

Belgium's trade relations with

BANGLADESH

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**Belgian
Foreign Trade Agency**

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1 IMPORTANCE OF BELGIUM AND THE OTHER EU COUNTRIES IN TRADE WITH BANGLADESH

1.1 EXPORTS

Total exports of goods from the European Union (EU-27) to Bangladesh amounted to a little more than more than €3.0 billion in 2023.

Belgium accounted for a share of 7.9%, making it the 4th largest EU exporter of goods to Bangladesh. Germany took first place in EU exports of goods to Bangladesh with a share of 28.1% and an amount of €853.5 million. Meanwhile, Italy and the Netherlands took second and third place with shares of 18.3% and 11.5%, respectively.

While European exports (EU-27) to Bangladesh fell by 16.6% (€-605.9 million) in 2023, Belgian exports were down by 33.9% (€-123.1 million). Since the percentage decline of Belgian exports to Bangladesh was greater than that of the EU as a whole, our country's share of EU exports of goods to Bangladesh decreased in 2023.

Whereas the value of German exports of goods to Bangladesh rose by 3.1% (€+25.6 million) in 2023 due to increased exports of 'vaccines for human medicine against SARS-related coronaviruses', those of Italy recorded a 19.5% (€-134.7 million) drop due to a lower value for 'parts of turbojets or turbopropellers and other gas turbines', 'machinery for the extraction or preparation of animal or fixed vegetable or microbial fats or oils' and 'airplanes and other aircraft, of an unladen weight not exceeding 2,000 kg'. Meanwhile, the Netherlands recorded a fall of 31.7% (€-123.1 million) in its exports of goods to Bangladesh due to decreased exports of 'polyurethanes' and 'cathodes and sections of cathodes', among other things.

TABLE 1: EVOLUTION OF EXPORTS TO BANGLADESH

In million €	2022	2023	Variation (in %)	Share (in %)
1 Germany	827.9	853.5	3.1	28.1
2 Italy	690.8	556.1	-19.5	18.3
3 Netherlands	510.3	348.4	-31.7	11.5
4 Belgium	362.7	239.6	-33.9	7.9
...				
Total EU-27	3,642.8	3,036.9	-16.6	100.0

1.2 IMPORTS

Total EU-27 imports of goods from Bangladesh amounted to almost €18.9 billion in 2023.

Belgium was the 8th largest EU importer of goods from Bangladesh with a share of 3.9%.

Germany was not only the number one exporter to Bangladesh, but also the largest EU importer of goods from this country with a share of 25.8%, which corresponds to an amount of nearly €4.9 billion. Spain and France completed the top three of imports from Bangladesh with shares of 16.3% and 11.9%, respectively.

While European imports (EU-27) from Bangladesh were down by 21.2% (€-5.1 billion) in 2023, Belgian imports fell by 36.8% (€-426.7 million). Since the percentage

decrease in Belgian imports from Bangladesh was greater than that of the EU as a whole, our country's share of EU imports of goods from Bangladesh declined in 2023.

Whereas German imports of goods from Bangladesh recorded a fall of 21.7% (€-1.4 billion) in 2023 due to decreased imports of 'T-shirts of cotton', 'jerseys, pullovers and cardigans of cotton' and 'trousers of cotton', among other things, those of Spain decreased by 13.0% (€-460.8 million). Meanwhile, France recorded a cutback of 25.4% (€-763.8 million) in its imports of goods from Bangladesh due to a lower value for 'T-shirts of cotton', 'jerseys, pullovers and cardigans of cotton' and 'trousers of cotton', among other things.

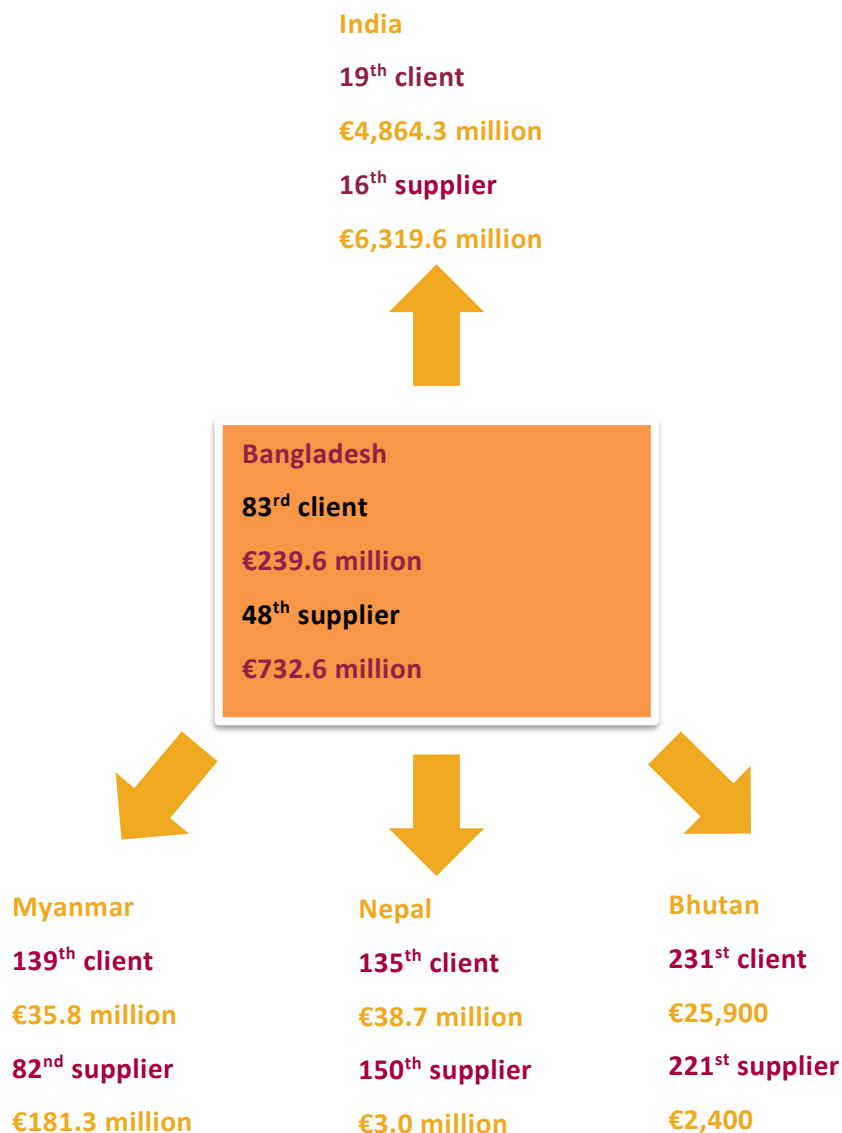
TABLE 2: EVOLUTION OF IMPORTS FROM BANGLADESH

In million €	2022	2023	Variation (in %)	Share (in %)
1 Germany	6,230.7	4,875.9	-21.7	25.8
2 Spain	3,541.7	3,081.0	-13.0	16.3
3 France	3,007.4	2,243.6	-25.4	11.9
...				
8 Belgium	1,159.3	732.6	-36.8	3.9
...				
Total EU-27	23,978.0	18,899.8	-21.2	100.0

2 IMPORTANCE OF BANGLADESH AND ITS NEIGHBOURING COUNTRIES FOR BELGIUM'S FOREIGN TRADE (2023)

CLIENT → BELGIAN EXPORTS

SUPPLIER → BELGIAN IMPORTS



INTEREST IN BANGLADESH

The database of the Belgian Foreign Trade Agency, which registers around 25,000 companies, keeps records on 698 Belgian companies that export to Bangladesh and another 1,589 companies that show an interest in this market.

3 BILATERAL TRADE RELATIONS

3.1 TRADE IN GOODS

In 2023, Bangladesh ranked **83rd** among Belgium's main clients, ahead of Gibraltar, but behind Lebanon.

Total Belgian **exports** of goods to Bangladesh amounted to €239.6 million in 2023, which is **33.9%** (€-123.1 million) less than the previous year.

Bangladesh was Belgium's **48th** largest supplier of goods in 2023, ranking after Costa Rica, but ahead of Côte d'Ivoire.

Total Belgian **imports** of goods from Bangladesh were down by **36.8%** (€-426.7 million), amounting to €732.6 million in 2023. Bangladesh accounted for **0.1%** of total Belgian imports of goods.

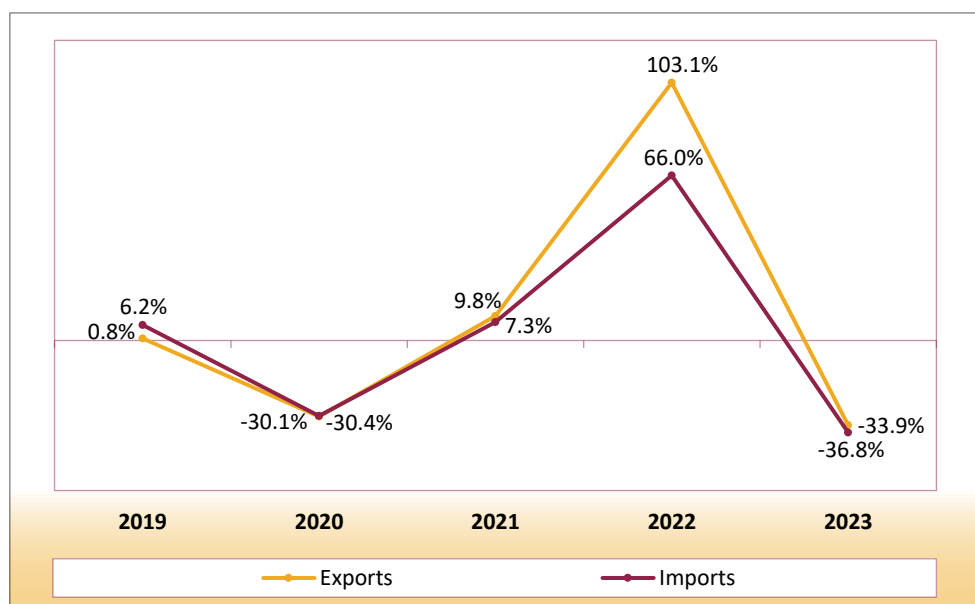
TABLE 3: EVOLUTION OF BELGIUM'S TRADE IN GOODS WITH BANGLADESH

In million €	2019	2020	2021	2022	2023
Exports	233.7	162.7	178.6	362.7	239.6
Imports	931.9	651.0	698.6	1,159.3	732.6
Trade balance	-698.2	-488.3	-520.0	-796.6	-493.0
Exports: variation in %	0.8	-30.4	9.8	103.1	-33.9
Imports: variation in %	6.2	-30.1	7.3	66.0	-36.8

The deficit on Belgium's **trade balance for goods** with Bangladesh, which stood at €698.2 million in 2019, was reduced by €209.9 million to €488.3 million a year later as the value of imports decreased more than exports. In 2021, both exports and imports showed growth. However, the value of imports grew by a larger amount, increasing the trade deficit to €520.0 million. Then in 2022, exports and imports continued to

move in the same direction as the previous year, causing the trade deficit to widen further to €796.6 million. This was the largest negative trade balance of the period under review. Finally, imports were down by a larger amount than exports in 2023, causing the deficit on Belgium's trade balance for goods with Bangladesh to decrease to €493.0 million last year.

FIGURE 1: VARIATION OF EXPORTS AND IMPORTS (IN %)



After a modest 0.8% rise in 2019, total Belgian **exports** of goods to Bangladesh were down by 30.4% a year later due to significantly lower values for both machinery and equipment and base metals. Exports of machinery and equipment recovered in 2021, causing total exports to grow by 9.8%. Then in 2022, exports showed an impressive 103.1% growth, which can be attributed not only to a higher value for the aforementioned machinery and equipment, but also to increased exports of both chemical products and base metals. Finally, a cutback in exports of base metals, machinery and equipment and chemical products caused total Belgian exports of goods to fall by 33.9% in 2023.

Traditionally, total Belgian **imports** of goods from Bangladesh consist largely of textiles. Thus, an increase or decrease in imports of this group of products also has a significant impact on the evolution of total imports from that country. After rising by 6.2% in 2019, imports declined by 30.1% a year later, which can be attributed to significantly lower imports of textiles. Imports of this group of products recovered in 2021 and 2022, which is why total imports were up by 7.3% and 66.0% during these two years. Then, the value of textiles in imports was reduced by more than a third in 2023, causing total Belgian imports of goods from Bangladesh to decrease by 36.8% last year.

3.1.1 EXPORTS

In 2023, **machinery and equipment** took the top position in total Belgian **exports** of goods to Bangladesh. With a value of €72.6 million, this group of products accounted for a share of 30.3% of total exports. This section was mainly composed of ‘electric generating sets and rotary converters of an output exceeding 375 kVA’ and ‘ships’ derricks; cranes, including cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane’.

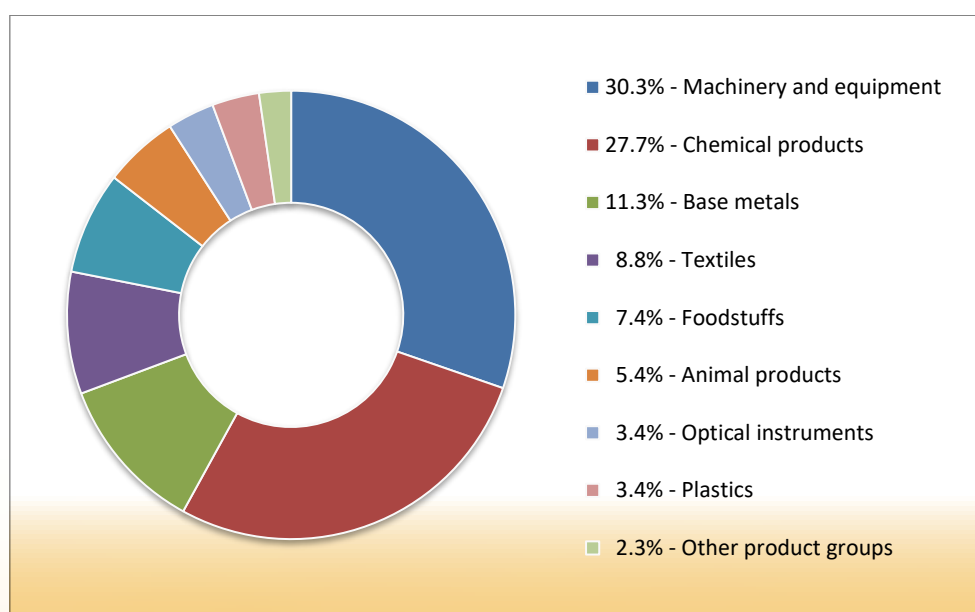
Exports of **chemical products** (main subsection: ‘vaccines for human medicine against SARS-related coronaviruses’) amounted to €66.3 million, which corresponds to a share of 27.7% of total Belgian exports of goods to Bangladesh.

Base metals (main subsections: ‘ferrous waste and scrap’ and ‘flat-rolled products of iron or non-alloy steel’) completed the top three with a share of 11.3% and exports totalling €27.0 million.

There were five other product groups that also accounted for a share of more than 1.0% of Belgian exports of goods to Bangladesh. These sections were:

- **textiles:** €21.0 million, corresponding to a share of 8.8%;
- **foodstuffs:** €17.7 million, corresponding to a share of 7.4%;
- **animal products:** €12.8 million, corresponding to a share of 5.4%;
- **optical, precision and medical instruments:** €8.2 million, corresponding to a share of 3.4% and
- **plastics:** €8.1 million, corresponding to a share of 3.4%.

FIGURE 2: BREAKDOWN OF BELGIAN EXPORTS TO BANGLADESH BY PRINCIPAL COMMODITIES (IN %) — 2023



The 33.9% decrease of total Belgian exports of goods to Bangladesh resulted in part from the fact that the value of **base metals** was down by €65.8 million. The 70.9% drop recorded by this particular group of products can be attributed to a decline in exports of ‘ferrous waste and scrap’.

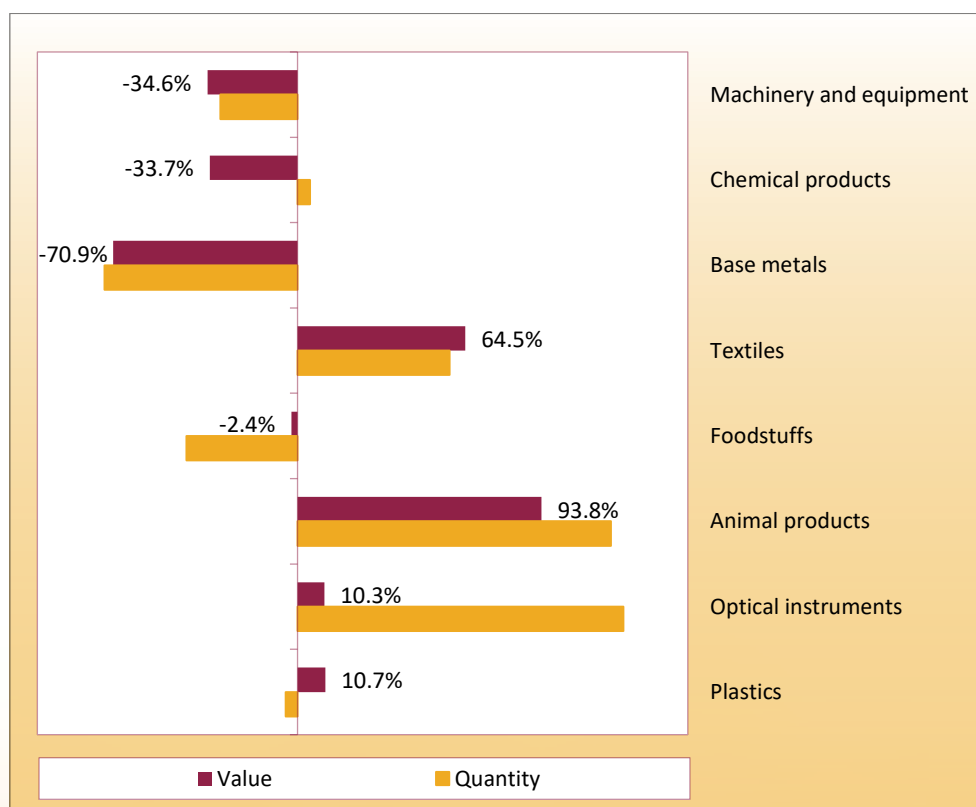
Two other product groups that contributed to the cutback in exports to Bangladesh were **machinery and equipment** and **chemical products**. While the former group of products displayed a 34.6% (€-38.4 million) fall in exports due to a lower value for ‘electric generating sets and rotary converters of an output exceeding 375 kVA’ and ‘turbo-compressors’, exports of the latter section

were down by 33.7% (€-33.7 million) due to the ‘vaccines for human medicine against SARS-related coronaviruses’ subsection.

Foodstuffs was the only other section with a share of more than 1.0% for which exports decreased. They displayed a drop of 2.4% (€-426,500).

The four product groups with a share of more than 1.0% for which exports increased, recorded growth rates varying from 10.3% (**optical, precision and medical instruments**) to 93.8% (**animal products**). The €6.2 million surge experienced by the latter product group can largely be attributed to higher exports of ‘milk and cream’.

FIGURE 3: VARIATION OF EXPORTS TO BANGLADESH BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2023/2022



3.1.2 IMPORTS

Textiles dominated total Belgian imports of goods from Bangladesh in 2023. This section, composed primarily of ‘T-shirts of cotton’, ‘jerseys, pullovers and cardigans of cotton’ and ‘men's or boys' overcoats, car-coats, capes, cloaks, anoraks (including ski- jackets), wind-cheaters, wind-jackets and similar articles of man-made fibres’, accounted for a value of €619.5 million, which corresponds to a share of 84.6%.

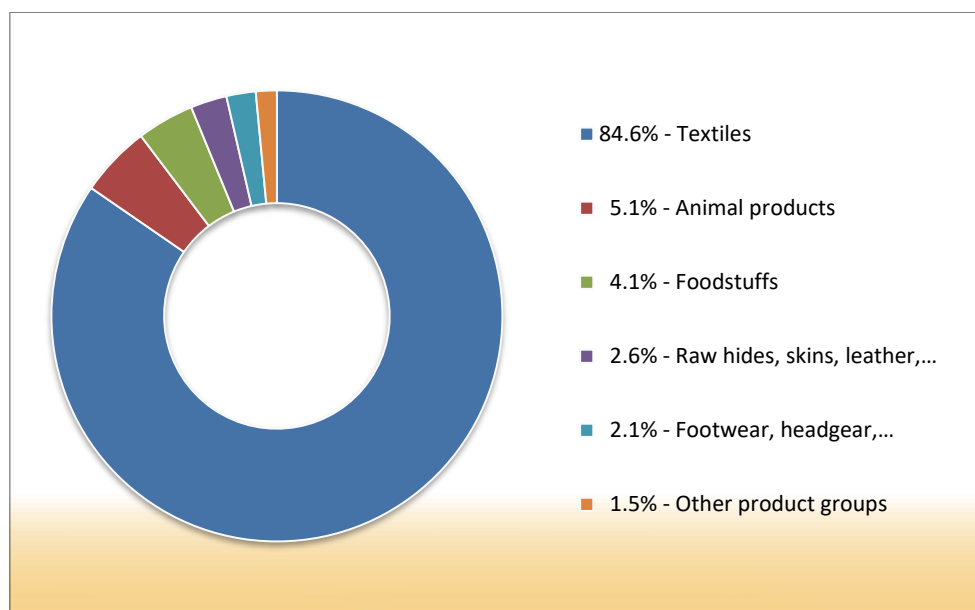
Imports of **animal products** (main subsection: ‘shrimps and prawns’) amounted to €37.1 million, which is equivalent to a share of 5.1%.

Foodstuffs, composed primarily of ‘partly or wholly stemmed/stripped tobacco’, completed the top three of Belgian import sections from Bangladesh. Imports of this group of products amounted to €30.3 million, which corresponds to a share of 4.1%.

Two other product groups also accounted for a share of more than 1.0% of Belgian imports of goods from Bangladesh. These sections were:

- **raw hides, skins, leather,...**: €18.8 million, corresponding to a share of 2.6% and
- **footwear, headgear,...**: €15.6 million, corresponding to a share of 2.1%.

FIGURE 4: BREAKDOWN OF BELGIAN IMPORTS FROM BANGLADESH BY PRINCIPAL COMMODITIES (IN %) — 2023



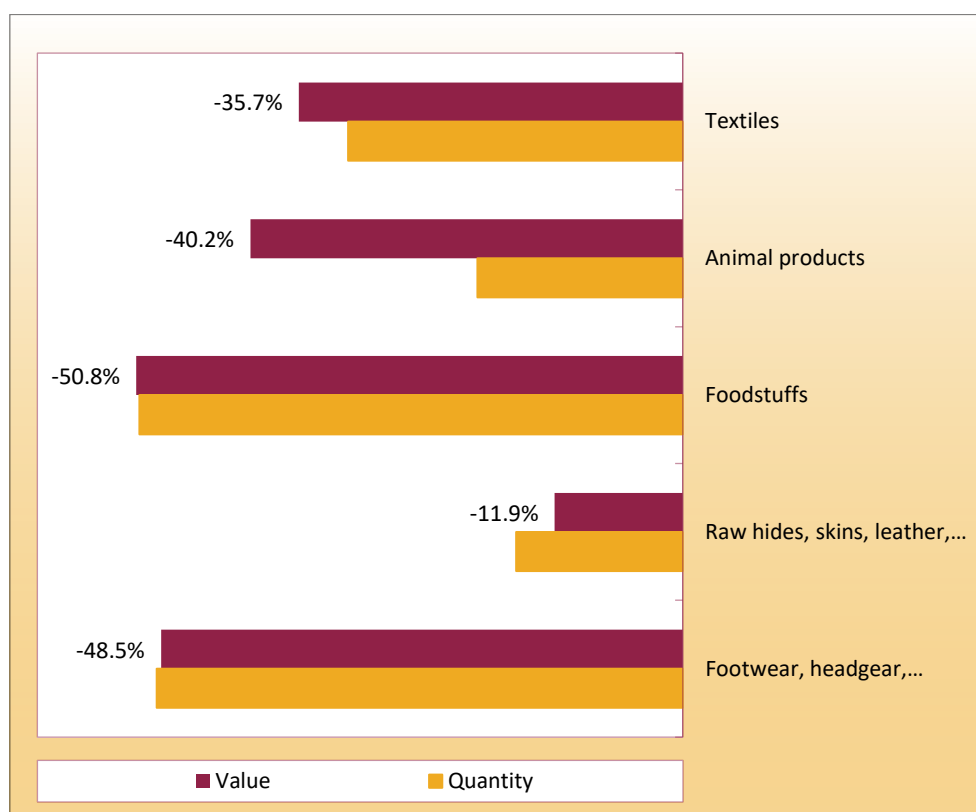
The chart below shows that all five product groups with a share of more than 1.0% of imports recorded lower values in 2023 than the previous year.

The 36.8% decrease in total Belgian imports of goods from Bangladesh resulted primarily from the fact that the value of **textiles** was down by €343.5 million in 2023. The 35.7% cutback in imports of this particular product group can primarily be attributed to lower imports of ‘T-

shirts of cotton’ and ‘jerseys, pullovers and cardigans of cotton’.

The four other product groups with shares of more than 1.0% of imports recorded negative growth rates varying from 11.9% (**raw hides, skins, leather,...**) to 50.8% (**foodstuffs**). The decline by the latter product group can largely be attributed to lower imports of ‘partly or wholly stemmed/stripped tobacco’ and ‘tobacco refuse’.

FIGURE 5: VARIATION OF IMPORTS FROM BANGLADESH BY PRINCIPAL COMMODITIES (IN VALUE AND QUANTITY) — 2023/2022



3.2 TRADE IN SERVICES

The value of Belgian exports of services to Bangladesh was up by **165.7%** (€+268.3 million) in 2023, increasing to **€430.2 million**. This made Bangladesh Belgium's **31st** largest client, after India, but ahead of Israel. In 2023, exports to Bangladesh represented a share of **0.3%** in total Belgian exports of services.

Belgian imports of services from Bangladesh accounted for a value of **€71.3 million** in 2023, corresponding to an **87.2%** (€+33.2 million) increase compared to the previous year. Bangladesh was Belgium's **64th** largest supplier in 2023 with a share of **0.1%** in total Belgian imports of services, ranking ahead of Georgia, but after Iceland.

TABLE 4: EVOLUTION OF BELGIUM'S TRADE IN SERVICES WITH BANGLADESH

In million €	2019	2020	2021	2022	2023
Exports	10.3	9.3	68.4	161.9	430.2
Imports	12.9	9.8	13.1	38.1	71.3
Trade balance	-2.6	-0.5	55.3	123.8	358.9
Exports: variation in %	-34.1	-10.1	639.0	136.6	165.7
Imports: variation in %	-38.3	-23.7	33.1	191.5	87.2

From 2019 to 2023, Belgium's **trade balance for services** has been positive during the past three years, with exports of services to Bangladesh outperforming imports from that country during this period.

Belgium's services trade deficit with Bangladesh, which amounted to €2.6 million in 2019, was reduced to €565,000 a year later, before turning into a surplus of €55.3 million in 2021 as the value of exports increased significantly more than imports. Both exports and imports rose by triple digits

in 2022, but because exports grew by a larger amount, the trade surplus increased to €123.8 million. In 2023, exports continued to outpace imports, increasing Belgium's services trade surplus to €358.9 million last year.

The trade balance for services contrasted with that for goods from 2021 to 2023, as the latter is traditionally negative for our country.

3.2.1 EXPORTS

In 2023, **construction services** was still by far the largest category in terms of total Belgian exports of services to Bangladesh with a share of 96.8% and a value of €416.5 million. **Communication services** took 2nd place with 1.7%, while **other business services** settled in third place with a share of 0.7%. This last section includes ‘merchandising’, ‘operational leasing services’, ‘legal services’, ‘accounting, auditing, bookkeeping and tax consultancy services’, ‘advertising, market research and public opinion polling’ and ‘waste treatment and depollution’.

The higher value for **construction services** was the main reason why total Belgian exports of services to Bangladesh were up by 165.7% in 2023. Exports of this particular

section increased by 180.3% (€+267.9 million).

Communication services posted growth of 27.0% (€+1.5 million) and amounted to €7.4 million.

Other business services and **financial services** were the two other groups of services from the top five for which exports grew. The value for the first section displayed a 47.4% (€+962,000) increase, while exports of the latter group of services rose by 18.2% (€+142,000).

The positive evolution of the preceding services groups was more significant than the drop in exports of **transportation services** (-46.5%, or €-1.4 million) and the **other services** (-54.2%, or €-888.000).

TABLE 5: BELGIAN EXPORTS TO BANGLADESH BY PRINCIPAL SERVICES

In million €	2022	2023	2023/2022 Var. in %	2023 Share in %
Construction services	148.6	416.5	180.3	96.8
Communication services	5.9	7.4	27.0	1.7
Other business services	2.0	3.0	47.4	0.7
Transportation services	3.0	1.6	-46.5	0.4
Financial services	0.8	0.9	18.2	0.2
Other services	1.6	0.8	-54.2	0.2
Total	161.9	430.2	165.7	100.0

3.2.2 IMPORTS

Construction services not only dominated total Belgian exports of services to Bangladesh, they were also the largest section of imports from that country. Their value amounted to €42.2 million in 2023, which corresponds to a share of 59.2%. **Other business services** and **communication services** completed the top three with shares of 15.9% and 9.4%, respectively.

The higher value for **construction services** was the main reason why total Belgian imports of services from Bangladesh were up by 87.2% in 2023. The value of this group of services grew by 260.4%, from €11.7 million in 2022 to €42.2 million last year.

Other business services recorded a growth rate of 4.7% (€+508,000) and amounted to €11.4 million.

Communication services and **travel services** were the other sections from the top five for which imports increased. The value of the first section rose by 31.4% (€+1.6 million), while imports of the latter were up by 847.8% (€+5.2 million) to €5.8 million.

The rise in imports of the aforementioned services groups was more significant than the lower value for **transportation services** (-53.0%, or €-4.5 million) and the **other services** (-7.1%, or €-94,000).

TABLE 6: BELGIAN IMPORTS FROM BANGLADESH BY PRINCIPAL SERVICES

In million €	2022	2023	2023/2022 Var. in %	2023 Share in %
Construction services	11.7	42.2	260.4	59.2
Other business services	10.8	11.4	4.7	15.9
Communication services	5.1	6.7	31.4	9.4
Travel services	0.6	5.8	847.8	8.2
Transportation services	8.5	4.0	-53.0	5.6
Other services	1.3	1.2	-7.1	1.7
Total	38.1	71.3	87.2	100.0

4 ECONOMIC INDICATORS FOR BANGLADESH

Economic structure (estimates)	
GDP (2023)	\$446.4 billion
GDP growth rate (2023)	6.0%
Inflation rate (2023)	9.0%
Exports of goods (2022 - FOB)	\$64.2 billion
Imports of goods (2022 - FOB)	\$82.7 billion
Trade balance (2022)	\$-18.5 billion
Population (2023)	173.0 million
Unemployment rate (2023)	4.2%
Main clients (2022): in billion \$	
United States	11.7
Germany	10.2
United Kingdom	4.9
Spain	4.4
Main suppliers (2022): in billion \$	
China	26.8
India	13.8
Singapore	4.7
Malaysia	4.2
Main exports (2022): in billion \$	
Knit T-shirts	9.1
Non-knit men's suits	8.8
Knit sweaters	8.0
Main imports (2022): in billion \$	
Refined petroleum	11.3
Raw cotton	2.9
Non-retail pure cotton yarn	2.0

Sources: Observatory of Economic Complexity + Lloyds Bank Trade

5 INDEX OF THE UNIT PRICE FOR IMPORTS AND EXPORTS

The table below gives an overview of the development of the index of the unit price for imports and exports for Belgium (with the world).

This index facilitates an analysis of the general development of the price of goods. This makes it possible to consider the global development of Belgian imports and exports in perspective by determining the part that is

caused by price developments (and hence which part is caused by a change in quantity).

The table has to be interpreted as follows:

If a given product had an export value of €100 in the year 2015, then this product had an average value of €141.4 in 2022. The same principle applies to imports. If a particular product had an import value of €100 in 2015, the same product then had an import value of €144.7 in 2022.

TABLE 7: INDEX OF THE UNIT VALUE OF TOTAL BELGIAN EXPORTS AND IMPORTS (2015=100)

	Export	Import
2011	99.7	101.2
2012	102.5	104.4
2013	101.6	103.3
2014	100.5	101.8
2015	100.0	100.0
2016	97.4	95.8
2017	102.4	102.0
2018	105.7	106.6
2019	106.4	106.5
2020	104.8	103.5
2021	115.6	115.4
2022	141.4	144.7

6 SOURCES

WORLD BANK — WWW.WORLDBANK.ORG

NATIONAL BANK OF BELGIUM — WWW.BNB.BE

CREDENDO GROUP — WWW.CREDENDOGROUP.COM

CIA WORLD FACTBOOK — WWW.CIA.GOV

DIRECTORATE-GENERAL COMMERCE, EUROPEAN COMMISSION — [HTTP://EC.EUROPA.EU/TRADE](http://EC.EUROPA.EU/TRADE)

EUROSTAT, EUROPEAN COMMISSION — [HTTP://EC.EUROPA.EU/EUROSTAT](http://EC.EUROPA.EU/EUROSTAT)

WORLD TRADE ORGANIZATION — WWW.WTO.ORG

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