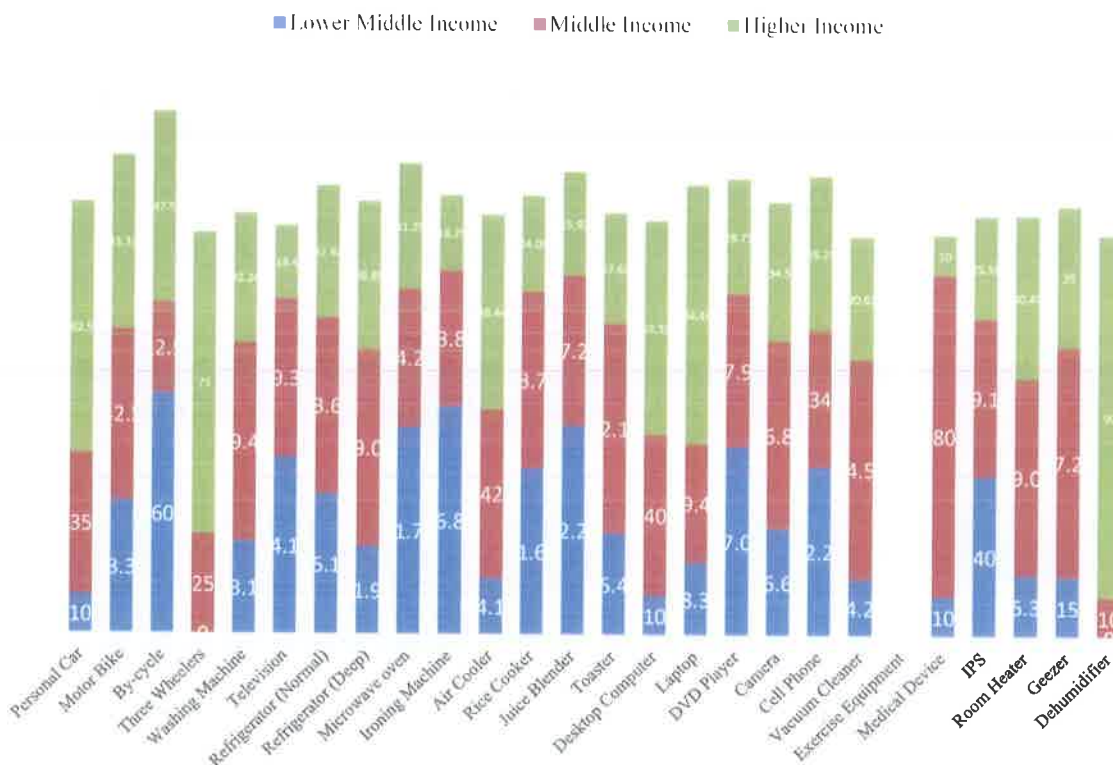
5.2.3 Existing Demand for Consumer Durables

The survey collected primary data from the Retailers on the existing and future demand of selected products among consumers and their opinions are categorized as high, moderate and low. Charts shown below explain the situation in four different groups namely Home Appliance, Vehicle and Transport, Kitchen and Utensils and Entertainment equipment and devices.

Figure below shows demand for kitchen items and utensils among the customers as reported during the retailers' survey. Among the items, Electrical Iron, Juice Blender, Normal Refrigerator and Micro oven are having high demand due to the fact that middle income families buy these as essential items now-a-days. Demand for Toaster is very low followed by washing machine. Middle income families are yet to buy Toaster and washing machine. However, all the items except Toaster are having moderate demand and in terms of percentage, it ranges from 41% to 66.1%.


Figure 5.3: Demand for Kitchen Items and Utensils
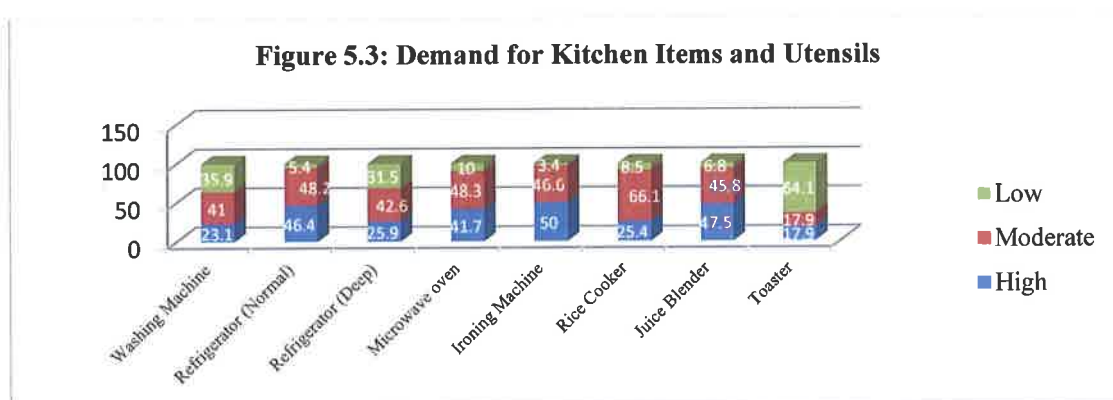
Demand for Entertainment devices is also shown in the chart below

Figure 5.4: Demand for Entertainment Devices
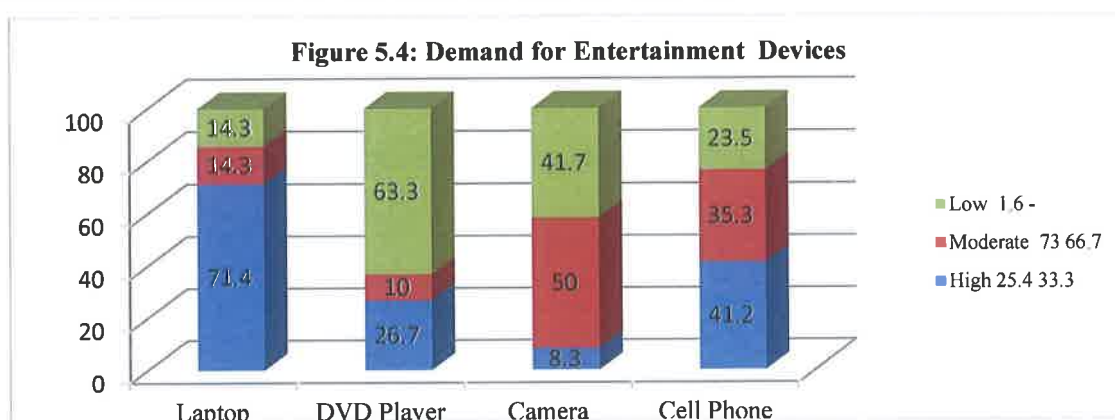
Demand for home appliances is also shown in the chart below:

Figure 5.5: Demand of Home Appliances
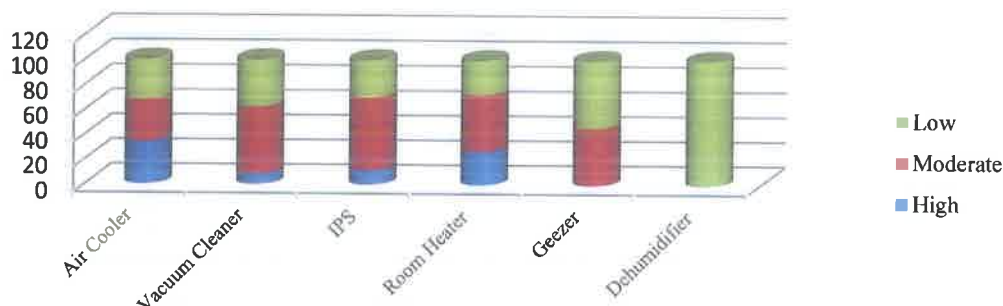
Demand for Transport and Vehicle Items is also shown in the chart below

Figure 5.6: Demand of Transport Items
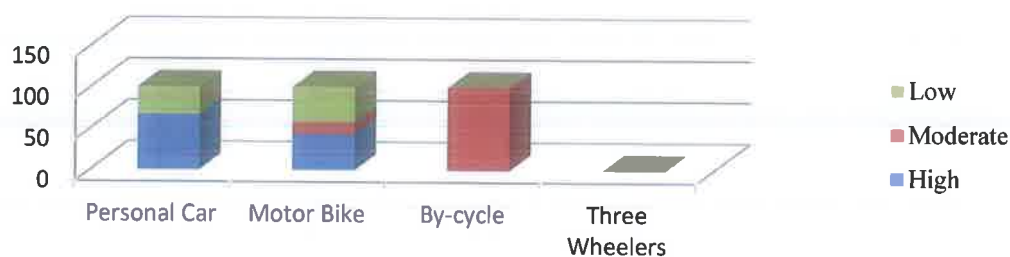
While identifying the top brand of these items, it was found that for two items the local producers ranked top and these are like Walton and Rahimafrooz. The local producer having brand name as Walton appeared as top brand in case of Refrigerator (both normal and deep), washing machine, air cooler and Rahimafrooz captured top position in case of Instant Power Supply (IPS). Again, in case of Washing machine, Micro woven, Toaster and Cell phone, Walton has been ranked as second brand although it is a local company. Some brands may not be in the top 5 list. Top five brands identified during the survey are furnished in the table below:

Table 5.4: Top Five Brands Demanded by Customers

Products	Top 5 Demanded Brand (1 is the best 5 is the last)				
	1	2	3	4	5
Personal Car	Toyota	-	-	-	-
Motor Bike	Suzuki	Honda	Hero	Walton	-
By-cycle	Hero	-	-	-	-
Washing Machine	LG	Walton	Hitachi	Whirlpool	Akai
Television	Sony	Walton	LG	Samsung	Konka
Refrigerator (Normal)	Walton	Sharp	Hitachi	Singer	LG

Refrigerator (Deep)	**Walton**	Singer	Sharp	Jamuna	Haiko
Microwave oven	Miyako	Walton	Panasonic	Samsung	Noka
Ironing Machine	Miyako	Sebec	Walton	Panasonic	Philips
Air Cooler	**Walton**	General	Honey Well	Samsung	Singer
Rice Cooker	Nova	Miyako	Novena	Walton	LG
Juice Blender	**Walton**	Miyako	Philips	Panasonic	Nova
Toaster	Miyako	Walton	Philips	Nova	Panasonic
Desktop Computer	Dell	Samsung	-	-	-
Laptop	Sony	Dell	Acer	Samsung	Toshiba
DVD Player	Sony	Sebec	Akai	Konka	Miyako
Camera	Sony	Canon	Digital	-	-
Cell Phone	Samsung	**Walton**	**Symphony**	-	-
Vacuum Cleaner	**Walton**	Hitachi	Miyako	Mega	Panasonic
IPS	**Rahimafrooz**	Singer	Samsung	-	-
Room Heater	Nova	Miyako	Sebec	**Walton**	Rawa
Geezer	Miyako	**Shamim**	Ariston	Hotpoiled	Gallon

## 5.2.4   Business Trends

Fifty one percent Retailers reported that their business is declining while 42% mentioned their business as stagnant and only 7% Reatilers thought their business is growing. This is evident from the decline in overall sales which was BDT 13 million in 2013 against BDT 8 million in 2015. Twenty percent (20%) respondents mentioned decrease in sales volume as main reason. But, the overall sales volume of local manufacturers and/or importers has increased as reported during the interview. Therefore, decline in sales volume at individual retailer's shop is due to opening of an increased number of retail shops within same location as they shared the total market.

## 5.2.5   After Sales Service and Its importance

In Bangladesh, the consumer durables market, is very competitive and there are many brands from different countries like Japan, China and Korea. In case of consumer durables after sales service is very important factor while marketing. Figures below shows the after sales service currently being provided by the sellers of consumer durables where guarantee for spares parts ranked the top, followed by quick service after making any complain by the customers and also free home service and warranty are important factors:

Figure 5.7 : After Sales Service currently being provided (%)

Category	Value
Parts gurrantee	29.3
Quick service after complain	20.7
Free home Service	18.3
Year-wise warranty*	17.1
Others	6.1
Product wise service	6.1
Life time service	2.4
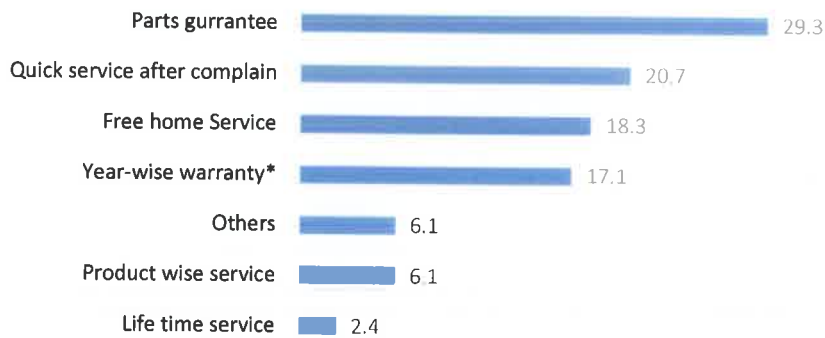
Type of after sales services recommended includes guarantee, quick service after complain, product-wise service, assurance for spare parts, free home delivery services, life time services, etc. Figure 5.9 below present scenario where Guarantee ranked top, followed by quick service after complain.

Figure 5.8: Type of After Sales Services Recommended (in percentage)

Category	Value
Gurranty	23.2
Quick service after complain	19.5
Product wise service	15.9
Parts gurrantee	15.9
Free home Service	15.9
Life time service	4.9
Others	4.9
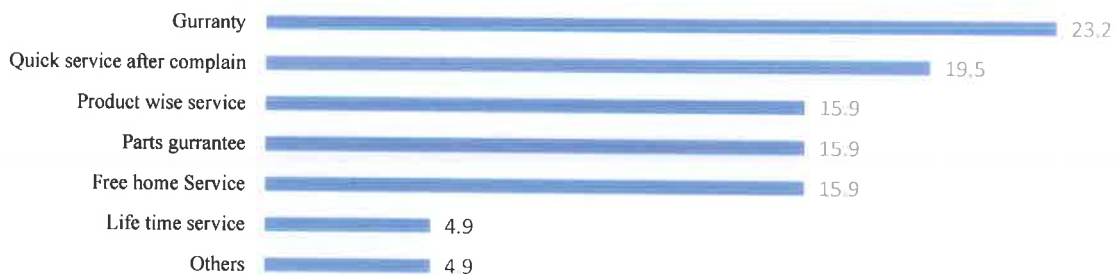
Business representative of these enterprises also mentioned about some reasonable after sales services that may increase growth in current business trend.

Majority of the respondents (94%) believe that a customer oriented after sales service will increase the current business trend.

Guarantee covers the majority of those responses as 23% respondents suggested offering guarantee on every product. Quick and product wise services may

Figure 5.9: Can better ASS Increase the Overall Sales?

No 6%

Yes 94%
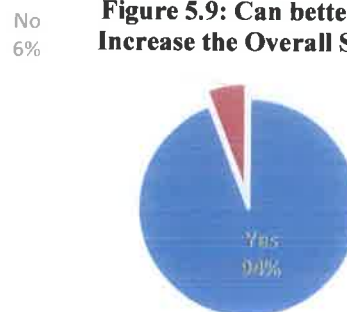
also increase this trend as 30% of the respondents believe product-wise quick services can create a positive impression on the customers about a particular product. In this globalized market, organizations have to differentiate themselves, so they need to provide different service so attract customers. An effective after sales services like delivery time, installation of product, warranty time of product, feedback implementations can boost up declining business trend.

Forty seven (47%) Respondents-retailers, dealers or distributors received certain amount of Commission or Incentive for a particular product. Most of the Retailers receive this commission for Televisions, refrigerator and some local home appliances. Due to varying products and industries, a standard commission rate does not exist for all. But, within each

Figure 5.10: Commission/Incentives from Manufacturers/Importers

industry, some standard in Commission may exist. 44% of the retailers do not get any kind of Commission or incentive as they mentioned. It may happen due to their producer's industry policy.
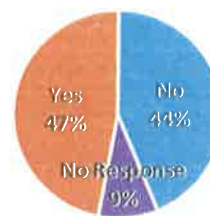
In Bangladesh, retailers, dealers and distributors are expanding all over the county, especially in urban areas. To be a dealer or distributors, different industries have different policy regarding dealership.

**Figure 5.11: Requirement of Security Deposit**
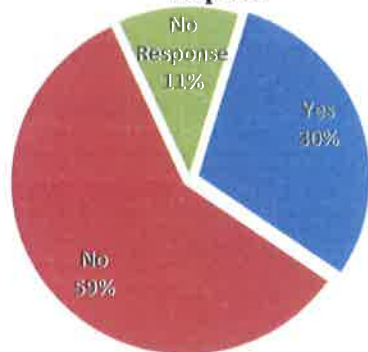
30% of the respondents mentioned that they required a certain amount of money as a security deposit for dealership while 59% of the retailers, dealers or distributors got their entrepreneurship without any security deposit. These security deposit or bond varies from industry to industry. On an average a retailer had to deposit Tk. 10.7 lac while some had to bond Tk. 50 lac for security concern. Launching second hand market in Bangladesh for consumer durable is yet to be popular idea for product marketing as only 76% negatively reacted. Reasons could be very simple as it may have impact on the sale of new consumer durables.

In respond to a question on the required government, majority of Respondents requested for financial support (71%) whereas only 29% respondent requested for non-financial support from the government that may include infrastructure, policy support etc.

FIgure 5.12: Launching Second hand market in Bangladesh

Yes
18%

No Response
6%

No
76%
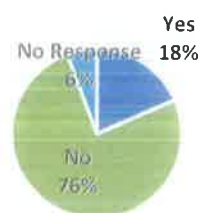
5.2.6 Japanese Products in Bangladesh

Only a few respondents we covered in our survey are selling Japanese products as because, in divisional areas except Dhaka and Chittagong people are unlikely to buy expensive products. Mostly sold 3 products are **Television, Refrigerator and Air conditioner.** These 3 particular products are highly demanded in Dhaka and other divisional areas. Other than these 3 products, retailers also vending personal car, micro oven, cell phone and other expensive home appliances. A list of brands of these three products has shown below:

Table 5.5: Top 3 Japanese Products and their Brands

Sl.	Products	Top Brands
1	Television	• Sony, National and Toshiba
2	Refrigerator	• Panasonic, Sharp and Hitachi
3	Air Conditioner	• General, and Toshiba

The Retailers' survey although concluded on a limited scale provided an insight about the existing pattern of electronic products market as well as future growth trend. Most of the Retailers are of the opinions that with the passage of time business may have a declining trend. But, this is mainly due to increase in competition, entry of new firms and proliferation of selling points at cities while increase in consumer's demand has been at a slower rate than expansion of these selling points.

It has been observed that local brands are getting preference over foreign brands. In case of foreign brands, Chinese and Korean's have upper edge over Japanese one due to price factor. Most of the electric and electronics items manufactured or assembled in Bangladesh enjoy good acceptability. However, in case of motorized vehicles and ICT items Japanese top the cost, then comes Korean ones, Chinese items do have less preference. With increase in middle income group and Bangladesh's stepping into middle income status from LDC, a major thrust would be expected and this would lead to higher demand for consumer's durables.

CHAPTER 6: KEY FINDINGS AND OBSERVATIONS, SUGGESTIONS AND CONCLUSION
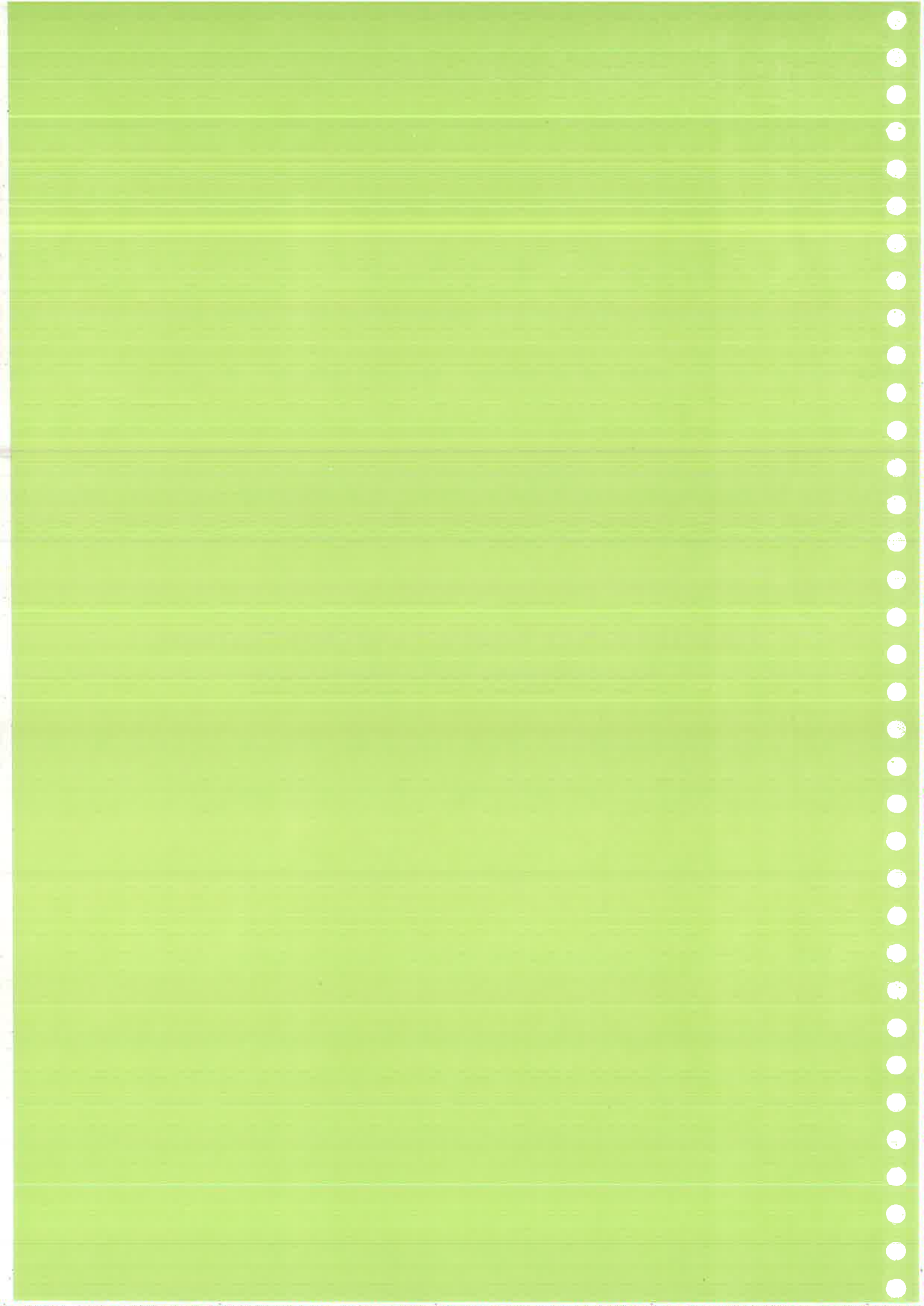
Chapter 6

Key Findings and Observations, Suggestions and Conclusion

6.1 Key Findings and Observations

Overview of Bangladesh Economy

- Bangladesh has been enjoying a 6% GDP growth on average for almost over a decade. For the first time in the history of Bangladesh, the economy has hit 7% GDP growth in year 2016.

- The Government of Bangladesh is yet to achieve its targeted GDP growth rate since 2012. If this continues, the Government would not be able to reach the target of making Bangladesh a middle income country by 2021.

- GDP per capita has been increasing at a higher rate in the last decade which is a very good sign.

- GDP contribution by Agriculture sector has declined since year 2000, while GDP contribution by Industry and Services sector has increased significantly from 2000 till date.

- Investment as a % of GDP has shown an increasing trend but rate of increase in investment needs to be more.

- Inflation rate is 5.6% for the year 2016 and the inflation rate fell significantly since 2011.

- From 2014 the disposable income of the economy has nearly doubled and disposal income for the year 2015 was BDT 53,036/-[14] equivalent to US$ 680.

- During the period from 2011 to 2015, the total amount of FDI inflows in Bangladesh different forms has shown gradual increase from an amount of US$ 1,136.38 billion in 2011 to US$ 1,694.94 in 2015. In 2016, it has crossed US$ 2 billion, as reported recentl by BOI.

- Remittance from abroad is having an increasing trend and it stood at US$ 17.49 billion during 2015-16. Foreign currency reserve stood at US$ 22.32 billion and the foreign currency and gold reserve have seen a rising trend since 2006 (US$ 3.9 million) up until 2014 (US$ 22.3 million).

- Trade balance at a negative of US$ 1.65 billion, fuelled by 11% import growth annually and export grew at 3% during 2015-16.

- From 2010 consumer credit has increased at a higher rate compared to previous years standing at around BDT 7,000 billion.

Population Analysis and Demographic Dividend of Bangladesh

- Population growth rate of Bangladesh is 1.20% for the year 2015.

- Since 1975, the Crude Birth Rate (CBR) and Crude Death Rate (CDR) has fallen greatly. Rise in income level is a crucial factor for fall in CBR; and better healthcare had caused CDR to fall.

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[14] http://www.tradingeconomics.com/bangladesh/disposable-personal-income

- Projected population for 2020 and 2025 is estimated at 179 million and 202 million respectively and projected growth rate is expected to fall every 5 years.

- Bangladesh gained demographic dividend over 1.5 time since 2005. Research suggests that demographic dividend is still underutilized. Increased investment in education, healthcare, industrial infrastructure and human resources development are required to utilize this demographic dividend.

- Growing age group of 30-64, indicating a more experienced workforce. At present, total labor force is around 78.9 million people with an average growth rate of 2.05% during the last 5 years.

- Agriculture sector holds maximum share of employed labor force (45.1%) even after decrease in share since 2005. The share of Industry sector in the employed labor force has increased since 2005 but still lower than services sector.

- Participation of female in the labor force is increasing while participation rate of male in the labor force is declining. Skilled labor force has increased to 5.80% since 2015 but not at an impressive rate. The country still lacks a good number of highly educated and skilled labor forces to steer the economy towards higher economic growth. Only 13% labor force in the market are formal while around 87% labor force are informal indicating a majority of the population are not earning much.

- There is an increase in international migration compared to local migration as working abroad has ensured many families to get out of poverty. Female remits 90% of their income while male remits 50% and Migration cost for Male is higher than Female. Remittance earners are most living in rural area and they mostly belong to the low income group.

Living Conditions and Consumption trend of Middle and High Income Group

- Primary survey covered 1,038 lower and upper middle income households/families in all divisional cities, where about 55% (566) HHs reported their monthly family income ranges from BDT 31,000 to 99,000 and about 45% (472) HHs have monthly income ranges from BDT 99,001 to 250,000. However, the average monthly expenditure per HH is only BDT 68,663 per month

- Major items of the cost of living are attributed to food, house rent, education, salary for driver and housemaid, transport, etc. The lower and upper middle income groups are highly optimistic about rise in income in future. A huge chunk of income is set aside mainly for purchasing fixed assets to secure the future, as it reflects a better social standing.

- The average monthly spending of household on food is BDT 20,107 and the food market represents the largest share of household expenditure, on an average 22.29%. With rise in income expenditure share of food may gradually decrease.

- The lower and upper middle income families incur average monthly expenditure for education purpose is BDT 14,732 (16.33%); average monthly spending for housing is BDT 13,624 (15.10%); average monthly spending on transportation is BDT 6,526 (7.24%). Indivudual

households pay BDT 4,000 as average monthly utility bills (4.44%); average monthly expenditure for paying the Salary of Driver and Maid is BDT 13,514 (14.98%); average monthly expenditure for entertainment and recreation is BDT 4,680 (5.19%). Families are spending BDT 4,142 for medical and healthcare. For electronic and ICT support, they spend an average monthly expenditure of BDT 3,583, which is 4% of the total household expenditure.

- Among the families surveyed, 13.5% lower and upper middle income HHs have remittance earners and the amount of remittance ranges from less than BDT 2,000 to above BDT 100,000 per month and an average monthly remittance received per family is BDT 46,808/-.Remittance earners working in countries namely USA (19.3%), Dubai (16.4%), UK (14.3%), Saudi Arabia (7.1%), Canada (4.3%), Australia and Oman (3.6%), Italy, Malaysia, Kuwait and India (5.6%) and other countries (25.7%). Main occupation of remittance earners is private services (58.6%), followed by business (27.1%), professionals (9.3%) and rest are students and others. About 74% of the remittane earnings is spent in daily family expenditure (subsistence), followed by 11.4% in investment, 9.3% in savings, 7% in children education and least amount in spent for buying landed property. So, remittance earnings have direct impact on the daily household consumption.

- Lower and upper middle income group of Bangladesh is highly optimistic about their future income growth; about 90% of the families are expecting their income would increase in near future. Among increased income expectants, 68% are expecting their income to increase in the coming year, while 25% are expecting their income to rise in 2-3 years. They have high intent of spending in fixed assets in future compared to others.

- Majority of the HH (68%) consider their standard of living to have improved in the last decade and about 88% HH opined that some consumer durable goods are crucial to ensure improved standard of living.

- Majority of the households prefer to stay within 5 km radius of their workplace. Bus, Rickshaw and walking are the most common modes of transport by the middle income people

- Most of the families (90.8%) are having savings and 61.5% families regularly save money and 21.5% families save money whenever they find scope to save and this indicates families are having good propensity of savings.

- Among the respondents, majority (67%) likes to eat outside restaurants and it is a growing tendency among the middle income people of Bangladesh. Most important factors for eating outside are the appetite of tasting branded fast food (46%), followed by tasting foreign cuisine (35%) and (15%) to eat non-traditional foods. Reasons behind eating outside include eating outside for fun (31%), eating outside to celebrate any occasions (21%) and eating outside for ceremonies (17%). Currently, hotels and restaurants in major cities have good business prospects although 18% HHs are still not eating outside their houses.

- Wet market *"Kancha Bazaar"* is most prefered place (90%) for purchasing grocery and quality of clothes and latest fashion the most important factors while purchasing clothes by families and 49% respondents agreed that for high quality goods they are willing to pay high price.

- Watching TV is a favorite pass time for the middle income group people. More than 73% families prefered to visit their home at villages. More than 59% liked to visit friends and relatives at home and only 42.7% visits local tourist places. Only 11% of the families prefer to go abroad, may be due to financial solvency. Safety and security is considered as the most important factor for their leisure activites.

- Only 13.4% family took loan for household consumption. Only 14% and 19% of the respondents use credit card and debit cards respectively. Households firmly believed that installment facilities in purchasing consumer durables will undoubtedly boost their consumption. Sixty percent people also mentioned Tax rebate may help them to purchase more consumer durable goods.

- Percentage (%) of lower and upper middle income households own selected consumer durables goods as found during field survey at household level can be seen as tabled below:

Consumer Durables	Existing Users %
1. Personal Car	11.0
2. Motor bike	14.9
3. Washing machine	10.2
4. Television	96.5
5. Refrigerator (normal)	97.5
6. Refrigerator (deep)	34.5
7. Microwave oven	35.7
8. Air cooler	23.8
9. Laptop	26.2

- The most important factor influencing purchase of the above mentioned selected goods is Brand and quality and price is the 2nd and 3rd most important factor respectively. After sale service is considered as very important by 90.4% families. Majority of the families choose imported goods (58.6%), followed by foreign branded locally assembled products (24.9%) and locally produced products (16.6%).

- Major portion (28.8%) of the expenses on education takes the shape of private tuition and 52% families desire to send their children abroad for higher education while 32.5% think otherwise due to high cost and sending children out of sight and the rest 15.5% are undecided.

- Nearest clinics and private hospitals are the most choosen places for treatment by the lower and upper middle income households. More than 95% people in HHs are of the opinion that restricted

diet (95.6%) alternative medicine (71.5%) preventive medicine (79.9%) are vital element to take care of good health. Therefore, the families are having good awareness about health care.

- Around twenty eight (27.7%) reported corruption is the number 1 issue to be addressed. Then comes supply of medical equipment (13.4%) opined), lack of improvement in treatment facilities have been identified by 16.6% HHs, where they recommended immediate government action.

- More than 84% of lower and upper middle income HHs have life insurance policy and only 15.2% hope to have health insurance in future.

- More than 76% of lower and upper middle income HHs have access to internet and the users of mobile internet are 68.8% where broadband internet is 24.5%. On the other hand, Wi-Fi-service is yet to gain popularity among the upcoming consumers which now stands at 6.7%.

- Almost 90% of the HHs are aware of 'On-line Shopping System' presently in operation in Bangladesh. Only 14.9% buy through online shopping system whereas majority of the people are yet remain outside this facility. Those who prefer on line shopping, 56.1% buy cloths, 15.8% electronic goods, 13,7% watches (mainly wrist watches), and 9.4% cosmetics.

Projected Population and Future Demand for Consumer Durables

In absence of any fixed definition of *middle income class* in Bangladesh as well as lack of authenticated income-wise population data, the study team relied on two distinct approaches for having an almost accurate analysis. Firstly, the study team considered urban population data of HIES 2010 and made an estimate of income-wise population at urban areas. Secondly, the study team took the income-wise population data of PEW Research Centre and made estimation of the future income-wise population based on the trend found from the data. Finally, as the future is unknown and depends on so many factors and parameters, it is in our view to be a little bit flexible, so as deviation from one analysis to the other might not be huge. Alternative projections always leave a scope for maneuverability. Under two distinct approaches, percentile share of different income-wise households can be seen as tabled below:

Approach	Poor	Low income	Lower middle income	Upper Middle Income	High Income
First Approach	24.8%	47.02%	18.81%	8.03%	1.33%
Second Approach	24.8%	39.50%	33.70%	1.8%	0.70%

Based on first approach, the total number of projected HHs in the middle income category stands at 26.84% in 2015 whereas the second approach projected middle income HH at 35.5% of the total HHs in the year 2016. Again, based on these above categorization of income-wise population, the projected number of HHs under middle income groups can be seen as tabled below:

Middle Income Group (HH)	2016	2021	2026
Estimation under First Approach	9,454,174	53,565,408	68,103,530
Estimation under Second Approach	13,011,340	14,352,907	15,998,661

Both approaches projected future demand for Consumer Durables for the year 2016, 2021 and 2026; the first approach considered the demand for Consumer Durables in the urban areas only as the primary survey was conducted in urban areas. The estimate made under second approach is based on national figures (urban and rural). Also, the future market value of the selected Consumer Durables has been estimated based on the current market price and the projected number of future customers.

6.2 Suggestions on Developing Future Market

Based on the survey findings and projections on the consumer market in Bangladesh, some suggestions may be made in terms of government's role and necessary support in improving the future market facilitating the prospective business enterprises and investors in capturing the burgeoning consumer market. Suggestions are also made against Leisure/Tourism, Education, Healthcare, Financial and Insurance services.

6.2.1 Consumer Durables

a. Personal Cars and Motor Bikes: Import duty on personal cars has increased significantly with the intention of reducing traffic on the streets as the major cities are facing increased traffic congestion everyday collapsing normal economic activities. Such fiscal measure (increased import tax) is commendable short-term solution but it reduces government revenues. This high tax rate is affecting the standard of living of the growing middle income group and thus, it impacts negatively on car market expansion. Therefore, instead of increasing tax for personal cars the government should improve connectivity through new roads and highways and also encouarge developing satellite towns at the ourskirts of capital city like in other developed countries. Simultaneously, divisional cities except Dhaka and Chittagong should promote planned townships with better road networks. For easy and cost effective movement, assembling of low cost motor bikes similar to Vietnam and other countries should be promoted. Finally, improving other major cities through creating economic hubs would also reduce pressure on the existing transportation system of Dhaka as people stop migrating from rural to urban areas. If the government is successful in ensuring these developments, the demand of increasd number of personal cars and motor bikes will increase in mid and long term.

b. Home Appliances (Washing machine, Television, Refrigerator, Microwave oven and Air cooler): There is a huge future prospect for home appliances in Bangladesh as projected in this report. However, prospects for investors in this sector will greatly depend on how the government formulates its policies. To ensure greater consumer's welfare, the government needs to stop protecting

infant industries and encourage market competition through reducing import duty on these products. This will ensure increased investments in the electronic goods manufacturing industries leading to more quality products for the growing consumer market. Simultaneously, the government also needs to reduce lending rates which would greatly increase consumption as cost of borrowing will fall. Finally, the government shall initiate nation-wide massive 'technical skill development training' programs through utilizing its vocational and technical training institutes so that the foreign investors take the advantage of hiring low cost skilled labor force for electronic assembling plants.

Finally, the survey findings revealed that the consumer market of Bangladesh is bound to grow to fulfill the demands of growing middle income class. The government needs to facilitate the Investors both local and foreign through developing and improving roads and high ways, ensuring increased and smooth supply of utilities (electricity and gas), strengthening BSTI to ensure faster quality certification. Also, the government should introduce trade friendly policies like reduced import duty, corporate and consumption tax rate will facilitate increased investment.

6.2.2 Services

a. Leisure / Tourism Services: The survey findings revealed that visiting village home and meeting friends and relatives are the most common among the middle income group. Furthermore, visiting local tourist spots is more prefered to middle income group than visiting abroad. While planning to visit the local tourist spots niddle income prople considers "safety and security" is a vital factor. Therefore, the government needs to ensure safety and security. Moreover, road accidents, mugging and criminal activities may have brought fear in people's mind before considering to visiting a local tourist spot for leisure time. The government should ensure close and regular monitoring of vehicle movement on the roads and highways. Also, development and expansion of highways to 4-8 lanes are essentially required to reduce road accidents and travelling time. Improvement of railway service or allowing the public sector to invest in railway will greatly benefit tourists and investors in tourist spots. Improvement in safety and security in local tourist spots is required so that people can roam freely without the fear of getting mugged. Finally, the government should extend required support to explore innovative concepts of tourism for all age-groups (for example infrastructure tourism) and connect the local tour operators with the global tourism chain.

b. Education Services: From mid-eighties Bangladesh has been experiencing transition in the nature of higher education. Recently, a trend has been observed that individuals having foreign degree get better preference in the job market. As such, those who can afford to bear the educational expenses to study in foreign universities get admission. Besides, the private universities also offer scope for higher education especially in the field of science and business studies, but these are costly. Culture of availing education loans for higher study is yet to grow in Bangladesh unlike other countries. In this

regard, the government should promote **"education loan scheme"** for higher study and skill improvement. On the other hand, The government should ensure the quality and standard of higher education not only to stop **'brain drain'** but also attract foreigners to study in the country. The government also needs to allocate a bigger amount of the budget for research in the public universities and enact a law so that the private universities invest at least a portion of their revenues for research. Education loans should also cover all kinds of modern educational toolkits and equipment with comply with global standard. All these initiatives if taken would create new business opportunities.

c. Insurance Services: In Bangladesh, insurance services both life and general have different perspective. The government enacted law on general insurance services as mandatory and insurance coverage is already a pre-requisite in foreign trade. Insurance coverage for employees is not mandatory, however local corporates and multinationals provide life and health insurance coverage to their employees as part of employee benefits. There is a large number of poor and marginal people in Bangladesh who are not covered under any life insurance policies, even the middle income people are yet to be avail life insurance polices as found during the field survey. Poor income group cannot avail treatment facilities for healthcare in case of emergency due to lack of any life insurance policy. Finally, with demographic changes taking place in Bangladesh, it is expected that more elderly people will retire and survive due to higher life expectancy and better health care. The government should encourage new and innovative insurance schemes and services for different income groups at affordable cost.

d. Healthcare Services: In Bangladesh, the public hospitals offer poor healthcare facilities whereas the private hospitals provide a satisfactory services but charge exorbitant high fees for their services. Private sector and public sector healthcare service providers distinctly differ in treatment, hospital facilities, availability of physicians, provision of various medical services, etc. Therefore, the market of healthcare services is critical as different income groups of people avail services based on their affordability. But, as a whole, the healthcare services in Bangladesh are yet to reach a minimum standard. The government should ensure seeting up **'basic minimum parameters'** for general treatment. Different policies related to healthcare, and quality of drugs and medicines need to be standardized. Increased government spending in ensuring cheaper healthcare services for the public will greatly improve the productivity of the labor force. A healthy and productive workforce will increase attraction of foreign direct investment leading to accelerated economic growth. With fall in death rate number of elderly population has been growing. As a result, demand for medicine as well as healthcare services by the senior citizens will increase. Besides medicines and exercises equipment, they will also need healthcare services like physiotherapy, home nursing, etc. The government should also make the public hospitals well equipped with lab facilities for offering better treatments.

6.3   Conclusion

In recent years, Bangladesh has demonstrated strong economic fundamentals with consistent GDP growth rate of 6% plus over last 5 years. Despite turmoil in the global economy, Bangladesh has been maintaining an impressive growth rate of more than 6% on an average over the last ten years. Bangladesh offers a well-educated highly adaptive and hardworking growing number labor force at reasonably low wage level, proven by its spectacular rise in the RMG manufacturing and exports. Besides, energy prices are much cheaper compared to neighboring countries. Bangladesh has a very close regional connectivity, proximity to India, China, Bhutan, Nepal and Myanmar. There is a possibility that contribution of investment rate to rise to 30-40% by 2021 from 26.3% of the GDP, augmenting the disposable income, supported by a declining inflationary trend from 6.07% to further lower.

Bangladesh is one of the fastest growing and most promising economies in Asia-Pacific. With increasing demographic dividend there is an urgent need of capturing it. Furthermore, it is seen that the rate of increase in middle and high income group has not been much but is expected to rise in future if the demographic dividend is utilized well. Capturing the demographic dividend will enhance the economic growth further which will then in turn help the economy reach its target of being a middle income country by 2021.

Low cost labor is a vital factor in attracting local and foreign direct investment in labor intensive industries and also kept the cost of goods produced at a very low level which fulfilled the export growth. A study undertaken by JETRO (Japan External Trade Organization) revealed that Bangladesh is the top investment destination due to low cost of production and favorable trade policies. Incentives being provided by the government that includes tax holidays, DFQF market access, repatriation of dividends, exemption of dividend tax, many fiscal incentives and simplified work permit for foreign nationals.

The study findings and macro-economic analysis reveal that Bangladesh offers a very rare opportunity for the international consumer product companies to act immediately. The economic growth over the last one decade increased per capita income which made Bangladesh a Lower Middle Income Country and in consequence, it creates a significant growth in the demand of consumer durables. At the same time, international migration has been crucial catalyst in creating employment for the poor population which added to the increased income of the economy. All these economic indicators show a growing trend on the consumer market. Potential of the Bangladesh economy has been acknowledged by Goldman Sachs, an international investment institute, as the "Next-11 country". The insights provided by our research on the consumer attitude and consumption trends will help the companies in their

approach to Bangladesh's growing consumer market. Our research has revealed many distinct traits and factors which help understanding the market in-depth.

Finally, the key elements to capture the consumer market in Bangladesh include the following imperatives:

- Even though the income is still low compared to global standard, the middle income group stresses a lot for the **quality of consumer durable and improved services** for their families and they seem willing to pay more to buy high quality products.

- Middle income people expect increase in their income level in near future and as such, they have **aspiration for better standard of living** where possessing one or more of the selected Consumer Durables is an important factor. Moreover, way of life is also improving gradually and thus it leaves enough hope for foreign companies to penetrate new products and services.

- Financial awareness and friendly policy will be ensuring increased demand and confidence to purchase. Consumer market based **financial services/instruments like debit and credit cards** are still not used in widespread, but with perfect education in debt management and affordable interest rate will create more appetite among the growing middle income people.

- Brand has exceptionally high importance to the middle income people. This gives precaution for the international companies to **establish their Brands** in the minds of the consumers. With growing urbanization, cities should give utmost importance in establishing Brands. One big advantage for the international companies will be, the middle income group favors foreign Brands in some specific appliances which offer good quality and value for money.

- To reach the products to the hungry consumers, the international companies need to develop **creative ways in serving traditional channels** to distribute their products. Shopping complexes might be increasing, but the reality is, vast majority will prefer traditional channel for shopping due to poor infrastructure facilities.

- The market of Dhaka and Chittagong will be of utmost importance for any investors, but **other major cities like Khulna, Sylhet, Rajshahi, Rangpur, Mymensingh** and others are growing fast due to rapid urbanization but still remain untapped. This trend could be accelerated with decentralization of government administration. **Catering the demand of the growing cities** will be very important to win the consumer market of Bangladesh.

- Some products and services appear to be very lucrative for Bangladesh in near future due to the fact that an **increased number of elderly people exist due better life expectancy, improved healthcare and treatment facilities and better education**. For example, disease testing device (diabetic/blood pressure measuring devices) and demand for services like physiotherapy, life insurance, pension scheme, tourism, etc. will be increased over the next 30-40 years.

- Introducing second-hand market is not a new concept in Bangladesh, however, a new dimension needs to be created in **establishing second-hand market through innovative and more effective approach**.

- **On-line shopping** needs further campaign. Creative steps may be taken in promoting the on-line shopping system to avoid wastage of valuable time and fuel on the roads everyday.

Finally, only the presence of the foreign companies will not be enough in winning this growing consumer market. The foreign companies need to adapt to the cultural and religious sentiments in developing a new approach of product penetration. Cultural diversity supported by anty ethnocentrism has been playing major role in the demand of consumer products and services. Companies that invest now and develop a very distinct approach will have comparative advantage in the world's next important growing market – Bangladesh.

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The End

APPENDIX 1 CASE ON DEMOGRAPHIC DIVIDEND OF MALAYSIA AND BANGLADESH

A simple association between the demographic dividend and per capita income, as shown in the **scatter-plot diagram** below can shed some light on this particular matter.
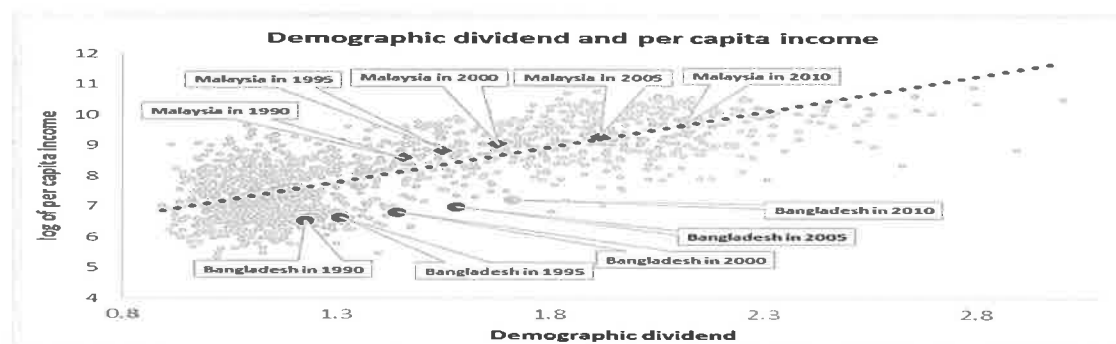
Figure : Comparing Demographic Dividend of Malaysia and Bangladesh

The above scatter-plot is generated with the data of 124 countries for the period between 1950 and 2010 with five-year intervals. The demographic dividend has been calculated from the data of the United Nations (Department of Economic and Social Affairs-Population Division), and was defined as the ratio of working population to the dependent population. The per capita income data was taken from the World Bank WDI. As the demographic dividend have a possibility of lagged effect on per capita income change, it is assumed that the data of demographic dividend for any particular year matches the average per capita income data calculated for the successive five years. From the Figure above, the trend line (red-dotted) shows a very strong positive association between the demographic dividend and per capita income. If we analyze the scatter plot in the Figure which is graphically comparing Malaysia with Bangladesh, we notice that Bangladesh has been always below the trend line while Malaysia was always on or above the trend line.

This graphical presentation demonstrates that in comparison to Bangladesh, Malaysia has been much better in utilizing its demographic dividend in raising its per capita income during the mentioned period taken into consideration. It is a matter of concern for Bangladesh as it is yet to take advantage of the demographic dividend and over the period of time, Bangladesh have drifted further away from the trend line.Now, the question comes, how did East Asian Countries like Malaysia made the best use of the demographic dividend while Bangladesh did not? After analyzing the economies of few Asian Countries we discovered that they were in a better position to fruitfully capitalize on the shift of age structure for reaping the economic productivity boost. Expansionary policy mainly focusing on youth development, family planning, investment in infrastructure, healthcare and education, specifically female education and skill development has been the crucial areas for making impact. Moreover, policies putting emphasis on creation of labor intensive jobs, skill intensive jobs, foreign trade and investment and savings also had positive impact.

APPENDIX 2 STUDY METHODOLOGY
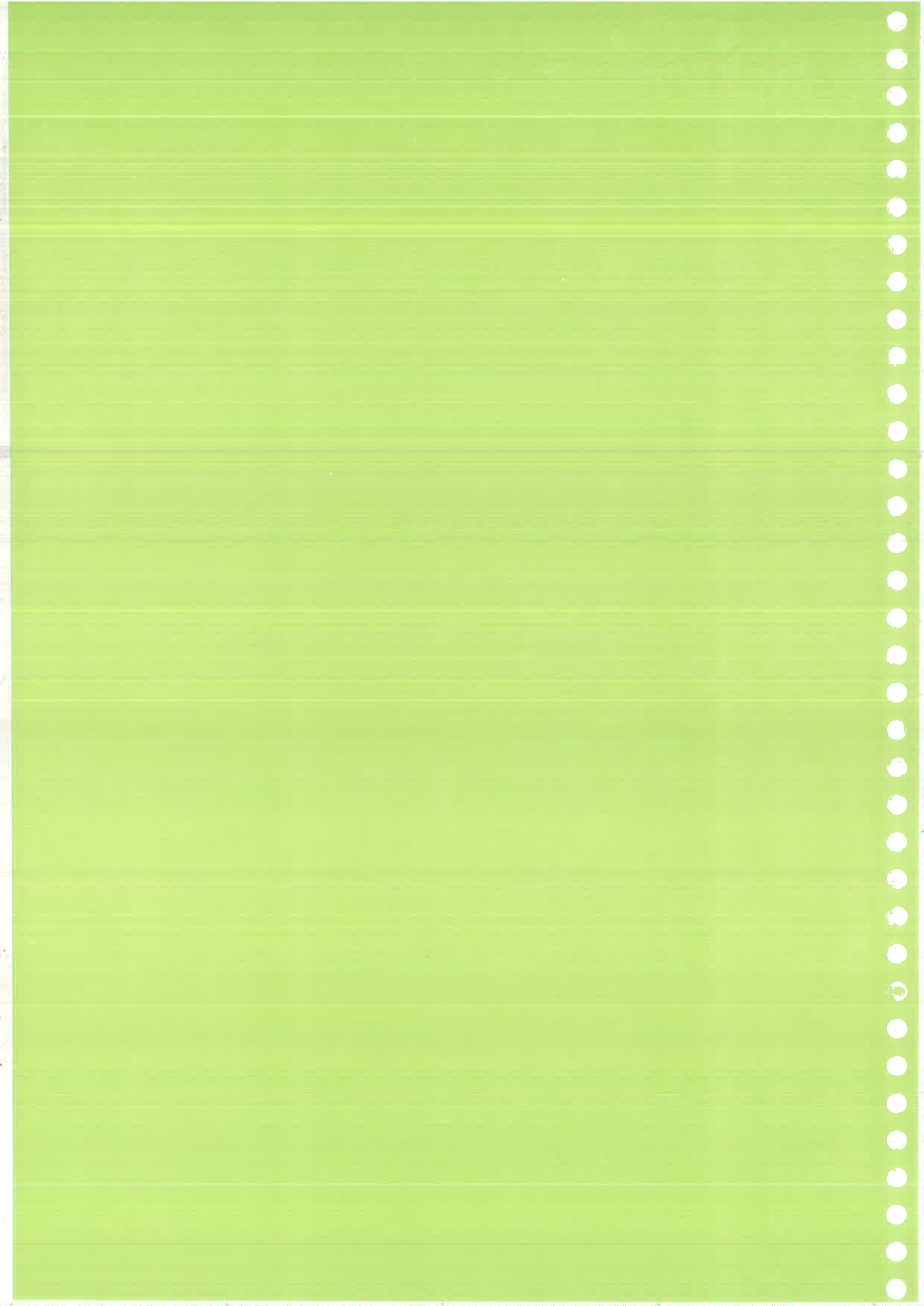
Survey Objectives and Scope of Works

The study aims to assess the market prospects of selected durable goods and services by the middle-income class in Bangladesh through

  a. Analyzing the current socio-economic and demographic status along with consumption pattern of various durable goods and services (such as AC, automobiles, motorcycles, TV sets, washing machines, microwave, bicycles, refrigerators, PC, mobile phones, leisure, education services, healthcare, insurance and other services etc..) of emerging middle-income class in the urban areas of Bangladesh; and

  b. Forecasting/projecting the future market size of these durable goods and services based on the macroeconomic analysis of Bangladesh Economy

Specific objectives of the study can be analyzed further as mentioned below:

  ▪ To assemble data and information on the current status of the middle-income population groups in Bangladesh with a view to understanding the possible expansion trend of that class as the economy of Bangladesh is growing

  ▪ To generate demographic and socio-economic data and information on the middle-income class of Bangladesh to use in analyzing the socio-economic dynamics for market size determination

  ▪ To apprehend the consumption pattern of Bangladeshi people belongs to Low-income, Lower Middle-income, Higher Middle-income and High Income in case of durable goods and services

  ▪ To forecast future consumption of durable goods and services and future market prospects

  ▪ To outline and suggest appropriate strategy that the GoB can adopt to foster the growth of those durable goods and services industries with momentous market prospects

In a nutshell, the study will generate data facilitating analysis of the socio-economic and demographic status of the urban middle income group of people, their usage pattern of different durable goods and services and determine the future market size segregated by product type, brand and price.

Finally, the survey findings will be analyzed in way that reflects current and future consumption pattern of middle income class population in view of the existing macroeconomic scenario and it helps drawing the attention of the prospective investors while they identify market prospects and challenges of any new investments in listed durable products and services industry in Bangladesh.

Approach and Methodology to be followed

YC applies a client-centered consultancy approach acknowledging full authority of JICA as decision-making body that is being explored and utilized with the on-going seamless communication between the team and the task manager. Our experienced team is making their best efforts to accomplish the assignment applying international best practices while keeping in mind the local norms, culture and practices in particular, accessing the Interviewees to obtain data and information. While imparting training and pilot testing, the Field Enumerators (who are competent female individuals) were given enough background on the purpose and objectives of the survey so that they could convince the interviewees easily while interacting with them. The face-to-face interview technique is being applied to collect data and information from the respondents as it is the most popular and oldest form of survey data collection.

Extensive experience of YC in conducting various studies in Bangladesh serves as a reference point. Dedicated additional staff outside the survey team are also involved to ensure close monitoring and supervision using tools like spot verifications, cell phone monitoring, cross checking of the questionnaire, re-check, re-interview, review of filled-in questionnaire, etc. In some cases, the field monitoring staffs are also helping the Field Enumerators in getting access to the houses, particularly, to middle-income households. Finally, the entire activities are being be accomplished by a group of people with diverse and varying skills in conducting survey and research. Dedication and commitment to accomplish the task is ensured by YC through employing right set of people.

Methodology being followed to accomplish the survey includes desk study and review of relevant documents and research findings and survey reports; develop survey instruments, data collection both primary and secondary, training and orientation of Field Enumerators, field survey implementation plan, field survey through face to face interview, key informants interview, data cleaning and editing, data entry, processing and analysis and reporting, and dissemination of findings. To accomplish these objectives, a comprehensive approach of quantitative data collection has been initiated through appropriate sampling design and sample determination. Field survey is being conducted to generate required data and unfold the inherent socio-economic and demographic characteristics of the emerging middle-income class in the urban areas of Bangladesh. Methodology followed is further explained as below:

a. Population

As households are the main consumption unit for this study, the population for this study is the total number of middle income group households of the urban areas of Bangladesh. It is very important to identify the population properly to develop a statistically sound sample design for conducting this sample survey. As suggested, the study covers all 8 (eight) divisional headquarters i.e. Dhaka, Chittagong, Rajshahi, Khulna, Barisal, Sylhet, Rangpur and Mymensingh and the total number of households in these 8 cities is as given in Table-1 below:

Table 1: No. of Households and Population in 8 divisional HQ of Bangladesh

Sl	City	Area (sqm)	Number of HHs	Population
1	Barisal	69	75,000	339,308
2	Chittagong	155	558,097	2,592,439
3	Dhaka	316	2,034,146	8,906,039
4	Khulna	51	157,486	664,728
5	Mymensingh	71.98	82,687	389,918
6	Rajshahi	97	99,468	451,425
7	Rangpur	50.69	65,643	307,053
8	Sylhet	42	106,107	526,412

Source: 2011 census

The study team also proposed to collect preliminary production and market information on these selected products from the retailers as well as from the local producers. It is assumed that inclusion of these two categories of respondents would enrich the study findings particularly in the assessment of existing business situation and identification of challenges and hindrances in future market growth. Therefore, besides collection of opinions and views of the household consumers, the study team would also gather some preliminary ideas about existing market and its trend from the actual players involved in production and marketing of these products.

b. Sampling Unit and Sampling Frame

Here in this study each and every individual middle income group households of these eight cities is the sampling unit. The sampling frame is the complete list of the sampling units. For this study we do not have the sampling frame ready at our hand and it is not possible to prepare the complete list of households of whole cities. So, before conducting the main survey, a Quick Survey has been conducted to understand average income level based on certain assumed criteria of HH in terms of selected income clusters from where the sample households will be randomly selected for interview. Different wards within each City Corporation will be identified based on income level in consultation with the local leaders i.e. Ward Commissioners, Councilor, etc. It is proposed that at least 10 local manufacturers and 90 Retailers of these selected products will be interviewed to understand current business situation and their views about possible market growth, competition and other relevant aspects. A product matrix of 10 leading local manufacturers is being prepared through collecting primary and secondary data on the products.

c. Sampling Design

To ensure the representation of wide geographic region, a **multistage stratified cluster sampling method** is being adopted to select households considering households as ultimate sampling units and Upazillas as primary sampling units. The basis of the stratification is the income level of the households as indicated in ToR (low-income bracket, lower middle-income bracket, higher middle-income bracket, and high income bracket). In the first stage, wards are selected randomly from each of the 8 (eight) cities depending on the total number of households in the city. From each of the selected wards at least 30 households are being selected randomly. In the second stage, 2 Mouza/Mahallas (Higher and Middle Income Class) are being selected from each of the selected Ward and at least 15 households are being taken from each of the selected Mouza/Mahalla randomly from the list of households prepared for the Mouza/Mahalla. Distribution of sample size from different geographic location is presented in the following Table-2:

Table 2: No. of Wards, Mouza/Mahalla, and Households to be selected from 8 Cities

Sl	City	Total # of Wards	# of wards to be selected	No. of Mahalla to be selected	# of HHs to be selected
1	Barisal	30	1	2	30
2	Chittagong	41	6	12	180
3	Dhaka	92	19	40	600
4	Khulna	31	2	4	60
5	Mymenshingh	21	1	2	30
6	Rajshahi	37	1	2	40
7	Rangpur	33	1	2	30
8	Sylhet	27	2	3	40
	Total	**312**	**33**	**67**	**1,010**

As mentioned earlier, a total of 1,010 HH will be interviewed; 10 leading local manufacturers and 90 Retailers will be interviewed as JICA agreed during the last meeting on the inception report. Table-3 below presents field plan on retailer's survey in different divisional cities:

Table-3 Field Plan on Retailer's Survey in Divisional Cities:

#	Division	Number of Retailers
1	Barisal	8
2	Chittagong	16
3	Dhaka	30
4	Khulna	8
5	Mymenshingh	4
6	Rajshahi	8
7	Rangpur	8
8	Sylhet	8
	Total	**90**

d. Collection of Relevant Documents

As mentioned earlier, YC collected required data and information while preparing the research proposal in particular designing the approach and methodology for field based research activities. YC continues internet browsing to find various research findings and secondary data. With regard to this survey, YC has collected some relevant study reports conducted in other countries as well as by international expert group on Bangladesh:

i.   A report to assist local companies to gain a deeper understanding of the middle and affluent class in Bangladesh market and it is similar to the objectives of the proposed survey.
ii. Projected Population by Sex and Urban and Rural Residence till 2051
iii. Study on India, developing country like Bangladesh.

Title of data/material/information/sources/books	Name of Publisher	Date of issue/ Publications	Outline of Contents
Bangladesh: The Surging Consumer Market Nobody Saw Coming	Boston Consulting Group (BCG), USA	22nd October, 2015	A Report to assist companies to gain a deeper understanding of the middle and affluent class in Bangladesh market. The report is similar to the objectives of the proposed survey project.
Household Income & Expenditure Survey 2010	Bangladesh Bureau of Statistics	December 2011	Statistical information of Household Size, Income and Expenditure pattern
Statistical Pocketbook 2013 and Statistical Yearbook of 2013	Bangladesh Bureau of Statistics	April 2014	Projected Population by Sex and Urban and Rural Residence till 2051. Most updated population status
Tracking the Growth of India's Middle Class	McKinsey Global Institute	2007	A similar study on consumers' market in India developing country like Bangladesh.

e. Developing Framework to Estimate Income-wise population

Framework for estimating income-wise population is being developed following the steps as explained below:

- Collecting income details of the respondents all over Bangladesh and allot them according to the 8 divisions
- Manage total population data of all the 8 divisions (if possible according to urban rural population) and
- Make an estimation based on the total population and economic condition of the divisions

The study team utilized findings of the two recent research works done on middle income class of Bangladesh. One was done by local Economist, Dr. Binayek Sen and the other was done by the globally reputed US-based Consulting Firm i.e. Boston Consulting Group (BCG). Both have made their own estimations about the middle income group of Bangladesh. Dr. Binayek Sen claims that 20% of the total population, which is around 34 million people falling in the middle income group. Whereas BCG, in their report, stated that only 7% of the total population i.e. 12 million people is in the middle and affluent income group. A huge difference in the estimation is due to their categorization of middle income group. Dr. Binayek Sen considered people with USD $2-$3 per day earning as middle income group while BCG considers people with USD $151-$250 per month earning as the middle and affluent income group. So far, following table can be referred for income-wise population till 2010, which will be enhanced further in the coming weeks. The study team is also exploring other ways of analyzing this issues.

f. Conducted Short Quick Survey to Determine Target Respondents

A quick survey was conducted to assess the actual situation based on certain assumptions about income and expenditure. A total of 100 households will have been interviewed following a short Checklist or Questionnaire. Upon completion of the quick survey, the study team will acquire comprehension on the location of different income groups in different part of the city as well as portrait a scenario that reflects the existing situation of possession of selected consumer's durables at household level.

g. Field Survey Planning and Implementation

While interviewing the respondents, the field staffs followed the standardized interviewing techniques as mentioned below to ensure collection of high quality data and information:

Standardized Interviewing Techniques:

- Questions are read exactly as worded
- If the respondent's answer to the initial question is not a complete and adequate answer, probe for clarification and elaboration in a non-directive way; that is, a way that does not influence the content of the answers that result
- Answers should be recorded without Interviewer's discretion; but the answers recorded should reflect what the respondent says.
- The Interviewers communicates a neutral, non-judgmental stance with respect to the substance of answers. The Interviewer should not provide any personal information that might imply any particular values or preferences with respect to topics to be covered in the interview, nor should the Interviewer provide any feedback to respondents, positive or negative, with respect to the specific content of the answers they provide.

Guidelines for Recording Answers for Different types of Questions:

- Open-ended, factual questions–write down all information relevant to the question's objectives
- Open-ended, opinion questions–write down the answer verbatim; use no summaries
- Close-ended, factual questions–Check-off the answer chosen by the respondent. If the respondent is not certain which category fits, treat the question as an open question
- Close-ended, opinion questions–Check-off the answer chosen. Probe under the respondent chooses an answer. Do not check-off an answer category unless the respondent chooses it

Being Interpersonally Neutral:

- Interviewers do not volunteer information to the respondent about life situations, views, etc.
- During the interview interaction, the interviewer should be careful that the feedback provided to respondents does not imply evaluation or judgment about the content of the answers.

Establish the Context for Standardized Interviews:

- Explain the purpose or reason for the interview
- Establish the tone of the relationship between the Interviewer and respondent
- Communicate the goals of the interview and the standards that will be applied

Interviewer Characteristics that might Affect Data:

- Some Interviewers are better than others in carrying out the question and answer process
- Certain Interviewer characteristics might alter the context or meaning of questions

h. Quality Control and Monitoring

A three-stage quality control and monitoring system will be followed to ensure accuracy of data and information. First of all, the Field Enumerators check questionnaires each other. Then, the Field Investigators will recheck the Questionnaires and finally, the Team Leader and Senior Statistician will also recheck the Questionnaires as sample basis (randomly). As mentioned above, Field Supervisors will be deployed in each division to ensure quality control and effective monitoring. Task and responsibilities of the Field Supervisors include:

- Ensuring appropriate selection of respondents
- Overseeing administration of the survey instruments by the Field Investigators
- Giving guidance to the Field Investigators, as needed
- Cross-checking of tasks performed by the Investigators/ Interviewer
- Re-edit accomplished questionnaires for completeness and accuracy

Two additional staffs have been deployed to ensure close monitoring of field survey works. A further step for ensuring quality control, the Team Leader and Senior Statistician will recheck 5% of the fielded-in questionnaires. On-the-spot decisions on any unexpected deviation from the approved survey plan will be given by them besides checking the reliability of data collected from the field. Field Investigators and Field Supervisors are in close touch with the Team Leader and Others to solve any problems being arisen in the field.

i. Data Cleaning, Coding, Entry and Processing

i) Data Processing: Data processing will involve [a] checking, editing and coding of the filled-in survey instruments and [b] data entry and cleaning; *ii)Checking, Editing and Coding:* In the case of checking, editing and coding of the field data particular attention will be given to: [a] checking identification [ID] number of each questionnaires, [b] verifying the adequacy of responses [c] checking the consistency of responses, [d] coding the open-ended questions, and [v] sample checking of the questionnaires by the consultants; and iii) *Data Entry and Cleaning:* Data entry will be done in Microsoft Excel or SPSS.

An appropriate data entry and cleaning program is being developed to ensure storing of error-free data. For ensuring the correctness of data entered, a manual checking involving the services of data entry operators and data checkers will be done.

j. Analysis of Findings and Report Writing

Once the data input, checking, editing and re-check will be completed, the survey team will start analyzing the data using tables, charts, graphs, etc. and prepare market survey report and submit the draft report to JICA for their review and comments. However, the survey team will perform the activities in close interaction with JICA Task Manager. It is expected that JICA Task Manager will review the deliverables and provide feedback, if any.

Questionnaire for Household Survey
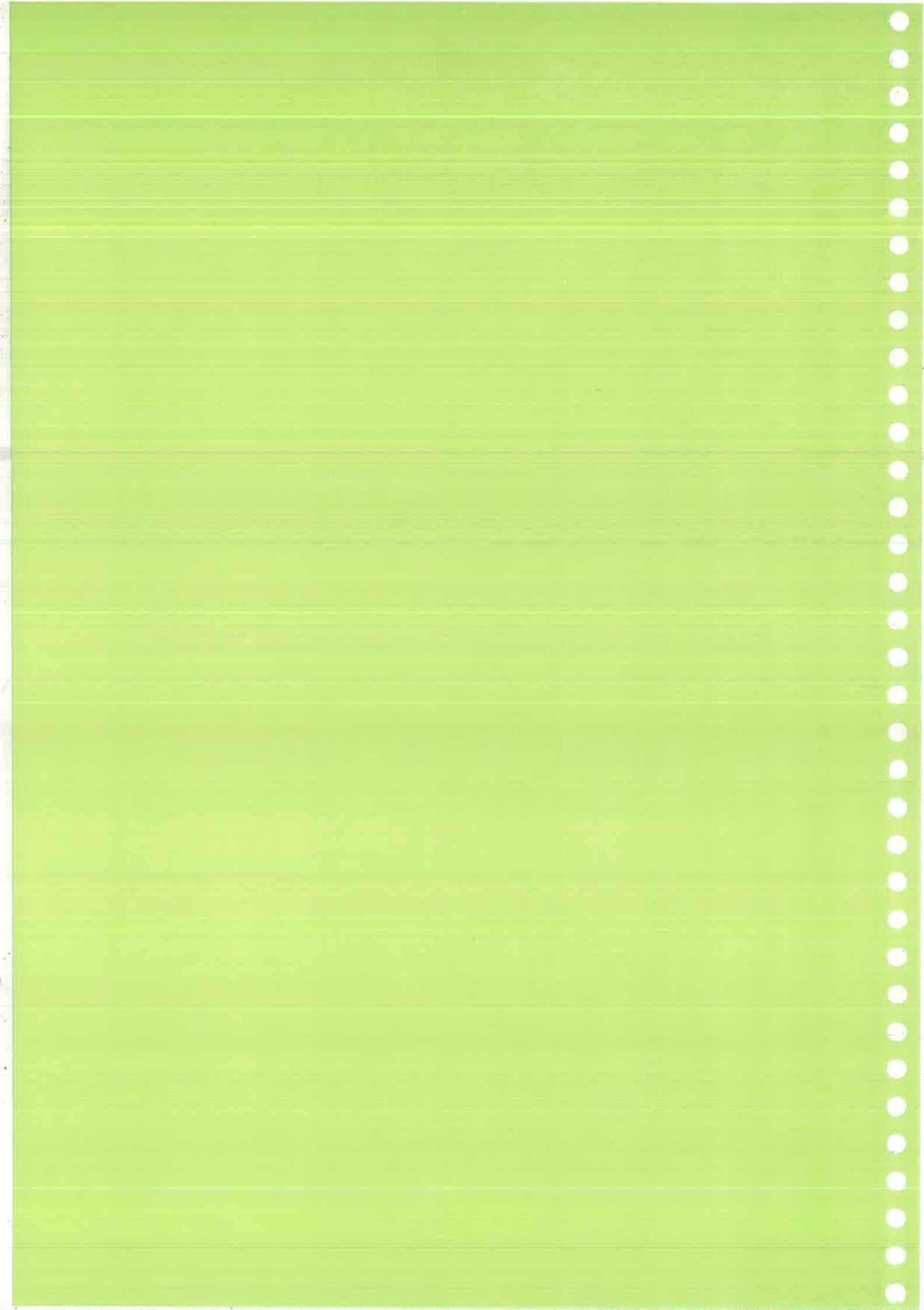
Questionnaire for Household Survey

JICA Survey on Emerging Middle-Income Class in Bangladesh

Survey Conducted By:

Young Consultants

House B-114 (3F), Road 7
New DOHS, Mohakhali, Dhaka-1206 Bangladesh
www.youngconsultants-bd.org

সন্মানিত জনাব/জনাবা,

আসসালামুআলাইকুম,

আপনার অবগতির জন্য জানাচ্ছি যে, **ইয়াং কনসালটেন্টস (Young Consultants)** একটি গবেষণা প্রতিষ্ঠান যা গত ১৯৯৮ সাল থেকে বাংলাদেশে বিভিন্ন ধরনের গবেষণা ও মাঠ পর্যায়ে সমীক্ষা করে আসছে। বর্তমানে প্রতিষ্ঠানটি **JICA (Japan International Cooperation Agency)** এর পক্ষ থেকে **"Survey on Emerging Middle-Income Class in Bangladesh"** নামক একটি জরিপের কাজ পরিচালনা করছে।

এ জরিপটি বাংলাদেশের শহর অঞ্চলের মানুষের আর্থ-সামাজিক অবস্থা ও তাদের দৈনন্দিন জীবন যাত্রার মান নিরুপন করবে এবং তার পাশাপাশি মানুষের প্রাত্যহিক জীবনে নিত্য প্রয়োজনীয় পন্য সামগ্রী ব্যবহার সম্বন্ধে একটি সম্যক ধারনা নিবে।

এতদ্ উদ্দেশ্যে আমাদের নিয়োগকৃত তথ্য সংগ্রহকারী কর্মীবৃন্দ আপনার কাছ থেকে আপনার পরিবার/আপনার ব্যবসা প্রতিষ্ঠান সম্পর্কিত কিছু তথ্য সংগ্রহ করতে আগ্রহী যা শুধুমাত্র এই সমীক্ষার কাজেই ব্যবহার করা হবে এবং আপনার দেওয়া তথ্যের কঠোর গোপনীয়তা রক্ষা করা হবে।

এই সমীক্ষার কার্যক্রম সঠিকভাবে বাস্তবায়নে আপনার আন্তরিক সহযোগীতা একান্তভাবে কামনা করছি।

এ বিষয়ে আপনার কোন তথ্য জানার প্রয়োজন হলে ০১৭১২৮১২২৫৯ নম্বরে জনাব মশিউর রহমান, ফিল্ড অপারেশন প্রধানের সাথে যোগাযোগ করতে পারেন।

ধন্যবাদান্তে

এম.জাকির হোসেইন
প্রধান নির্বাহী
ইয়াং কনসালটেন্টস

বাংলাদেশের মধ্যম আয় শ্রেনীর উত্থান সংক্রান্ত জরিপ
Survey on Emerging Middle-Income Class in Bangladesh
পরিবার ভিত্তিক সমীক্ষার প্রশ্নপত্র
সমীক্ষা পরিচালনাকারী প্রতিষ্ঠানঃ জাইকা, বাংলাদেশ অফিস, ঢাকা।
সমীক্ষা বাস্তবায়নকারী সংস্থাঃ ইয়াং কনসালটেন্ট, বাংলাদেশ
সময়কালঃ ডিসেম্বর-২০১৫ থেকে মার্চ-২০১৬

A	তথ্য প্রদানকারীর পরিচিতি		সংকেতিক নম্বর
A1.	তথ্য প্রদানকারীর নামঃ		
A2.	লিঙ্গঃ 1. পুরুষ 2. মহিলা		
A3.	বয়সঃ _____ বছর		
A4.	ঠিকানাঃ		
	মহল্লাঃ _____	থানাঃ _____	
	ওয়ার্ডঃ _____	সিটি কর্পোরেশনঃ _____	
A5.	মোবাইল নম্বরঃ 0 1 ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐		
A6.	শিক্ষাগত যোগ্যতাঃ 1. প্রাথমিক 2. নিম্ন মাধ্যমিক 3. এস.এস.সি 4. এইচ.এস.সি 5. স্নাতক 6. স্নাতকোত্তর 7. পিএইচডি ৪. অন্যান্য (উল্লেখ করুন) _____		
A7.	পেশাঃ 1. সরকারী চাকুরী 2. বেসরকারী চাকুরী 3. পেশাজীবী (ডাক্তার, প্রকৌশলী, পরামর্শক, উকিল ইত্যাদি) 4. শিক্ষক 5. ব্যবসায়ী 6. গৃহিনী 7. অন্যান্য (উল্লেখ করুন) _____		
A8.	আপনারা স্বামী-স্ত্রী দুজনেই কি চাকুরী করেন? 1. হ্যাঁ 2. না		
A9.	পরিবারের বর্তমান মোট সদস্য সংখ্যাঃ	1. মোট মহিলা (সংখ্যা) :	
		2. মোট পুরুষ (সংখ্যা) :	
A10.	1. উপার্জনকারী সদস্যের সংখ্যাঃ _____ 2. ছাত্র-ছাত্রীর সংখ্যাঃ _____		
A11.	আপনার সংসারের মাসিক আনুমানিক খরচ কত (টাকায়)?		
	খরচের খাত	পরিমান (টাকায়)	
	a. খাদ্য		
	b. বাড়ি ভাড়া (যদি থাকে)		
	c. যাতায়াত		

	d. শিক্ষাবাবদ খরচ		
	e. কাপড়-চোপড়		
	f. গ্যাস, বিদ্যুৎ, পানি ও পয়নিষ্কাশন বিলসমূহ		
	g. ড্রাইভারের বেতন (যদি থাকে)		
	h. বাইরে খাবারের খরচ		
	i. গৃহকর্মীর বেতন		
	j. স্বাস্থ্য ও চিকিৎসা		
	k. বৈদ্যুতিক যন্ত্রপাতির খরচ		
	l. উপহার সামগ্রী ক্রয়		
	m. টেলিফোন, ইন্টারনেট ও ডিস বিল		
	n. মোবাইল বিল		
	o. অন্যান্য		
A12.	আপনার পরিবারের সর্বমোট মাসিক আয় কত (টাকায়)? ১. টাকা ৩৩,০০০ এর নিম্নে ২. টাকা ৩৩,০০০ থেকে ১০০,০০০ এর নিম্নে ৩. টাকা ১০০,০০০ থেকে ২৫০,০০০ ৪. টাকা ২৫০,০০০ এর উর্ধ্বে		
A13.	আপনার পরিবারের কোন সদস্য কি বিদেশ থেকে অর্থ প্রেরন করে থাকেন? ১. হ্যাঁ ২. না [উত্তর না হলে, A18. নং প্রশ্নে চলে যান]		
A14.	যদি হ্যাঁ হয়ে থাকে তাহলে মাসে বিদেশ থেকে কত টাকা পান? টাকা_____		
A15.	অনুগ্রহ করে কি সে দেশটির নাম বলবেন? _____		
A16.	আপনি প্রেরিত অর্থ কিভাবে খরচ করেন? ১. নিত্য প্রয়োজনীয় সংসার খরচের জন্য ২. শিক্ষা ৩. জমি ক্রয় ৪. সঞ্চয় ৫. বিনিয়োগ ৫. অন্যান্য (উল্লেখ করুন)_____		
A17.	বিদেশে কর্মরত সদস্যের পেশা কি? _____		
A18.	আপনার পরিবারের বাইরের কেউ কি আপনাকে আর্থিক সহযোগিতা করে? ১. হ্যাঁ ২. না		
A19.	উত্তর হ্যাঁ হয়ে থাকলে, মাসিক কত টাকা পান?_____ টাকা		
A20.	আপনি কি সঞ্চয় করেন? ১. হ্যাঁ ২. না		
A21.	আপনি কি হারে সঞ্চয় করে থাকেন? ১. নিয়মিত ২. যখন সম্ভব হয় ৩. উভয়ই		
A22.	আপনার পরিবারের মাসিক আয় হতে সঞ্চয়ের হার (%) কত? ১. ৫-১০% ২. ১০-২০% ৩. ২০-৩০% ৪. ৩০% এর উর্ধ্বে ৫. অন্যান্য		

B	গৃহস্থালী সংক্রান্ত তথ্যাদি					
B1.	নিম্নে বর্ণিত পন্যের কোন্ কোন্গুলো বর্তমানে আপনার বাসায় ব্যবহৃত হচ্ছে? (বিস্তারিত তথ্যসহ পন্যের নাম উল্লেখ করুন)					
পন্য	সংখ্যা	সাইজ/ মডেল	ব্রান্ড	উৎপাদনকারী দেশ	ক্রয়ের সাল	ক্রয়মূল্য (টাকায়)
1. ব্যক্তিগত গাড়ী						
2. মটর সাইকেল						
3. বাই-সাইকেল						
4. তিন চাকার গাড়ী						
5. ওয়াশিং মেশিন						
6. টেলিভিশন						
7. ফ্রিজ (সাধারন)						
8. ফ্রিজ (ডিপ)						
9. মাইক্রো ওভেন						
10. ইস্ত্রি						
11. এয়ার কুলার						
12. রাইচ কুকার						
13. জুস ব্লেন্ডার						
14. টোস্টার						
15. কম্পিউটার						
16. ল্যাপটপ						

১৭. ডিভিডি					
১৮. ক্যামেরা					
১৯. মোবাইল					
২০. ভেক্যুম ক্লিনার					
২১. ব্যায়াম করার যন্ত্রপাতি					
২২. চিকিৎসা সংক্রান্ত যন্ত্রপাতি					
২৩. আই.পি.এস					
২৪. রুম হিটার					
২৫. গিজার					
২৬. আর্দ্রতা শোষণকারী (ডিহিউমিডিফায়ার)					
২৭. সেলাই মেশিন					
২৮. অন্যান্য (উল্লেখ করুন)					

পণ্য	সংখ্যা	সাইজ/মডেল	উৎপাদনকারী দেশ	বাজেটের পরিমান (আনুমানিক) (টাকায়)
B2. আগামী পাঁচ বছরে কোন্ কোন্ পন্যগুলো ক্রয়ের ইচ্ছা রাখেন?				
1. ব্যক্তিগত গাড়ী				
2. মটর সাইকেল				
3. বাই-সাইকেল				
4. তিন চাকার গাড়ী				
5. ওয়াশিং মেশিন				
6. টেলিভিশন				
7. ফ্রিজ (সাধারন)				
8. ফ্রিজ (ডিপ)				
9. মাইক্রো ওভেন				
10. ইস্ত্রি				
11. এয়ার কুলার				
12. রাইচ কুকার				
13. জুস ব্লেন্ডার				
14. টোস্টার				
15. কম্পিউটার				
16. ল্যাপটপ				

17. ডিভিডি			
18. ক্যামেরা			
19. মোবাইল			
20. ভেক্যুম ক্লিনার			
21. ব্যায়াম করার যন্ত্রপাতি			
22. চিকিৎসা সংক্রান্ত যন্ত্রপাতি			
23. আই.পি.এস			
24. রুম হিটার			
25. গিজার			
26. আর্দ্রতা শোষণকারী (ডিহিউমিডিফায়ার)			
27. সেলাই মেশিন			
28. অন্যান্য (উল্লেখ করুন)			

B3.	উপরোক্ত পন্য ক্রয়ের ক্ষেত্রে নিম্নোক্ত কোন্ কোন্ বিষয়ের উপর গুরুত্ব দিয়ে থাকেন? (১ থেকে ৬ পর্যন্ত র্যাংকিং করুন, যেখানে ১ সর্বোচ্চ এবং ৬ সর্বনিম্ন)	
	1. ব্রান্ড	
	2. মূল্য	
	3. ছাড়/ ডিসকাউন্ট	
	4. আধুনিক মডেল (বিদ্যুৎ সাশ্রয়ী)	
	5. পন্যের মান	
	6. গ্যারান্টি	
B4.	উপরোক্ত পন্যের ক্ষেত্রে বিক্রয়োত্তর সেবার গুরুত্ব কেমন? 1. অত্যাধিক গুরুত্বপূর্ন 2. গুরুত্বপূর্ণ 3. নিরপেক্ষ 4. গুরুত্বহীন	
B5.	সম্প্রতি কোনো পন্যের ক্ষেত্রে বিক্রয়োত্তর সেবা নিয়ে থাকলে, সেক্ষেত্রে আপনার অভিজ্ঞতা কেমন? 1. খুব ভাল 2. ভাল 3. মোটামুটি 4. খারাপ 5. খুব খারাপ 6. সেবা নেই নাই	
B6.	আপনি নিম্নোক্ত কোন্ পন্য কিনতে বেশী আগ্রহী? 1. স্থানীয়ভাবে সংযোজিত পন্য 2. স্থানীয়ভাবে উৎপাদিত পন্য 3. আমদানীকৃত পন্য	
B7.	আপনার বাসা থেকে কর্মস্থলের দূরত্ব কত? (কি.মি.) _____	
B8.	আপনার বাসা থেকে কর্মস্থলে যেতে কত সময় লাগে?	

B8.	১. স্বাভাবিক অবস্থায়	২. ট্রাফিক জ্যাম অবস্থায়
	1. ২০ মিনিটের কম	1. ২০ মিনিটের কম
	2. ২০-৪০ মিনিট	2. ২০-৪০ মিনিট
	3. ৪১-৬০ মিনিট	3. ৪১-৬০ মিনিট
	4. ৬১-৯০ মিনিট	4. ৬১-৯০ মিনিট
	5. ৯০ মিনিটের অধিক	5. ৯০ মিনিটের অধিক

B9.	আপনি সাধারনত কিভাবে (যানবাহন) কর্মস্থলে যাতায়াত করেন? 1. রিক্সা 2. অটো রিক্সা 3. পাবলিক বাস 4. টেম্পো 5. বাই-সাইকেল 6. মটর সাইকেল 7. ব্যক্তিগত গাড়ী 8. অফিসের গাড়ী 9. পায়ে হেঁটে 10. অন্যান্য	
C	**আর্থিক তথ্যাবলি**	
C1.	উপরোক্ত পণ্যগুলো কেনার জন্য আপনি কি কখনো কোন ঋণ নিয়েছেন? 1. হ্যাঁ 2. না [উত্তর না হলে C3. নং প্রশ্নে চলে যান]	
C2.	উত্তর হ্যাঁ হয়ে থাকলে, সেক্ষেত্রে আপনি কি ধরনের ঋণ নিয়েছেন? (একাধিক উত্তর হতে পারে) _____	
C3.	ভবিষ্যতে আপনি উপরোক্ত কোন্ পন্যগুলো কিভাবে কিনবেন? (একাধিক উত্তর হতে পারে) 1. বেতন থেকে 2. ভোগ্যপণ্য ঋণ থেকে 2. সঞ্চিত অর্থ থেকে 4. অন্যান্য_____	
C4.	আপনি কি পন্য কেনাকাটার ক্ষেত্রে ক্রেডিট কার্ড ব্যবহার করেন? 1. হ্যাঁ 2. না [উত্তর না হলে C8. নং প্রশ্নে চলে যান]	
C5.	আপনি কতো ঘন ঘন ক্রেডিট কার্ড ব্যবহার করে নিত্য প্রয়োজনীয় পন্য ক্রয় করেন? 1. সবসময় 2. বিশেষ উপলক্ষ্যে 3. মাঝে মাঝে 4. অন্যান্য_____	
C6.	আপনি কি বিদ্যমান ক্রেডিট কার্ড সেবা নিয়ে সন্তুষ্ট? 1. হ্যাঁ [উত্তর হ্যাঁ হলে C8. নং প্রশ্নে চলে যান] 2. না	

C7.	যদি উত্তর না হয়, তাহলে কারন কি? (একাধিক উত্তর হতে পারে) 1. টাকার পরিমান কম 2. অনুমোদিত দোকানের সংখ্যা কম 3. অনুমোদন প্রক্রিয়াটি জটিল 4. টাকা পরিশোধ প্রক্রিয়াটি জটিল 5. অন্যান্য_____	
C8.	আপনি কি কেনাকাটার ক্ষেত্রে ডেবিট কার্ড ব্যবহার করেন? 1. হ্যাঁ 2. না [উত্তর না হলে C11. নং প্রশ্নে চলে যান]	
C9.	আপনি কি নগদ লেনদেনের পরিবর্তে ডেবিট কার্ড ব্যবহার করতে বেশী পছন্দ করেন? 1. হ্যাঁ 2. না	
C10.	যদি হ্যাঁ হয়, তাহলে কারন উল্লেখ করুনঃ	
C11.	আপনার গৃহস্থালির ব্যবহার্য পন্যের সংখ্যা বৃদ্ধির জন্য কি ধরনের সহযোগীতা আশা করেন?	

আর্থিক সহায়তা	অনার্থিক সহায়তা
1. কর মওকুফ/ হ্রাস	•
2. ভর্তুকি	•
3. কিস্তির সুবিধা	•
•	•

C12.	আপনি কি মনে করেন ভোগ্যপন্যের জন্য আমাদের দেশে সেকেন্ডহ্যান্ড মার্কেট প্রতিষ্ঠা করার প্রয়োজন আছে? 1. হ্যাঁ 2. না 3. জানিনা	
D	ভোগের গতিধারা (Consumption Trend)	
D1.	আপনি কি বাইরে খেতে পছন্দ করেন? 1. হ্যাঁ 2. না [উত্তর না হলে, D3. নং প্রশ্নে চলে যান]	
D2.	আপনি কতদিন পর পর বাইরের রেস্তোরায় খেতে যান? 1. সপ্তাহে একদিন 2. সপ্তাহে একদিনের বেশী 3. মাসে একবার 4. মাসে ২ বার 5. কদাচিৎ	
D3.	পরিবারসহ আপনি কতদিন পর পর বাইরের রেস্তোরায় খেতে যান? 1. সপ্তাহে একদিন 2. সপ্তাহে একদিনের বেশী 3. মাসে একবার 4. মাসে ২ বার 5. কদাচিৎ 6. পরিবারসহ বাইরে খেতে যায় না [উত্তর 6 হলে, D5. নং প্রশ্নে চলে যান]	
D4.	কি কারনে আপনি পরিবারসহ বাইরে খেতে যান? (একাধিক উত্তর হতে পারে) 1. বিদেশী খাবার 2. ব্র্যান্ডের ফাস্ট ফুড 3. অগতানুগতিক খাবার 4. বাইরের খাবার আনন্দদায়ক 5. বিশেষ দিবস 6. অনুষ্ঠান 7. অন্যান্য (উল্লেখ করুন)_____	
D5.	যদি D4. এর উত্তর বিদেশী খাবার হয়, তাহলে আপনি কোন দেশী খাবার বেশী পছন্দ করেন? 1. চাইনিজ 2. ইন্ডিয়ান 3. জাপানিজ 4. কোরিয়ান 5. মেক্সিকান 6. থাই 7.তুর্কি 8. কন্টিনেন্টাল ফুড 9. অন্যান্য (উল্লেখ করুন)_____	
D6.	আপনি কি বুফে ডিনার/ লাঞ্চ পছন্দ করেন? 1. হ্যাঁ 2. না	
D7.	যখন বাইরে খেতে যান তখন খাবারের দাম/খরচ আপনাকে কিভাবে প্রভাবিত করে? 1. খরচ কোন বিষয় না 2. সস্তা খাবার পছন্দনীয় 3. অন্যান্য (উল্লেখ করুন)_____	

D8.	আপনি অবসর সময়ে কি কি করতে পছন্দ করেন? (একাধিক উত্তর হতে পারে)	
	১. টিভি দেখা ২. ভিডিও গেম খেলা	
	৩. উন্মুক্ত স্থানে খেলাধুলা ৪. বাসায় আরাম করা/অবসর নেয়া	
	৫. ব্যায়াম করা ৬. বন্ধু-বান্ধবীর সাথে বাইরে ঘোরাঘুরি করা	
	৭. হলে যেয়ে সিনেমা দেখা ৮. পত্রিকা পড়া	
	৯. বন্ধু-বান্ধবীর সাথে আলাপ-চারিতা ১০. অন্যান্য (উল্লেখ করুন)	
D9.	অবকাশ যাপনের জন্য আপনি কোথায় যান/যেতে পছন্দ করেন? (একাধিক উত্তর হতে পারে)	
	১. দেশের বাইরে ২. স্থানীয় পর্যটন কেন্দ্রে ৩. গ্রামের বাড়িতে ৪. আত্মীয়-স্বজনের বাড়ীতে	
	৫. অন্যান্য (উল্লেখ করুন)	
D10.	যদি **বিদেশ ভ্রমন** করে থাকেন তাহলে গত ৫ বছরে কোন কোন দেশে ভ্রমন করেছেন?	১। ২। ৩। ৪।
D11.	**বিদেশ ভ্রমনে** গত একবছরে আনুমানিক কত টাকা ব্যয় করেছেন? (গত এক বছরে না গেলে **সর্বশেষ ভ্রমনে**)	_____ টাকা
D12.	দেশের ভেতরে অবকাশ ভ্রমনে সাধারণত প্রতি বছর কত টাকা ব্যয় হয়?	_____ টাকা
D13.	অবকাশ যাপনের ক্ষেত্রে আপনি কোন বিষয়গুলোকে বেশী গুরুত্ব দিয়ে থাকেন? **(ক্রম অনুসারে উল্লেখ করুন, যেখানে ১ সর্বোচ্চ এবং ৬ সর্বনিম্ন)**	
	১. মূল্য/ খরচ	
	২. স্থান (বিদেশ)	
	৩. স্থান (স্থানীয়)	
	৪. সেবার মান	
	৫. যানবাহনের ধরন	
	৬. নিরাপত্তা	
D14.	সংসারের প্রয়োজনীয় মুদিখানার জিনিসপত্র কোথা থেকে ক্রয় করেন? (একাধিক উত্তর হতে পারে)	
	১. কাঁচা বাজার ২. রাস্তা পার্শ্ববর্তী বাজার ৩. সুপারস্টোর	
	৪. অস্থায়ী বাজার ৫. অনলাইন সপ ৬. মুদি দোকান ৭. অন্যান্য	
D15.	আপনি সাধারনত কতদিন পর পর পোষাক ক্রয় করে থাকেন?	
	১. প্রতি মাসে ২. প্রতি ২-৩ মাসে ৩. প্রতি ৬ মাস অন্তর ৪. বছরে একবার	
D16.	আপনার নিজের বা পরিবারের জন্য কি ধরনের পোষাক ক্রয় করে থাকেন? **(একাধিক উত্তর হতে পারে)**	
	১. ব্র্যান্ড ২. ব্র্যান্ডবিহীন ৩. স্থানীয় পোষাক ৪. অন্যান্য	
D17.	কোথা হতে আপনি পোষাক আসাক ক্রয় করতে পছন্দ করেন? (একাধিক উত্তর হতে পারে)	
	১. সনাতন চ্যানেল ২. পরিবেশনকারী দোকান ৩. ব্র্যান্ডের দোকান	

D18.	পোষাক আসাক ক্রয়ের ক্ষেত্রে কোন্ কোন্ বিষয় বিবেচনা করে থাকেন?	
	(১ থেকে ৬ পর্যন্ত র্যাংকিং করুন, যেখানে ১ সর্বোচ্চ এবং ৬ সর্বনিম্ন)	
	১. ব্র্যান্ড	
	২. মূল্য	
	৩. ছাড়/ ডিসকাউন্ট	
	৪. নিত্য নতুন ফ্যাশন	
	৫. পন্যের মান	
	৬. গ্যারান্টি	
D19.	পোষাক আসাক ক্রয়ের ক্ষেত্রে বিক্রয়ত্তোর সেবার গুরুত্ব কেমন?	
	১. অত্যাধিক গুরুত্বপূর্ণ ২. গুরুত্বপূর্ণ ৩. নিরপেক্ষ ৪. গুরুত্বহীন	
D20.	সম্প্রতি কোনো পন্যের ক্ষেত্রে বিক্রয়ত্তোর সেবা নিয়ে থাকলে, সেক্ষেত্রে আপনার অভিজ্ঞতা কেমন?	
	১. খুব ভাল ২. ভাল ৩. মোটামুটি ৪. খারাপ ৫. খুব খারাপ ৬. সেবা নেই নাই	
D21.	"প্রতি বছর অনেক নতুন নতুন পন্য ক্রয়ের জন্য পাওয়া যায় "- এ মতামতের উপর আপনার	
	অভিমত কি?	
	১. দৃঢ়ভাবে সমার্থন করি ২. সমার্থন করি ৩. নিরপেক্ষ ৪. বিরোধীতা করি ৫. দৃঢ়ভাবে বিরোধীতা করি	
D22.	"গুণগত মান সম্পন্ন পন্যের ক্ষেত্রে অধিক মূল্য দিতে আমি রাজী "- এ বাক্যটি সম্পর্কে আপনার	
	অভিমত কি?	
	১. দৃঢ়ভাবে সমার্থন করি ২. সমার্থন করি ৩. নিরপেক্ষ ৪. বিরোধীতা করি ৫. দৃঢ়ভাবে বিরোধীতা করি	
D23.	ভোগপন্য বিশেষ করে স্থায়ী ভোগ্যপন্য ক্রয়ের ক্ষেত্রে কে সিদ্ধান্ত গ্রহন করে থাকেন?	
	১. পুরুষ ২. মহিলা ৩. উভয়ই	
E	ভবিষ্যত প্রত্যাশা ও পরিকল্পনা	
E1.	আপনি কি মনে করেন আগামী ৫ বছরে আপনার বা আপনার পরিবারের আয় বৃদ্ধি পাবে ?	
	১. হাঁ ২. না ৩. জানিনা [উত্তর ২ অথবা ৩ হলে E6. নং প্রশ্নে চলে যান]	
E2.	যদি হাঁ হয়, তাহলে কখন বৃদ্ধি পাবে বলে মনে করছেন?	
	১. আগামী ১-২ বছরের মধ্যে ২. আগামী ৩-৪ বছরের মধ্যে ৩. আগামী ৫ বছরের মধ্যে	
E3.	আপনি কিভাবে আপনার বর্ধিত আয় খরচ করতে চান? (একাধিক উত্তর হতে পারে)	
	১. স্থায়ী সম্পদে বিনিয়োগ ২. অধিক খরচাদি ৩. সঞ্চয় ৪. দেনা পরিশোধ	
	৫. অন্যান্য (উল্লেখ করুন)	
E4.	E3. নং প্রশ্নের উত্তর ১. হলে, কি ধরনের স্থায়ী বিনিয়োগ করতে চান? (একাধিক উত্তর হতে পারে)	
	১. এপার্টমেন্ট ক্রয় ২. আবাসিক জমি ক্রয় ৩. কৃষি কাজের জমি ক্রয়	
	৪. স্থায়ী ভোগ্য পন্য ক্রয় ৫. অন্যান্য	
E5.	E3. নং প্রশ্নের উত্তর ২. হলে, কি পন্থায় আপনি অতিরিক্ত ব্যয় করবেন? (একাধিক উত্তর হতে	
	পারে)	
	১. সাংসারিক ব্যাবহার্য জিনিস পন্য ক্রয় ২. গহনা ক্রয় ৩. সন্তানের ভাল শিক্ষার ব্যবস্থাকরন ৪.	
	আনন্দ ভ্রমন ৫. অন্যান্য	
E6.	বিগত দশকের তুলনায় বর্তমান সময়ে জীবন যাত্রার মানকে আপনি কিভাবে তুলনামূলকভাবে	
	মূল্যায়ন করবেন? (বিগত ১দশকের মূদ্রাফীতি বিবেচনায় নিয়ে)	
	১. অনেক উন্নত ২. সামান্য উন্নত ৩. কোন পরিবর্তন নেই	
	৪. সামান্য কমেছে ৫.অনেক কমেছে ৬. মন্তব্য নেই	
E7.	আপনি কি আপনার বর্তমান জীবনযাত্রার মান নিয়ে খুশী?	
	১. হাঁ [E9. নং প্রশ্নে চলে যান] ২. না	

E8.	যদি না হয়, তাহলে তার কারন- **(একাধিক উত্তর হতে পারে)**	
	1. অপর্যাপ্ত সেবা 2. পরিবেশ দূষণের আধিক্য 3. নিরাপত্তা নিয়ে সংশয়	
	4. অপর্যাপ্ত স্বাস্থ্যসেবা 5.গুণগত মান সম্পন্ন শিক্ষার অভাব 6. অপর্যাপ্ত আয় 7. উচ্চ মূল্য	
	8. অন্যান্য (উল্লেখ করুন)	

E9.	আপনি কি আগামীতে একটি সুন্দর উন্নত মানের জীবনযাত্রার স্বপ্ন দেখেন?	
	1. হ্যাঁ 2. না	

E10.	আপনি কি মনে করেন যে ভোগ্যপন্যের মালিক হওয়া উন্নত জীবন যাত্রার চিহ্ন?	
	1. হ্যাঁ 2. না	

E11.	আপনি কি অনুগ্রহ করে স্থায়ী ভোগ্যপন্য সমূহের নাম বলবেন যেগুলো আপনার বা আপনার পরিবারের সদস্যদের সুখী করতে পারে।		
	1.	2.	3.
	4.	5.	6.
	7.	8.	9.
	10.	11.	12.

F	**সেবা খাতঃ শিক্ষাখাত**

F1.	আপনার পরিবারে পড়াশুনার জন্য কোন্ কোন্ খাতে মাসে কত খরচ হয়?	
	খরচের খাত	খরচের পরিমান (টাকায়)
	a. প্রাইভেট শিক্ষক	
	b. ট্রেইনারী	
	c. কোচিং	
	d. স্কুলে যাতায়াত খরচ	
	e. স্কুল ড্রেস	
	f. টিফিন/ নাস্তা	
	g. পাঠ্য পুস্তকাদি	
	h. শিক্ষণীয় চলচ্চিত্র দর্শন	
	i.শিক্ষা সফর ও ক্লাস পার্টি	
	j. অন্যান্য	

F2.	আপনি কি অনলাইন শিক্ষা ব্যবস্থা সম্পর্কে কিছু জানেন?	
	1. হ্যাঁ 2. না	

F3.	আপনি কি আপনার সন্তানদের উচ্চশিক্ষার জন্য বিদেশ পাঠাতে চান?	
	1. হ্যাঁ 2. না 3. জানিনা	

F4.	যদি হ্যাঁ হয়, তাহলে কোন দেশে পাঠাতে চান? (পছন্দ অনুসারে র্যাংকিং করুন) 1. ইউকে 2. ইউএসএ 3. জাপান 4. চীন 5. অস্ট্রেলিয়া 6. মালয়েশিয়া	1. 2. 3. 4. 5.	

F5.	আপনি কি কখনো আপনার সন্তানদের জন্য শিক্ষাবাবদ কোন ঋণ নিয়েছেন?	
	1. হ্যাঁ 2. না	

F6.	যদি উত্তর হ্যাঁ হয়ে থাকে তাহলে কত টাকা কোন প্রতিষ্ঠান থেকে নিয়েছেন? টাকা _____ প্রতিষ্ঠান _____	

		স্বাস্থ্যসেবা	
F7.		কত ঘন ঘন আপনার অথবা আপনার পরিবারের সদস্যদের জন্য ঔষধ কেনেন? 1. প্রতি সপ্তাহে একবার 2. প্রতি মাসে একবার 3. মাঝে মাঝে 4. যখন প্রয়োজন হয়	
F8.		আপনি বা আপনার পরিবারের কোন সদস্য অসুস্থ হলে, সেক্ষেত্রে চিকিৎসার জন্য কোথায় যান? (একাধিক উত্তর হতে পারে) 1. কাছাকাছি ক্লিনিকে 2. কাছাকাছি বেসরকারী হাসপাতালে 3. কাছাকাছি সরকারী হাসপাতালে 4. কাছাকাছি চিকিৎসক 5. স্থানীয় ব্যয়বহুল হাসপাতাল 6. বিদেশ 7. অন্যান্য_____	
F9.		ঔষধ ক্রয়বাবদ প্রতি মাসে আনুমানিক কতটাকা খরচ হয়? _____ টাকা	
F10.		ঔষধ কেনার ক্ষেত্রে কোন বিষয়গুলো আপনাকে প্রভাবিত করে? (একাধিক উত্তর হতে পারে) 1. ডাক্তারের নির্দেশনা 2. ব্র্যান্ড 3. অন্যান্য	
F11.		আপনি কি নিম্নলিখিত স্বাস্থ্যসেবাগুলো সম্পর্কে অবহিত? (একাধিক উত্তর হতে পারে) 1. ডায়েট 2. বিকল্প ঔষধ 3. প্রতিরক্ষামূলক ঔষধ 4. ব্যায়ামের যন্ত্রপাতি 5. বাসায় ব্যবহার্য্য স্বাস্থ্য পরীক্ষার যন্ত্রপাতি 6. জানিনা	
F12.		সাম্প্রতিক সময়ে আপনি বা আপনার পরিবার কোন পদ্ধতি ব্যবহার করছেন? (একাধিক উত্তর হতে পারে) 1. ডায়েট 2. বিকল্প ঔষধ 3. প্রতিরক্ষামূলক ঔষধ 4. ব্যায়ামের যন্ত্রপাতি 5. বাসায় ব্যবহার্য্য স্বাস্থ্য পরীক্ষার যন্ত্রপাতি 6. জানিনা	
F13.		চিকিৎসা সেবার জন্য আপনি কি কখনো ঋণ নিয়েছেন? 1. হ্যাঁ 2. না	
F14.		উত্তর হ্যাঁ হলে, আপনি কত টাকা কোথা থেকে ঋণ নিয়েছেন? _____	
F15.		আপনার মতে উন্নত স্বাস্থ্য সেবা প্রদানের জন্য সরকারের কি ধরনের সহযোগিতা করা উচিত? ১) ২) ৩) ৪)	

F16.	আপনি স্বাস্থ্যসেবা গ্রহনের ক্ষেত্রে কোন কোন বিষয়গুলোকে বিবেচনা করেন? (ক্রম অনুসারে উল্লেখ করুন, যেখানে ১ সর্বোচ্চ এবং ৪ সর্বনিম্ন)	1. খরচ	
		2. ডাক্তারের যোগ্যতা ও অভিজ্ঞতা	
		3. ব্যবহৃত যন্ত্রপাতির মান	
		4. দূরত্ব	

		বীমাসেবা	
F17.		আপনি কি মনে করেন আপনার বা আপনার পরিবারের জন্য জীবন বীমা পলিসি গুরুত্বপূর্ন? 1. হ্যাঁ 2. না	
F18.		আপনি বা আপনার পরিবারের কেউ কি কোন বীমা সেবা নিয়েছেন? 1. হ্যাঁ 2. না	

F19.	যদি উত্তর হ্যাঁ হয়, সেক্ষেত্রে আপনার বা আপনার পরিবারের জন্য কি ধরনের বীমা পলিসি গ্রহন করেছেন? 1. জীবন বীমা 2. স্বাস্থ্য বীমা 3. শিক্ষা বীমা 4. সঞ্চয় ও অবসর বীমা 5. অন্যান্য_____	
F20.	আপনি যদি কোন স্বাস্থ্য বীমা নিয়ে থাকেন, তাহলে আপনি তা কিভাবে মূল্যায়ন করবেন? 1. খুবই সন্তুষ্ট 2. সন্তুষ্ট 3. মাঝামাঝি 4. অসন্তুষ্ট 5. খুবই অসন্তুষ্ট	
F21.	ভবিষ্যতে আপনার বা আপনার পরিবারের জন্য কি বীমা সেবা নিতে আগ্রহী? 1. হ্যাঁ 2. না 3. জানিনা উত্তর হ্যাঁ হলে, কোন ধরনের বীমা নিতে চান_____	
	যোগাযোগ সেবা	
F22.	আপনার বাসায় কি ইন্টারনেট সুবিধা আছে? 1. হ্যাঁ 2. না [উত্তর না হলে F25. নং প্রশ্নে চলে যান]	
F23.	যদি হ্যাঁ হয়, তাহলে কোন মাধ্যমে আপনি ইন্টারনেট ব্যবহার করেন? 1. কম্পিউটার 2. মোবাইল 3. উভয়	
F24.	কোন ইন্টারনেট সেবাটি সাধারনত ব্যবহার করে থাকেন? 1. মোবাইল ইন্টারনেট 2. ব্রডব্যান্ড ইন্টারনেট 3. ওয়াই-ফাই	
F25.	আপনি কি জানেন অনলাইনে পন্য ক্রয় করা যায়? 1. হ্যাঁ 2. না [উত্তর না হলে, F31. নং প্রশ্নে চলে যান]	
F26.	আপনি কি কখনো অনলাইনে কোন পন্য ক্রয় করেছেন? 1. হ্যাঁ 2. না [উত্তর না হলে, F31. নং প্রশ্নে চলে যান]	
F27.	আপনি কি অনলাইনে পন্য ক্রয় করে সন্তুষ্ট? 1. হ্যাঁ 2. না	
F28.	আপনি কি কি পন্য অনলাইনে ক্রয় করতে পছন্দ করেন? তালিকাঃ ১) ২) ৩)	
F29.	আপনি কি বাজার থেকে পন্য ক্রয় করার চেয়ে অনলাইনে পন্য ক্রয় বেশী পছন্দ করেন? 1. হ্যাঁ 2. না	
F30.	যদি না হয়, কারন কি? (একাধিক উত্তর হতে পারে) 1. অনলাইন ক্রয় পদ্ধতি এখনো উন্নত হয়নি 2. ডেলিভারী সমস্যা 3. ক্রেডিট কার্ড সমস্যা 4. পন্য ক্রয়ে ভাল ধারনা পাওয়া যায় না 5. গুনগত মান বোঝার সুযোগ কম 6. অন্যান্য	
F31.	B2 নম্বর প্রশ্নে উল্লেখিত পন্যগুলো আপনি কি অনলাইনে কিনতে আগ্রহী? 1. হ্যাঁ 2. না 3. জানিনা	

আপনাকে আপনার মূল্যবান সময়ের জন্য ধন্যবাদ।

সাক্ষাৎকার গ্রহনকারীর সাক্ষর ও তারিখঃ...................................

APPENDIX 4A CALCULATION OF PROJECTION OF INCOME-WISE POPULATION AND MARKET SIZE

Appendix 4A

Projected average income for the years 2011 to 2031 assuming an average income increase of 10% from 2010 to 2016 and after that income increase at a constant rate 3% from 2017 to 2031.

Column 1 Average income (HIES 2010)	HIES 2010	Col 2 2011	Col 3 2012	Col 4 2013	Col 5 2014	Col 6 2015	Col 7 2016	Col 8 2017	Col 9 2018	Col 10 2019	Col 11 2020	Col 12 2021	Col 13 2022	Col 14 2023	Col 15 2024	Col 16 2025	Col 17 2026	Col 18 2027	Col 19 2028	Col 20 2029	Col 21 2030	Col 22 2031
<1500	1500	1650	1815	1996.5	2196.15	2415.765	2657	2737.062	2819.174	2903.749	2990.861	3081	3173.005	3268.195	3366.241	3467.228	3571	3678.382	3788.734	3902.396	4019.467	4140
1500 - 1999	2000	2200	2420	2662	2928.2	3221.02	3543	3649.416	3758.898	3871.665	3987.815	4107	4230.673	4357.593	4488.321	4622.971	4762	4904.509	5051.645	5203.194	5359.29	5520
2000 - 2499	2500	2750	3025	3327.5	3660.25	4026.275	4429	4561.77	4698.623	4839.581	4984.769	5134	5288.341	5446.991	5610.401	5778.713	5952	6130.637	6314.556	6503.993	6699.112	6900
2500 - 2999	3000	3300	3630	3993	4392.3	4831.53	5315	5474.123	5638.347	5807.498	5981.723	6161	6346.009	6536.39	6732.481	6934.456	7142	7356.764	7577.467	7804.791	8038.935	8280
3000 - 3999	4000	4400	4840	5324	5856.4	6442.04	7086	7298.831	7517.796	7743.33	7975.63	8215	8461.346	8715.186	8976.642	9245.941	9523	9809.019	10103.29	10406.39	10718.58	11040
4000 - 4999	5000	5500	6050	6655	7320.5	8052.55	8858	9123.539	9397.245	9679.163	9969.538	10269	10576.68	10893.98	11220.8	11557.43	11904	12261.27	12629.11	13007.99	13398.22	13800
5000 - 5999	6000	6600	7260	7986	8784.6	9663.06	10629	10948.25	11276.69	11615	11963.45	12322	12692.02	13072.78	13464.96	13868.91	14285	14713.53	15154.93	15609.58	16077.87	16560
6000 - 6999	7000	7700	8470	9317	10248.7	11273.57	12401	12772.95	13156.14	13550.83	13957.35	14376	14807.36	15251.58	15709.12	16180.4	16666	17165.78	17680.76	18211.18	18757.51	19320
7000 - 7999	8000	8800	9680	10648	11712.8	12884.08	14172	14597.66	15035.59	15486.66	15951.26	16430	16922.69	17430.37	17953.28	18491.88	19047	19618.04	20206.58	20812.78	21437.16	22080
8000 - 8999	9000	9900	10890	11979	13176.9	14494.59	15944	16422.37	16915.04	17422.49	17945.17	18484	19038.03	19609.17	20197.44	20803.37	21427	22070.29	22732.4	23414.37	24116.8	24840
9000 - 9999	10000	11000	12100	13310	14641	16105.1	17716	18247.08	18794.49	19358.33	19939.08	20537	21153.36	21787.97	22441.6	23114.85	23808	24522.55	25258.22	26015.97	26796.45	27600
10000 - 12499	12500	13750	15125	16637.5	18301.25	20131.38	22145	22808.85	23493.11	24197.91	24923.84	25672	26441.71	27234.96	28052.01	28893.57	29760	30653.18	31572.78	32519.96	33495.56	34500
12500 - 14999	15000	16500	18150	19965	21961.5	24157.65	26573	27370.62	28191.74	29037.49	29908.61	30806	31730.05	32681.95	33662.41	34672.28	35712	36783.82	37887.34	39023.96	40194.67	41401
15000 - 17499	17500	19250	21175	23292.5	25621.75	28183.93	31002	31932.39	32890.36	33877.07	34893.38	35940	37018.39	38128.94	39272.81	40450.99	41665	42914.46	44201.89	45527.95	46893.79	48301
17500 - 19999	20000	22000	24200	26620	29282	32210.2	35431	36494.16	37588.98	38716.65	39878.15	41074	42306.73	43575.93	44883.21	46229.71	47617	49045.09	50516.45	52031.94	53592.9	55201
20000 - 24999	25000	27500	30250	33275	36602.5	40262.75	44289	45617.7	46986.23	48395.81	49847.69	51343	52883.41	54469.91	56104.01	57787.13	59521	61306.37	63145.56	65039.93	66991.12	69001
25000 - 29999	30000	33000	36300	39930	43923	48315.3	53147	54741.23	56383.47	58074.98	59817.23	61612	63460.09	65363.9	67324.81	69344.56	71425	73567.64	75774.67	78047.91	80389.35	82801
30000 - 34999	35000	38500	42350	46585	51243.5	56367.85	62005	63864.77	65780.72	67754.14	69786.76	71880	74036.78	76257.88	78545.62	80901.99	83329	85828.92	88403.78	91055.9	93787.57	96601
35000+	62006 +																					

CALCULATION FOR TABLE 4.3

Average projected income groups for the years 2016, 2021, 2026, and 2031 from columns 7, 12, 17 and 22 of Table 1

Column 1 Income Range [BDT] 2010 (HIES)	Column 2 2016 (Assuming 10% increase)	Column 3 2021 (Assuming 6% increase)	Column 4 2026 (Assuming 6 % increase)	Column 5 2031 (Assuming 6% increase)	Column 6 Region wise Percentage of HHs Urban	Column 7 Rural	Column 8 National
<1500	<2657	<3081	<3571	<4140	1.3	3.25	2.72
1500 - 1999	2657 - 3543	3081 - 4107	3571 - 4762	4140 - 5520	0.8	2.7	2.19
2000 - 2499	3544 - 4429	4107 - 5134	4762 - 5952	5520 - 6900	1.06	3.76	3.03
2500 - 2999	4430 - 5315	5134 - 6161	5952 - 7142	6900 - 8280	1.42	4.62	3.76
3000 - 3999	5316 - 7086	6161 - 8215	7142 - 9523	8280 - 11040	5.05	10.81	9.26
4000 - 4999	7087 - 8858	8215 - 10269	9523 - 11904	11040 - 13800	5.74	11.34	9.84
5000 - 5999	8859 - 10629	10269 - 12322	11904 - 14285	13800 - 16560	6.9	9.26	8.62
6000 - 6999	10630 - 12401	12322 - 14376	14285 - 16666	16560 - 19320	6.72	8.36	7.92
7000 - 7999	12402 - 14272	14376 - 16430	16666 - 19047	19320 - 22080	5.97	6.6	6.43
8000 - 8999	14273 - 15944	16430 - 18484	19047 - 21427	22080 - 24840	5.49	5.14	5.24
9000 - 9999	15945 - 17716	18484 - 20537	21427 - 23808	24840 - 27600	4.8	4.44	4.54
10000 - 12499	17717 - 22145	20537 - 25672	23808 - 29760	27600 - 34500	11.51	9.02	9.69
12500 - 14999	22146 - 26573	25672 - 30806	29760 - 35712	34500 - 41401	8.25	5.47	6.22
15000 - 17499	26574 - 31002	30806 - 35940	35712 - 41665	41401 - 48301	6.82	3.67	4.51
17500 - 19999	31003 - 35431	35940 - 41074	41665 - 47617	48301 - 55201	4.63	2.78	3.28
20000 - 24999	35432 - 44289	41074 - 51343	47617 - 59521	55201 - 69001	6.67	3.32	4.22
25000 - 29999	44290 - 53147	51343 - 61612	59521 - 71425	69001 - 82801	3.93	1.77	2.35
30000 - 34999	53148 - 62005	61612 - 71880	71425 - 83329	82801 - 96601	3.58	1.3	1.91
35000+	62006 +	71880 +	83329 +	96601 +	9.37	2.4	4.27

Total URBAN middle income group HHs for the years 2016, 2021, 2026 and 2031 obtain from columns 2, 3, 5 of Table 2 and total projected URBAN population
[The highlited part of above table were used to calculate percentage of middle income group population.

Projected middle income group URBAN HHs

Year	Total urban population ('000)	% in middle income bracket	Total middle income group population	*No. of Middle income group HHs
2016	44701	26.84	11997748	2666166
2021	50990	31.2	15908880	3535307
2026	5772.4	37.4	21588776	4797506
2031	64468	43.2	27850176	6188928

*1.33% is assumed rich for 2016
Assuming 4.5 members in each HH

Calculation for table 4.4
1st method

Middle income HH | 2,666,166

Year	2016 Existing			
Consumer Durables	Owners	Possession (%)	Do not possess	% Who do not possess
Personal Car	293,278	11.00%	2372888	89.00%
Motor Bike	397,259	14.90%	2268907	85.10%
Washing Machine	271,949	10.20%	2394217	89.80%
Television	2,572,850	96.50%	93316	3.50%
Refrigerator (Nol)	2,599,512	97.50%	66654	2.50%
Refrigerator (Deep)	919,827	34.50%	1746339	65.50%
Microwave Oven	951,821	35.70%	1714345	64.30%
Air Cooler	634,548	23.80%	2031618	76.20%
Laptop	698,535	26.20%	1967631	73.80%

	% of HHs Willing to buy who do not own	HHs Willing to buy who do not own	%HHs willing to buy who owns	4	Total	Expect 50% replacer	Total increase in Owners
Personal Car	34%	796099	49%	144066	940165	72033	868132
Motor Bike	18%	416266	20%	79452	495718	39726	455992
Washing Machine	44%	1055819	21%	56442	1112261	28221	1084040
Television	53%	49250	45%	1152904	1202154	576452	625702
Refrigerator (Nol)	81%	53836	21%	534287	588123	267144	320980
Refrigerator (Deep)	44%	770444	11%	105343	875787	52672	823115
Microwave Oven	53%	902151	20%	189851	1092003	94926	997077
Air Cooler	39%	785936	40%	254333	1040269	127167	913102
Laptop	59%	1153234	30%	208074	1361308	104037	1257271

Year	2021	Penetration rate 2016
Personal Car	1,161,410	33%
Motor Bike	853,251	24%
Washing Machine	1,355,989	38%
Television	3,198,552	90%
Refrigerator (Nol)	2,920,492	83%
Refrigerator (Deep)	1,742,942	49%
Microwave Oven	1,948,898	55%
Air Cooler	1,547,650	44%
Laptop	1,955,806	55%

Year	2016 Penetration Rate 2016	
Consumer Durables	Owners	
Personal Car	293,278	11.00%
Motor Bike	397,259	14.90%
Washing Machine	271,949	10.20%
Television	2,572,850	96.50%
Refrigerator (Nol)	2,599,512	97.50%
Refrigerator (Deep)	919,827	34.50%
Microwave Oven	951,821	35.70%
Air Cooler	634,548	23.80%
Laptop	698,535	26.20%

Middle income HH | 3,535,307

Year	Owners 2016	Owners 2021
Personal Car	293,278	1,161,410
Motor Bike	397,259	853,251
Washing Machine	271,949	1,355,989
Television	2,572,850	3,198,552
Refrigerator (Nol)	2,599,512	2,920,492
Refrigerator (Deep)	919,827	1,742,942
Microwave Oven	951,821	1,948,898
Air Cooler	634,548	1,547,650
Laptop	698,535	1,955,806

APPENDIX 4B CALCULATION OF PROJECTION OF INCOME-WISE POPULATION AND MARKET SIZE
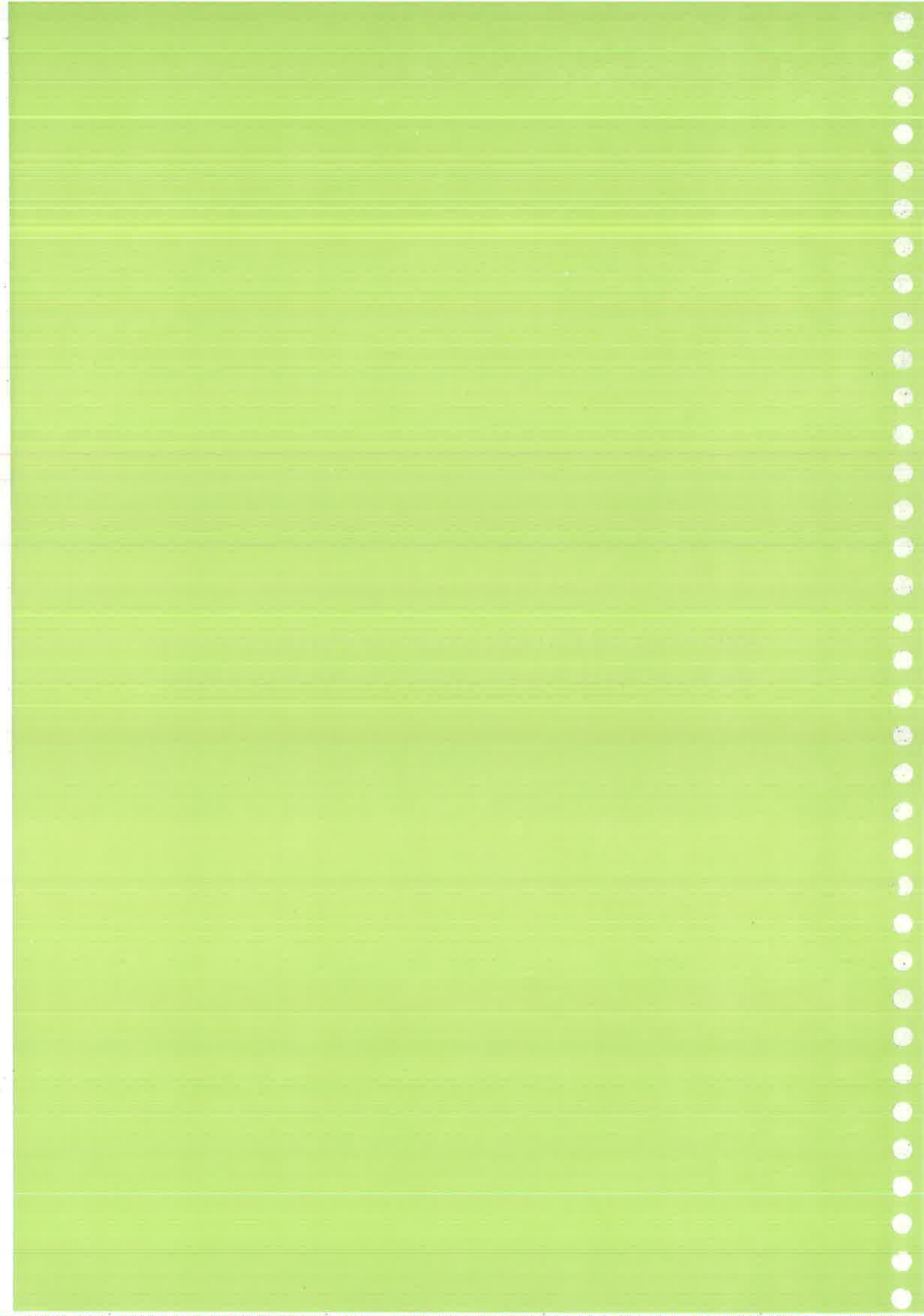
Appendix 4B

Income group categorized in the context of Bangladesh and Pew Research Centre

Population Projection

Year	Income Group (BDT)	Total Population	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
(2011 Purchasing Power Parity)	Income Group (BDT)	Total Population	160,995,642	162,927,590	164,882,721	166,861,313	168,863,649	170,890,013	172,940,693	175,015,981	177,116,173	179,241,567	181,392,466
<$2	<(6000)	Poor	39,926,919	38,609,331	37,335,223	36,103,161	34,911,756	33,759,668	32,645,599	31,568,295	30,526,541	29,519,165	28,545,033
$2.1-$4	(6000-12699)	Low	63,603,842	65,305,949	66,997,424	68,679,165	70,352,046	72,016,919	73,674,615	75,325,943	76,971,694	78,612,639	80,249,530
$4.1-$10	(12500-29999)	Lower Middle	54,181,050	55,630,993	57,071,880	58,504,474	59,929,521	61,347,746	62,759,857	64,166,544	65,568,480	66,966,322	68,360,711
$10.1-$20	(29999-57000)	Upper Middle	2,838,796	2,920,035	3,000,766	3,081,032	3,160,875	3,240,337	3,319,455	3,398,270	3,476,819	3,555,138	3,633,264
>$20	>(57000)	High	1,151,334	1,170,832	1,190,207	1,209,471	1,228,633	1,247,704	1,266,693	1,285,608	1,304,460	1,323,257	1,342,007

Year	2001	2011	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Population	133,776,064	153,405,612	160,995,642	162,927,590	164,882,721	166,861,313	168,863,649	170,890,013	172,940,693	175,015,982	177,116,173	179,241,567	181,392,466
Poor	73,844,387	59,981,594	39,926,919	38,609,331	37,335,223	36,103,161	34,911,756	33,759,668	32,645,599	31,568,295	30,526,541	29,519,165	28,545,033
Low	58,460,140	90,969,528	117,784,892	120,936,942	124,069,304	127,183,639	130,281,567	133,364,665	136,434,472	139,492,487	142,540,174	145,578,961	148,610,241
Middle	1,337,761	2,147,679	2,838,796	2,920,035	3,000,766	3,081,032	3,160,875	3,240,337	3,319,455	3,398,270	3,476,819	3,555,138	3,633,264
Upper Middle	267,552	460,217	1,151,334	1,170,832	1,190,207	1,209,471	1,228,633	1,247,704	1,266,693	1,285,608	1,304,460	1,323,257	1,342,007
			161,701,942	163,637,139	165,595,499	167,577,303	169,582,832	171,612,374	173,666,219	175,744,660	177,847,994	179,976,523	182,130,545

From the year 2016, Poverty reduction per year was assumed to be 3.3% and population growth 1.2% per year.

Shift In Income Group

	change from 2011-2015	change from 2015-2016	Change from 2016-17	Change from 2017-18	Change from 2018-19	19-20
Total Population	7,590,030.0	1,931,947.7	1,955,131.1	1,978,592.6	2,002,335.8	2,026,363.8
Poor	(20,054,675.1)	(1,317,588.3)	(1,274,107.9)	(1,232,062.4)	(1,191,404.3)	(1,152,088.0)
Low	26,815,363.9	3,152,050.0	3,132,361.8	3,114,335.4	3,097,927.9	3,083,098.2
Middle	691,117.6	81,238.4	80,731.0	80,266.4	79,843.5	79,461.3
Upper middle	165,868.2	19,497.2	19,375.4	19,263.9	19,162.4	19,070.7

Net Change in Total Population: 3,249,536.0 | 3,229,239.0 | 3,210,655.0 | 3,193,740.1 | 3,174,451.7

	Change from 20-21	Change from 21-22	Change from 22-23	Change from 23-24	Change from 24-25
	2,050,680.156	3,164,749.2	3,152,593.1	3,141,945.0	3,132,770.0
	-1,114,069.055	2,075,288.0	2,100,192.0	2,125,394.0	2,150,899.0
	3,069,806.735	(1,077,305.0)	(1,041,754.0)	(1,007,376.0)	(974,132.0)
	79,118.79028	3,058,015.0	3,047,687.0	3,038,787.0	3,031,280.0
	18,988.49527	78,815.0	78,549.0	78,319.0	78,126.0
		18,916.0	18,852.0	18,797.0	18,750.0

3,125,031.0

Net Change in Ppulation and Poverty Reduction is distributed to Low (0%), Middle (2.5%) and High (0.05%)

Purchase price and Market Size Calculation

Consumer Goods	Purchase price in taka 2016	US$			2016		2021		2026	
					Market penetration in US$	Total Market Size in US$	Price in US$	Total Market Size in US$	Price in US$	Total Market Size in US$
Personal Car	1,953,000.0	25,038			2,503,814,842	22,741,989,864	31,956	32,567,884,907	40,785	41,816,172,400
Motor bike	151,357.5	1,940			744,506,150	1,764,054,138	2,477	2,524,011,855	3,161	3,150,753,429
Washing Machine	27,811.4	357			32,413,304	324,138,075	455	463,777,329	581	852,427,094
Television	27,993.0	359			316,447,528	126,255,185	458	464,906,494	585	636,698,485
Refrigerator (Normal)	37,050.3	475			418,862,462	431,816,971	606	617,844,484	774	869,171,148
Refrigerator (Deep)	29,394.8	377			119,907,347	342,592,420	481	490,130,858	614	689,582,674
Microwave oven	14,453.0	185			60,673,940	168,458,721	236	240,950,402	302	339,018,881
Air cooler	70,329.6	901			196,460,305	872,557,231	1,149	1,171,236,883	1,467	1,647,801,610
Laptop	41,054.3	525			192,813,143	339,393,084	702	968,326,868	962	1,076,809,487

Inflation rate is assumed to be 5% after 2015

Purchase price in taka

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Personal Car	1,860,000	1,953,000	2,050,650	2,153,183	2,260,842	2,373,884	2,492,578	2,617,207	2,748,067	2,885,470	3,029,744	3,181,231
Motor bike	144,150	151,358	158,925	166,872	175,215	183,976	193,175	202,834	212,975	223,624	234,805	246,545
Washing Machine	26,487	27,811	29,202	30,662	32,195	33,805	35,495	37,270	39,133	41,090	43,145	45,302
Television	26,660	27,993	29,393	30,862	32,405	34,026	35,727	37,513	39,389	41,358	43,426	45,597
Refrigerator (Normal)	35,286	37,050	38,903	40,848	42,890	45,035	47,287	49,651	52,133	54,740	57,477	60,351
Refrigerator (Deep)	27,995	29,395	30,864	32,408	34,028	35,730	37,516	39,392	41,361	43,429	45,601	47,881
Microwave oven	13,764	14,452	15,175	15,934	16,730	17,567	18,445	19,367	20,336	21,352	22,420	23,541
Air cooler	66,981	70,236	73,747	77,435	81,306	85,372	89,640	94,122	98,828	103,770	108,958	114,406
Laptop	43,766	45,954	48,252	50,665	53,198	55,858	58,651	61,583	64,662	67,895	71,290	74,854

Purchase price converted to US$
constant 1 US$= 78 Tk

	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Personal Car	23846	25038.46154	26290.38462	27604.90385	28985.14904	30434	31956.13691	33553.93316	35231.62981	36993.2113	38843	40785.01544
Motor bike	1848	1940.480769	2037.504808	2139.380048	2246.349005	2359	2478.399828	2600.42982	2730.453111	2866.975876	3010	3160.838698
Washing Machine	340	356.5537692	374.3435577	393.1027356	412.7590714	433	455.0855543	477.8168122	501.7097736	526.7953513	553	580.7917796
Television	342	358.8846154	376.8286442	395.6703385	415.4538003	436	458.0378177	480.9397086	504.986694	530.2360287	557	584.5851216
Refrigerator (Normal)	452	475.0038462	498.7540385	523.6917404	549.8763274	577	606.238451	636.5505835	668.3781127	701.797038	737	773.7312127
Refrigerator (Deep)	359	376.8557692	395.6985577	415.4834856	436.2576899	458	480.97427	505.0227735	530.2739122	556.7874038	585	613.8583376
Microwave oven	176	185.2846154	194.5488442	204.2763385	214.4901538	225	236.7168736	248.2891094	260.7216808	273.7497637	287	301.8091144
Air cooler	858	900.6557692	945.6785577	992.7524854	1042.39011	1095	1149.376096	1206.696851	1267.031693	1330.383278	1397	1466.747564
Laptop	561	589.1576923	618.6155769	649.5463558	682.0236736	716	751.9011605	789.5274551	829.0040379	870.4542594	914	959.6757993

	2015	2016	2017	2018	2019	2020	2021					
Avg. Household Size 4.5												
Income-wise household	35,776,809	46,206,131	48,431,265	48,431,265								
Total Household	8,873,649	8,579,851	7,264,578	4,154,088								
Poor	14,134,187	14,512,433	16,372,137	14,195,345								
Low income	12,040,233	12,362,443	13,946,635	15,500,505								
Lower middle	630,844	648,897	737,657	624,718								
Upper Middle	255,852	260,185	281,407	294,640								
High Income	886,496	909,081	1,018,144	1,133,344								

Upper middle and High

Owners	2016	Penetration rate	Net owners	Not holding %		HHs Willing to buy from not holding	HHs willing to buy from holding	Total expected increase		50% Replacement	Total after replacement
											2021
Personal Car	99,999	11%	413644	11%	89%	275,088	49000	324087		424086	299588
Motor bike	136,362	15%	295369	15%	85%	139,089	27272	166362		302791	152726
Washing Machine	90,908	10%	458422	10%	90%	359,996	19091	379087		469995	369541
Television	881,809	97%	1261236	97%	3%	14,454	396614	411268		1293077	212861
Refrigerator (Normal)	881,809	97%	1062262	97%	3%	22,091	185180	207271		1089080	114681
Refrigerator (Deep)	318,178	35%	580077	35%	65%	259,997	35000	294997		611175	277497
Microwave oven	327,269	36%	643820	36%	64%	308,360	65454	373814		701069	341067
Air cooler	218,179	24%	560746	24%	76%	269,452	87272	356723		574902	313087
Laptop	327269	0.36	749791	36%	0.64	343269	98181	441450		768719	392359

Owners 2016		Owners 2021 (no replacement calc; Penetration rate 2016		Penetration Rate 2021	Owners 2021		
Personal Car	99999	413644	11%	41%	399587		
Motor bike	136362	295369	15%	30%	289088		
Washing Machine	90908	458422	10%	46%	460449		
Television	881809	1261236	97%	126%	1094670		
Refrigerator (Normal)	881809	1062262	97%	107%	996490		
Refrigerator (Deep)	318178	580077	35%	60%	595675		
Microwave oven	327269	643820	36%	69%	668356		
Air cooler	218179	560746	24%	56%	531266		
Laptop	327269	749791	36%	75%	719628		

APPENDIX 5 QUESTIONNAIRE FOR RETAILERS-DEALERS-DISTRIBUTORS' SURVEY
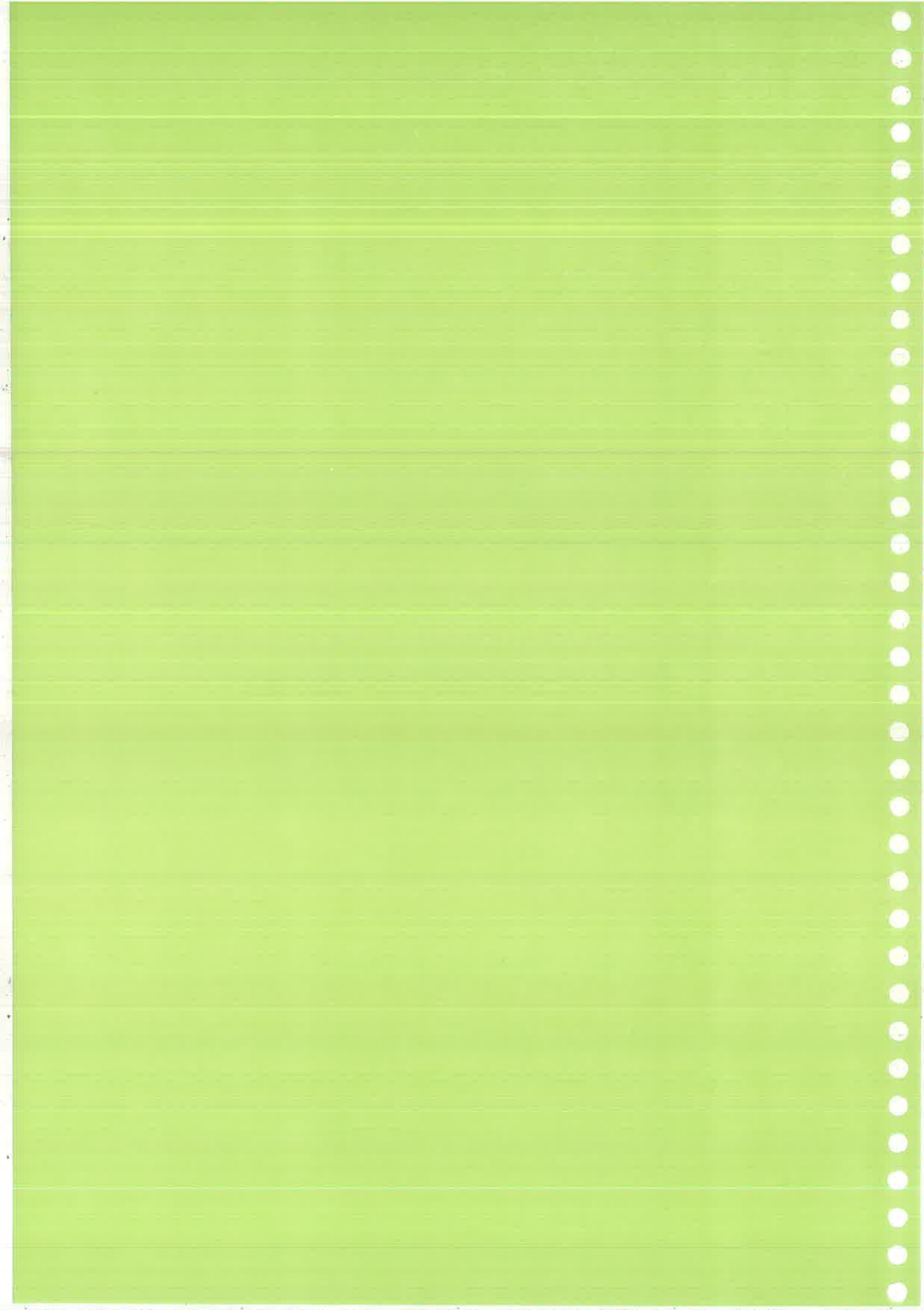
Survey on Emerging Middle Income Class in Bangladesh
Questionnaire for Local Retailers/Dealers/ Distributors
Study commissioned by: JICA Bangladesh Office, Bangladesh
Survey implemented by: Young Consultants, Bangladesh
From December 2015 to March 2016

A.	Basic Information of Enterprise /Producer	Code No.
A1.	Name of the Enterprise (Retailer/Dealer / Distributors)	
A2.	Name of Enterprise owner:	
A3.	Information of Respondent: Name_____ Designation _____ Cell_____ Tel (Office)_____	
A4.	Address:	
A5.	Year of establishment of your enterprise?	
A6.	What type of legal entity/Nature of ownership of your Enterprise? 1. Proprietorship, 2.Partnership, 3.Private limited Company, 4. Public limited company	
A7.	Type of ownership: 1.100% Local Ownership, 2.Joint Venture 3.100% Foreign Ownership 4. Others please specify.................	
A8.	Average monthly sales of your enterprise: BDT: _____	
A9.	How many Dealership/ Distributorship Agreement you have signed?	
A10.	What is the total number of stock keeping units (SKU)?	
A11.	What is the total amount of investment in your enterprise? BDT: _____	
A12.	Have you taken any bank loans to run your existing business? Yes-1 No-2	
B.	Product Information	
B1.	Which of the following products are selling?	

Type of Products	Yes	No	Brand	Country of

				origin	
1. Personal Car					
2. Motor bike					
3. By-cycle					
4. Three wheelers					
5. Washing machine					
6. Television					
7. Refrigerator (normal)					
8. Freeze (deep)					
9. Microwave oven					
10. Ironing Machine					
11. Air cooler					
12. Rice cooker					
13. Juice Blender					
14. Toaster					
15. Desktop Computer					
16. Laptop					
17. DVD Player					
18. Camera					
19. Cell phone					
20. Vacuum Cleaner					
21. Exercise equipment					
22. Medical Device					
23. IPS					
24. Room Heater					
25. Geezer					
26. Dehumidifier					
27. Others, please specify…………………………					

B2.	Who do you think are the main customers of your products?				
	Type of Item	Lower middle Income (BDT 35,000 to 99,000) In percentage	Middle Income (BDT 100,000 to 250,000) In percentage	Higher income (Above BDT 250,000) In percentage	

	1. Personal Car				
	2. Motor bike				
	3. By-cycle				
	4. Three wheelers				
	5. Washing machine				
	6. Television				
	7.Refrigerator (normal)				
	8. Freeze (Deep)				
	9.Microwave oven				
	10. Ironing Machine				
	11. Air cooler				
	12. Rice cooker				
	13. Juice Blender				
	14.Toaster				
	15. Desktop Computer				
	16. Laptop				
	17. DVD Player				
	18. Camera				
	19. Cell phone				
	20. Vacuum Cleaner				
	21. Exercise equipment				
	22. Medical Device				
	23. IPS				
	24. Room Heater				
	25. Geezer				
	26.Dehumidifier				
	27. Others				
B3.	How many products you are selling per day and what is the total value? Number: _____ Value: (BDT) _____				
B4.	How do you get your payments once you sell your products to the customers?				

	1. Cash　　2. Credit card　　3. Cheque　　4. Bank loan　　5. Others
B5.	What percentage (%) of your sale proceeds you get in the following modes? 1. Cash　　2. Credit card　　3. Cheque　　4. Bank loan　　5. Others

B6.	How is the current business trend or condition?		
	1.　Growing	2.　Stagnant	3.　Declining

B7.	Would you please explain the reasons for above conditions?
	_____

B8.	If growing, roughly what is the percentage of growth per annum? _____ %

B9.	Which of the following products are highly demanded by your customers? Please specify

Product Name	Brand	Country	Highly	Moderate	Low
1. Personal Car					
2. Motor bike					
3. By-cycle					
4. Three wheelers					
5. Washing machine					
6. Television					
7. Refrigerator (Normal)					
8. Freeze (Deep)					
9. Microwave oven					
10. Ironing Machine					
11. Air cooler					
12. Rice cooker					
13. Juice Blender					
14. Toaster					
15. Desktop Computer					
16. Laptop					

	17. DVD Player					
	18. Camera					
	19. Cell phone					
	20. Vacuum Cleaner					
	21. Exercise equipment					
	22. Medical Device					
	23. IPS					
	24. Room Heater					
	25. Geezer					
	26.Dehumidifier					
	27. Others					

B10.	**Would you please share the total annual sales volume of your products during the last three years?**

Type of Item	2013 (BDT)	2014 (BDT)	2015 (BDT)
1. Personal Car			
2. Motor bike			
3. By-cycle			
4. Three wheelers			
5. Washing machine			
6. Television			
7. Refrigerator (N)			
8. Freeze (Deep)			
9. Microwave oven			
10. Ironing Machine			
11. Air cooler			
12. Rice cooker			
13. Juice Blender			
14.Toaster			
15. Desktop Computer			
16. Laptop			

	17. DVD Player				
	18. Camera				
	19. Cell phone				
	20. Vacuum Cleaner				
	21. Exercise Equipment				
	22. Medical Device				
	23. IPS				
	24. Room Heater				
	25. Geezer				
	26. Dehumidifier				
	27. Others,				

B11.	**Do you sell any Japanese products? If yes, kindly mention the products, brand and retail price:**		
	Products	Brand	Retail Price (BDT)

B12.	**Are you receiving any Commission /Incentive/Discount from the Manufacturers/ Importers?** Yes-1, No -2.

B13.	**If the answer is yes, what is the percentage (%) of such Commission/Incentive/ Discount that you receive against each type of your products, please specify?**	
	Name of product	Percentage (%)

B14.	**If the respondent is a Dealer or Distributor or Agent, is there any Security Deposit required by the Local Manufacturers/Importers?** Yes-1, No-2

B15.	**If the answer is yes, what is the amount of such security deposit?** BDT_____

C.	After Sales Service / Customer Care	
C1.	Do you think after sales services is important element in your business? Yes-1 No-2	
C2.	If yes, what kind of after sales services you offer to your customers? _____	
C3.	Do you think improved after sales services can increase the overall sales? Yes-1 No-2	
C4.	Do you provide free delivery of the procured goods to your customers? Yes-1 No-2	
C5.	What kinds of after sales service would you recommend to your manufacturers/ importers that can boost overall sales? Yes-1 No-2	
C6.	Do you suggest initiation of Secondary Market or Second hand market in Bangladesh? Yes-1 No-2	
C7.	What do you suggest to promote sales and usage of consumers durables? a. Financial Support b. Non-financial support	

Thank you very much for your valuable time and kind cooperation

Name and signature of the Interviewer: ………………………………………………..

Date: ……………………............................