

Bangladesh Garment Manufacturers & Exporters Association (BGMEA)

BGMEA Complex, 23/1 Panthapath Link Road, Karwan Bazar, Dhaka- 1215

Circular no: BGA/Labour/2010/21

Dated: 2 March, 2010

To: All Hon'ble Members of Sweater Factory, BGMEA.

Sub: Fixation of piece rate for sweater making

Hon'ble Members,

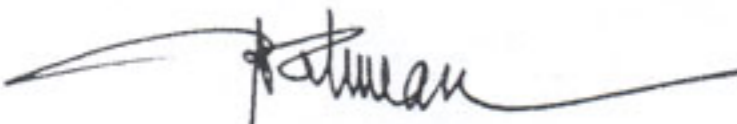
You are aware that Ministry of Labour & Employment expressed their desire to frame some guidelines for fixing the piece rate of sweater making charge prior to start of making sweater. As a result Standing Committee on Sweater Cell, BGMEA constituted a committee to frame guidelines for the purpose of determining style-wise piece rate of sweater making charge and in the meeting of the said committee held on 13/2/2010 a proposal to that effect was placed before the committee (copy of the proposal is enclosed herewith)

All hon'ble members of Sweater factories, BGMEA are requested to kindly send to BGMEA their valuable comments and suggestions on the said proposal latest by 15th March, 2010 positively.

For further query hon'ble members are requested to kindly contact **Mr. Enayetuddin Md. Kaiser Khan**, Convener of the Committee over mobile no - 01711-560978.

Thanking you,

Sincerely yours,



(M. Fasihur Rahman)
Secretary General

PIECE RATE FIXATION

Before calculating the rate, below matter should be considered:

Daily Earning	: BDT. 180.00 (Average)
Production Bonus	: 15-20%
Working Days	: 26 days
Working Hours	: 10 hours/day
Attendance Bonus	: BDT 200.00/ Month

Production target will be fixed by Industrial Engineering Team as well as production head like PM based on time management/ work study report. Floor production record never showed the actual productivity as their initial productivity always slow.

Example for piece rate calculation:

Target productivity = 8 pcs / day (10 hours)

$$\begin{aligned} \text{Production rate} &= \frac{\text{predetermined daily earning}}{\text{Daily Target Production}} \\ &= 180/8 = \text{BDT. 18.00 per piece} \end{aligned}$$

In this case, the worker's month earning supposed to be

$$\begin{aligned} &= \text{BDT 18.00} \times 8 \text{ pcs} \times 26 \text{ days} \times 20\% \text{ production bonus} + \text{Attendance} \\ \text{bonus} &= \text{BDT 4692.80 / month} \end{aligned}$$

If any factory has no work on specific day/s workers will be entitled for no work payment based on their basic salary.

Example for no work payment:

$$\begin{aligned} \text{Gross Salary} &= \text{BDT 1851.00} \\ \text{Basic Salary} &= \text{BDT 1270.00} \\ \text{Days of no work} &= 3 \text{ days} \\ \text{No work payment} &= \frac{\text{Basic} \times \text{no. of no works days}}{\text{Working days of Month}} \\ &= (\text{BDT 1270} \times 3) / 26 = \text{BDT 146.54} \end{aligned}$$

Per day no work payment = BDT 146.54/ 3 = BDT 48.85

Note: No work payment would be applicable if their production earning is less than their basic i.e., BDT 1851.00

Minimum CM:

For 3/5/7 gauges daily productivity suppose to be **8 pcs / day** (Basic style)
Minimum CM may be **US \$ 2.00** per pc

For 10/12 gauges daily productivity suppose to be **4-6 pcs / day** (Basic style)
Minimum CM may be **US \$ 3.00** per pc

CM may be increased based on extra operation if any.

Festival Leave amount/ payment:

If any piece rated operator's earning is more than his / her gross salary, festival leave amount will not be allowed. But all other leave payment would be applicable.