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Go Green

গ্যাপারেল স্টোরি

The Apparel Story

January-February 2022

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EMPOWERMENT

Go Human
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SUSTAINABILITY

WHAT AWAITS RMG INDUSTRY IN 2022

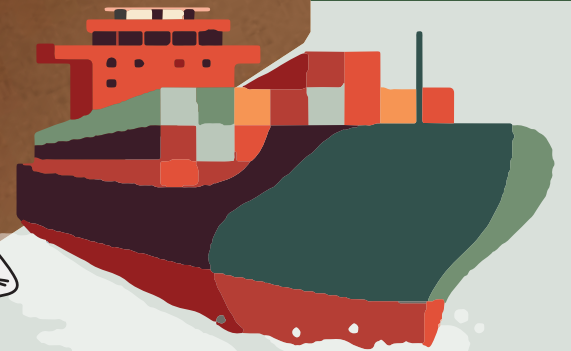
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**BANGLADESH GARMENT
MANUFACTURERS AND EXPORTERS
ASSOCIATION (BGMEA)**

বাংলাদেশ পোশাক প্রস্তুতকারক ও রপ্তানিকারক সমিতি (বিজিএমইএ)



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আ-মরি বাংলা ভাষা”

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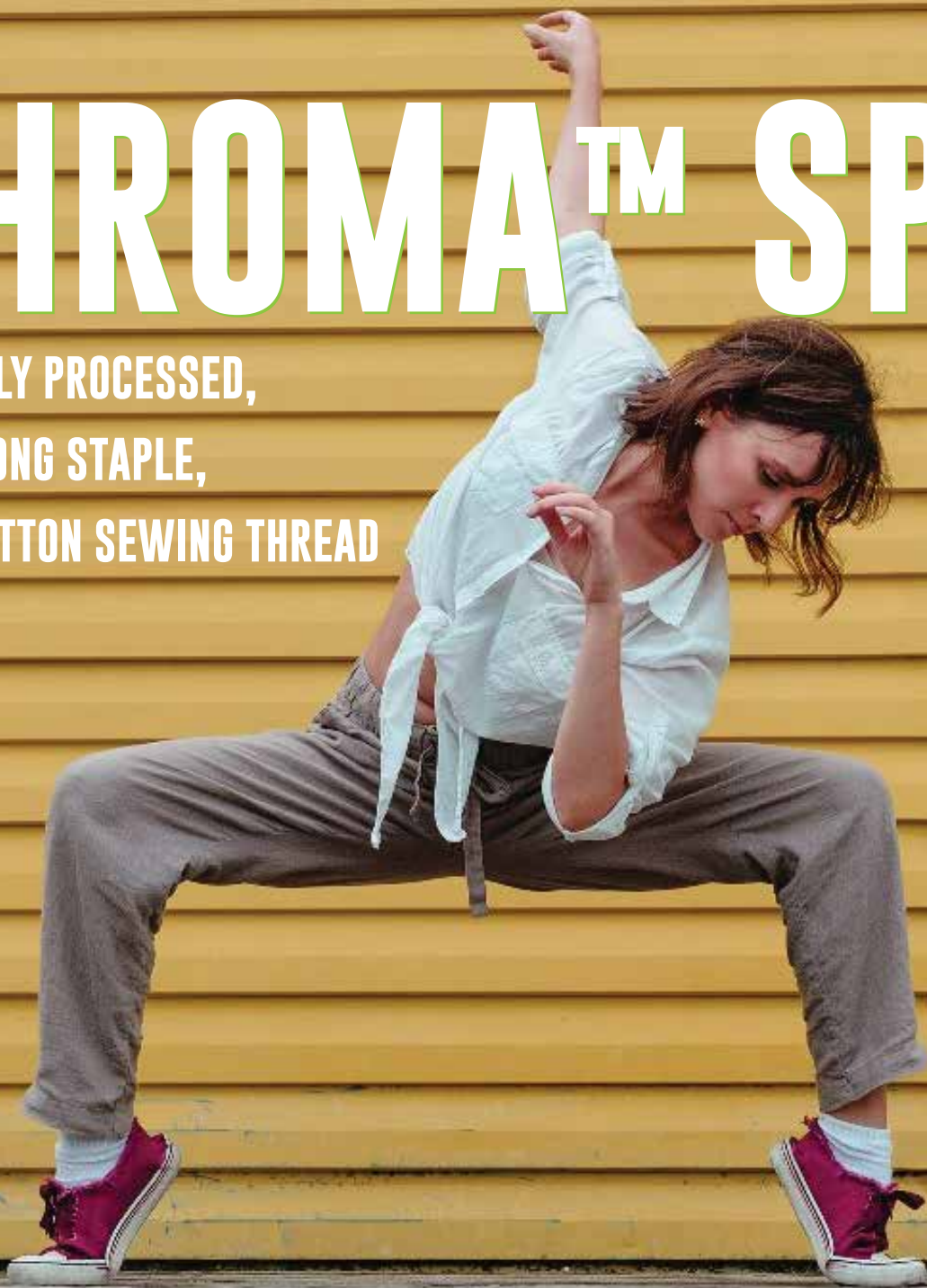
*Bangla is Our Pride,
Bangla is Our Hope*

**OUR HOMAGE TO THOSE WHO MADE THE SUPREME SACRIFICE FOR UPHOLDING THE
DIGNITY OF BANGLA IN THE LANGUAGE MOVEMENT ON 21ST FEBRUARY 1952.**

The
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EDITORIAL

Almost two years into a pandemic that has wreaked havoc on global economy and human lives all over the world, the ray of sunshine peeps over the horizon with gradual and steady recovery from the damage which was massive in magnitude and unprecedented in nature. The pandemic, which will be marked as a unique chapter in human history, has not only caused sufferings, uncertainty and disappointment, but also taught us lessons on how to be resilient, and find ways to move ahead with renewed vigor and optimism.

While it's heartening to see the RMG industry of Bangladesh is back on track after passing the last two tumultuous years, the days ahead promise a brighter future, but of course have a lot of new challenges and obstacle to be dealt with. Undoubtedly, graduation from LDC will give Bangladesh a new identity as a developing country making us proud and happy, it also will bring a mixed set of new realities packed with both opportunities and challenges. A number of trade privileges which Bangladesh now enjoys as a LDC will no longer will be available after the graduation. So, time is ripe for Bangladesh to make preparations for the next level and it's very pertinent and crucial issue for our export-oriented RMG industry.

Against such a backdrop, our industry is increasingly focusing on future priorities, especially remodeling business from a labour intensive to a value-added one through innovation, diversification, technology upgradation, and up-killing and reskilling of the workforce to make the industry sustainable from cost perspective as well as from the perspective of environment and society. We will also have to give our attention on bigger agendas —foreign investment, technology and knowledge transfer, setting up more textile industries and backward linkages to remain competitive in the post-LDC status.

It's encouraging to see garment factories in Bangladesh increasingly going for value added high-end products, embracing new technology, innovation in product development, higher efficiency and process optimization. Here we see brands and buyers could play a role in forging stronger partnership with their Bangladeshi suppliers in developing their capacities in manufacturing products having higher market demand and value. Most importantly, all stakeholders including the Government, development partners and entrepreneurs will have to make holistic move to make the industry ready for next level, and take it to new height of glory.

Editorial Board
The Apparel Story



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The Apparel Story



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Avery Dennison's New Manufacturing Unit in Chattogram

The new manufacturing facility will improve agility, competitiveness, and sustainability through greater localization



October 3, 2021, Avery Dennison launched a manufacturing facility in Chattogram, Bangladesh in a partnership with Youngone Corporation. The 2,052 square meters Unit, located in the Korean Export Processing Zone (KEPZ) in Chattogram, will enable strong service quality and flexibility to local customers. This will increase the competitiveness of Avery Dennison and associated garment manufacturers and textile brands in the Chattogram area.



Highlighting the potential benefits of this project, Kenny Liu, Vice President and General Manager, South Asia, Avery Dennison RBIS said, "This manufacturing unit is a remarkable step forward as we expand our capabilities to serve the local market, as well as global customers. We thank Youngone for their support to set up this site within the KEPZ, which enables us to better serve Youngone and our Chattogram customers and support their need for speed in today's highly dynamic market. This partnership highlights our shared vision to bring value to the local economy by creating more employment, while presenting a call to action for a more sustainable apparel industry."



What awaits RMG industry in 2022

The last two years have been a roller-coaster ride for the global economy due to the worldwide Coronavirus pandemic. At one point it was feared that Covid-19 would plunge the global economy into the worst recession ever since the Great Depression of the 1930s. However thanks to fast vaccine development and an unprecedented vaccination campaign in both speed and scale, the world is recovering much faster than expected. The IMF estimates the global economy will grow by 5.9% in fiscal year 2021-22 and 4.9% in 2022-23, up from a negative growth of -3.1% in 2020-21. The sharp economic turnaround and brands' willingness to spend more will surely bring cheer for ready-made garment (RMG) industry in 2022. 2021 was undoubtedly a challenging year for the Bangladesh RMG industry. After being hit hard by Covid-19, it was in this year that garment makers learned to cope

with a new normal situation and slowly but successfully navigated their way out of the crisis by maintaining a delicate balance between lives and livelihood. The RMG industry could prove its resilience thanks to the combined efforts of manufacturers, workers, brands and the Government, and eventually closed the year with USD 35.81 billion worth of export earnings.

However, in spite of the sector's sharp turnaround with a 30.36% year-on-year growth and 8.28% growth compared to 2019, the overall situation is not so rosy, mainly because of the increase in prices of raw materials, shipping cost and utility costs which inflated the production cost. Besides, the sourcing pattern was heavily disrupted throughout the bygone year as buyers opted for smaller orders with speedy delivery. The global freight management system is severely disrupted pushing the

container freight cost up by 350%-500%. Prices of cotton, yarn, fuel, dyes and chemicals went up causing a significant cost burden to manufacturers who were already struggling. The near-shoring tendency among the buyers to minimize the freight costs was also observed during this time. The inherent vulnerability of this industry that emerged from the weakness of contracts and trade terms, lack of raw material supply from local sources and over-dependence on a few countries, and the economic





security of the workers in a pandemic situation was exposed during this crisis period. And time has come to treat these matters with immediate urgency as we are moving towards a new financial year.

McKinsey & Co has reported that the global fashion industry will recover by 2022 and the fashion sales will increase by 3-8%. Being assured by this projection, the opportunities unveiled by Covid-19 should be focused on in 2022. While doing that, we have to keep in mind that, in the Post-Covid

world, putting a mask on our face and maintaining the standard social distance is not the only thing that we have to cope with, but also it is absolutely necessary to revisit our business model. To perform well in this new normal situation, we need to put emphasis on a sustainable trading system and buyer-suppliers relationship along with tapping into the divulged opportunities.

Global online sales have gone up astronomically during this period with the emergence of technologies, disrupting the retail industry to a

significant extent. Considering the importance of the digital marketplace, it is high time for Bangladesh to focus on branding itself not only as a manufacturing hub but also as a designer-maker. In order to tap that arena of the virtual marketplace, engagement with the government for identifying policy priorities is very crucial. It is also vital to develop a business model or an entry strategy for our industry to the digital place.

In the post-Covid reality, PPE has almost become a necessary part of our life, especially for the medical

McKinsey & Co has reported that the global fashion industry will recover by 2022 and the fashion sales will increase by 3-8%. Being assured by this projection, the opportunities unveiled by Covid-19 should be focused on in 2022. While doing that, we have to keep in mind that, in the Post-Covid world, putting a mask on our face and maintaining the standard social distance is not the only thing that we have to cope with, but also it is absolutely necessary to revisit our business model.

personnel and front liners which are also visible in the data. In just about 5 years our PPE export has grown from 252 million dollars to 618 million dollars in FY 2020-21 (as per EPB's data). So considering the global demand and the rise in demand for PPEs, we have a clear potential to tap into it. But there are certain hindrances that need to be taken care of first, particularly medical-grade PPEs would require significant capacity building within the industry that requires policy support. GIZ and GFA consulting group in collaboration with BGMEA has completed a study regarding Bangladesh's opportunity and challenges in the area of technical textile. According to the study, the global technical textile market is projected to grow from \$179.2bn in 2020 to \$224.4bn by 2025 at an

average annual growth rate of 4.2%. Meanwhile, the global PPE market is projected to pass \$93bn by the end of 2025. So there is no doubt about the fact that PPE can be a promising market for us if treated with enough attention. Starting from almost nothing, Bangladesh RMG has definitely come a long way as it is the second-largest apparel manufacturer in the world right now. With 157 green garment factories certified by US Green Building Council (USGBC), this industry has proven its commitment towards sustainability very well apart from taking care of workplace safety with stringent measures. Nevertheless, with only 6.26% global market shares, there is very little scope to be complacent about the success and achievements. If we cannot upgrade the business capabilities and value addition of the industry, the achievements in environmental and social fronts will be uncertain. So our priorities in the coming days should be to transform our business model - from labor-intensive manufacturing to innovation, high-value addition, and modern manufacturing processes. For importing raw materials, Bangladesh heavily depends on certain countries. Every year we import around 10 to 12 billion dollars worth of textile fabric from the world. The uncertainty and



Key priorities for ensuring long term growth:

- macroeconomic stability
- preparation for LDC graduation
- increased private investment
- accessible and affordable health services and education
- mobilizing domestic resource through efficient tax system

Dr Fahmida Khatun
Executive Director, Centre for Policy Dialogue (CPD)





vulnerability created due to that overconcentration have been greatly exposed during the Covid-19. Once Bangladesh finally graduates from LDC, there will be certain changes in the trading rules. To comply with double transformation rules of origin after 2026 and to reduce the challenges associated with overconcentration for raw materials, there is no alternative but to increase investment in the backward linkage. Globally the share of cotton textile and clothing consumption is 25% only, whereas 75% of Bangladesh's RMG product is concentrated within cotton items. We do also have a capacity shortage in the area of high-end garments like sportswear, lingerie, outerwear, etc. where we have a huge market, but insignificant presence. For the transformation to a high value item industry, we also need specialized investments at this moment, for example in a product category like shirting fabric, laces, hooks, etc. There is a persisting shortage in supply of this kind of raw materials where we need investments. Circular economy is going to be another major talked about agenda in the new normal world. As the new McKinsey and Co. study

mentions, in the post Covid world, customer mindset has been engraved with the word "Less is more". Recycling and reusing is the demand from our customers now as eco-consciousness is stronger than ever. According to a study conducted by Global Fashion Agenda (GFA), Bangladesh has the potential to produce \$1.2 billion dollar worth of recycled textile and garment items. As per another study done by Circular Fashion Partnership, Bangladesh can save USD 500 million a year by recycling the cotton wastes that are being produced by the RMG and textile mills. Just like technical textiles, we need collaborative engagement from our partners in this area as well to successfully reuse 4 million tons annually generated wastes from our RMG industry. The Bangladesh government has rightly taken several mega projects which are going to change the economic landscape of Bangladesh, once finished. Projects like Padma Bridge, Dhaka metro rail, Dhaka-Chittagong elevated express highway, Dhaka Cox's Bazar railway link road, Paira deep seaport, Karnaphuli tunnel, Rooppur nuclear power plant etc. will definitely drive the country toward higher growth. In order to



To continue the amazing growth of Bangladesh in 2022

this is high time to focus on sustainable products and process, bring in innovative designs, circular fashion and invest on new technologies. People, the key capital resource, are to be empowered with right skills that can drive the future.

Ms. Shwapna Bhowmick
*Head of Country, Marks & Spencer
 Bangladesh Sourcing Office*

reap the full benefit of these development projects and to make our supply chain lean and green, we need to ensure technological up-gradation across the production chain, otherwise, it will be difficult for us to optimize cost and be competitive in the global market. Our success will depend mainly on developing the skills and efficiency of our people. Investment in the area of reskilling and upskilling our workers is important to take advantage of the 4IR. Last, but not least, we have to keep in mind that ensuring a decent livelihood for our workers will also be vital in the coming days as they are the fuel of our industry. **A**

Bangladesh's LDC Graduation *Challenges and Opportunities*



Md. Shahidullah Azim

In its 50 years of journey, Bangladesh has positioned itself as one of the emerging economies in the world. As we are celebrating two joyous occasions- the golden jubilee of our independence and birth centenary of our Father of the nation-Bangabandhu Sheikh Mujibur Rahman at this moment; LDC graduation is another achievement of ours as a nation. In its 76th session, the UN General Assembly (UNGA) adopted a resolution to allow Bangladesh to graduate from the Least Developed

Countries (LDC) category, after 45 years of inclusion. Undoubtedly, this graduation brings great pride for all of us. However, we should also keep in mind that there will be several changes particularly, related to our market access and financial incentive programs once the transition period is over and it's high time we prepared ourselves to sustain the growth momentum we have achieved and to ensure smooth graduation. Bangladesh's graduation to a middle-income country may cause a



major shift in the sourcing pattern of global apparel buyers. Currently, around 73% of Bangladesh's RMG export is enjoying duty-free market access being an LDC. The first impact is - Bangladesh will face significant preference erosion in EU market since other major exporting countries like China, Indonesia, India, Cambodia and Vietnam's tariff regime will remain unchanged. The second impact is - we currently enjoy single transformation rules of origin under the Everything but Arms (EBA) scheme of EU GSP, with the graduation will have to follow 'double transformation' rules of origin, which would make it difficult to fully utilize the GSP benefit. Based on the current capacity of the local backward linkage industry, this may be estimated that around 40%-45% of our RMG exports to EU (mostly woven garments) will trigger 9%-10% duty and make our products uncompetitive. EU is the biggest market for our apparel having 64% of our RMG export and the duty-free market access has been absolutely crucial for us to achieve growth there. The third impact is - Bangladesh's

export competitiveness will also be affected since the current subsidy programs of the Government of Bangladesh would not be allowed to continue in the post-LDC era. The end of the subsidy program will bring a major blow to the industry's competitiveness since there will be no gain in the price of the products. So, the subsidy programs will have to be re-arranged and re-purposed so that it fits into the post-LDC market access criteria as well as keep helping the industrial competitiveness and excellence in the country.

The challenges associated with LDC graduation will be further amplified if we consider the impact of Covid-19. This pandemic of the century has introduced an unprecedented situation before all of us and multiple challenges have been unfolded due to this pandemic. The first wave of the pandemic swamped the industry through the cancellation of orders, deferred payments/ discounts by buyers, cash crunch hitting the backbone of the industry to maintain regular operations of the industry. Thanks to our Honorable Prime Minister for

Her gracious and visionary steps which helped the industry to stay afloat during the peak hour of Covid-19. Extension of wage assistance loan and other vital stimulus packages for this industry, especially the easing off and enhancement of the export development fund, retention of foreign currency in a single pool for Back to Back import payments, extending the tenure of realization of export proceeds, and most importantly suspension of loan classification enabled us to withstand the effect of the first wave.

However, the second and third waves and the emergence of new variants have further challenged the industry with the changing habit of buyers, such as near-shoring, ordering in small batches, and delayed payment. Even though with the assistance from Govt. and our development partners, the resilient mindset of our entrepreneur, and most importantly with the hardworking will and dedication of our workers we have been able to touch the milestone of more than USD 4 billion worth of RMG export



earnings in one single month, we have to be very cautious about the future days. Regarding export markets, diversification has always been limited and our exports are mostly concentrated to North America and the European market, which takes up around 83.34% share of our total RMG exports to the world. Over the last few years, the export market of Bangladesh's apparel has started being diversified and tremendous progress has been achieved in terms of new markets exploration. The percentage of Bangladesh's apparel exports to non-traditional markets during the 2008-09 fiscal year was only 6.4%, which reached 16.66% in the 2018-19 fiscal year amounting to an export turnover of 5.66 billion dollars. Yet, there is huge untapped potential for Bangladesh's apparels sector both in traditional and non-traditional markets. While diversification is a priority and the LDC graduation is knocking at the

door, economic diplomacy would not be more important than now. We should prepare to follow the new global trend and continue seeking market access under the various bilateral and regional trade and investment arrangements. Considering the economic vulnerability of Bangladesh due to overdependence on the RMG sector, and also keeping Bangladesh's extraordinary progress in socio-economic development, achievement in anti-terrorism; government should immediately engage with the EU for Extended EBA Negotiation at least for 7-10 years. Thanks to European Union for removing the criteria 7.4% vulnerability threshold required for the GSP Plus scheme, but the EBA extension will give us enough time to be prepared for jumping to the next level of growth. To be able to comply with double transformation rules of origin from 2028, there is no alternative but to

focus on the backward linkage from now on as Bangladesh has severe lackings in both the forward and backward linkage. In terms of value addition, our manufacturers add up to 80% local value to the final products which are as low as 30%-40% when it comes to woven. Since this is extremely capital intensive, foreign direct investment particularly in the backward linkage will yield a better results for us. Along with that, if Govt. announces any kind of special incentive or tax rebate benefits for investing in the backward linkage, that will inspire the manufacturers and the sector will be prepared for the long run. Our presence in the area of non-cotton man-made fiber and high-end products like jackets, outerwear, and functional wear should also be increased as the global demand share for non-cotton products has reached almost 70% along with growing eco-consciousness among the customers. Another area of importance is that, since the current subsidy programs by the Government of Bangladesh will come to an end with the effect of the LDC graduation, the industry has to be prepared to absorb this financial shock. An alternative subsidy mechanism in line with the WTO rules has to be prepared in consultation with intra-industry manufacturers and the government. Last but not the least, we have to change the perception about Bangladesh and brand ourselves across the globe. Year after year, we are manufacturing products for all the world-class brands with top-notch quality and timely delivery, however, we have not yet been able to mark our footsteps as a brand manufacturer. Changing the perception and ensuring our presence in the online marketplace arena will not only help us to tackle the challenges associated with LDC graduation, but also it will help us to leapfrog to the next level of growth and prosperity. **A**

Md. Shahidullah Azim is the Vice President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Managing Director of Classic Group.

Sustainability Vision 2050

YKK's Action Plan for a Sustainable Future



climate change

carbon neutral by 2050

material resources

100% sustainable textile materials by 2030



water resources

reduce water use & increase wastewater recycling

chemical management

reduce chemical usage by new production methods



respect people

ensure safe fair workplaces throughout our supply chain

Time For Garment Makers To Embrace ESG



**Barrister Shehrin
Salam Oishee**



In embracing the changing pattern of worldwide business practices, one is very keen to be up-to-date with regards to their investments, be it in a new venture or expansion of the old. It's crucial to realize that the business world is readily adapting to the change in environment, social standards and geo-political state, in an attempt to maximize the success and minimize the losses. In light of such changes, ESG, meaning Environmental, Social and (Corporate) Governance, is of crucial importance. These are the set of criteria that set standards for a company's operation that socially conscious investors use to screen potential investments. These are those business investors who

prioritize the incorporation of their values and concerns (such as environmental concerns) into their selection of investments instead of simply considering the potential profitability and/or risk presented by an investment opportunity. ESG can be otherwise referred to as sustainable investing practices that help one to understand and adapt to new and emerging changes to the business landscape by developing responsible and sustainable strategies, business models, operations and investments. Sustainability is a widely used concept at the moment, worldwide, where all mechanisms are structured in a manner to uphold sustainability. Sustainable

investments are those investing practices that focus on socially responsible standards, and ethical strategies ensure that the companies engage in impact and mission related investing.

ESG CRITERIA

The first step in realizing ESG is to adopt the three elements incorporating the criteria of ESG – environmental, social and corporate governance. While many ESG criteria are rather subjective, shifts are made on several fronts that are designed to provide more objective, credible ratings of a company's performance in terms of ESG policies and actions. In the past, a company's standing in terms of ESG



has often depended less on substantive practices and more on how good the company's public relations department is.

ENVIRONMENTAL CRITERIA

The environmental criteria focus on how a company performs as a steward of nature. Seeing from a standpoint of industrial perspective, Environmental criteria include a company's use of renewable energy sources, its waste management program, how it handles potential problems of air or water pollution arising from its operations, deforestation issues (if applicable), and its attitude and actions around

climate change issues. Also considered are the options of raw material sourcing, meaning whether a company is using fair trade suppliers and organic ingredients, whether biodiversity practices are used on their industry premises, etc.

SOCIAL CRITERIA

The social criteria are by far the widest, with a vast range of potential issues, essentially considering the balanced management of social relationships. In this respect, a key relationship of any business investor is with its employees, who run the company. This includes fair pay for its employees as a standard for such business in the industry, workplace

policies regarding diversity, inclusion, Employee training and education programs, etc.

GOVERNANCE CRITERIA

The Governance criteria mainly focus on how a company is managed by those carrying the leadership, specially concentration on the board attending to the interests of the company's various stakeholders – employees, suppliers, shareholders, and customers. Financial and accounting transparency and full and honest financial reporting are often considered key elements of good corporate governance. The concept

of inclusion on the part of the board and company executives is a crucial matter here, widely considered.

ESG in RMG

In light of the current situation in Bangladesh, the ESG shall be a matter of utmost importance in all industries, specially the ones which are the main drivers of the economy, namely the Ready-made garment sector, which employs an estimated 4.2 million people, of whom 2.5 million are women. There are opportunities to improve Environmental, Social and Governance (ESG) sustainability aspects to strengthen the sector's competitiveness and potential for further investment. There are four different technology trends impacting the ESG theme in retail and apparel, including artificial intelligence, the internet of things (IoT), refrigeration efficiency and transportation. All will play a significant role in allowing companies to enhance their ESG credentials.

There are five distinct macroeconomic trends impacting the ESG theme in retail and apparel, they include, alternative energy, COVID-19, ethical consumerism, generation Hashtag and M&A. These trends will play an important role in influencing how companies enhance their ESG credentials. Retailers are facing many challenges within the ESG theme, across all three pillars. Retailers will need to work hard to address these issues swiftly and keep the world up to date on their progress and actions, as transparency is an essential factor in gaining ESG credentials.

However, the industry constitutes various sustainability challenges across ESG aspects affecting the decency of work and livelihoods of millions of people employed in the sector limiting its competitiveness and potential for further investment, besides the several other positive effects. For a starter, training on digital services can improve livelihoods for the garment sector, assisting the people involved to be prepared for the digital transformation as a result of the automation, which shall, in turn, improve the overall ESG sustainability aspects. But there

also remain restrictions for implementing digital services fully in the sector.

As RMG manufacturing is a key part of industrialization and growth plans of the Government of Bangladesh beyond 2021 will bring digitally-enabled business models and solutions to selected RMG manufacturers and their employees, particularly women, to ensure that the use of digital solutions impacts the lives of workers families in Bangladesh and RMG sector overall sustainability to increase competitiveness and attraction of further investment.

In terms of the environmental aspects, the RMG sector of Bangladesh has gone a long way in recent years in an attempt to adapt and evolve through a sustainable and green transformation in production. Bangladesh houses the highest number of green RMG factories in the world. Green industrialization is a positive symbol of sustainable development. Bangladesh proudly houses 157 LEED-certified ready-made garment factories, of which 47 are Platinum certified, 96 Gold certified, 10 Silver and 4 certified.

A major change adopted by way of ESG, is the stride in using digital financial services among RMG employees through the digitalization of wages, in recent years. The Covid-19 pandemic has accelerated the push of wage digitalization with proven employer-employee benefits. According to the Better Than Cash Alliance, the current level of wage digitization in the RMG sector in

Bangladesh stands at 54 percent, having fallen from its peak of 90 percent at the onset of the COVID-19 pandemic as a result of a sudden increase in conjunction with the stimulus package during 2020 that was mandated to be paid to employees via digital means.

Challenges for making wage digitization general practice remain including the high cost of money transfer, the lack of an interoperable digital payment ecosystem, and low digital and financial literacy of digital financial service users leading to missed opportunities. Digitized tracking of sustainability at the enterprise level can open up opportunities of providing high-integrity, low-cost and verified data on sustainability performance with possible applications ranging from public disclosure to increase trust and strengthen competitive advantage to use in tracking sustainability performance targets for sustainability-linked finance instruments and application in credit assessments.

Having more integrated and organized sustainability data management systems could aid in the integration of ESG sustainability metrics in credit ratings and the development of more sustainability-linked financing options for manufacturers to increase the sector's sustainability. More high-integrity and low-cost sustainability data management systems need to be developed and offered to make them more attractive for manufacturers and credit-providing financial



institutions. As a case in point, there are two examples of the first sustainability-linked loans in Bangladesh implemented during 2020-21 linking environmental sustainability performance targets to the interest rate of the loan, specifically the use of clean energy. The traditional governance approach has well been developed to the new governance approach which comes from a conceptual background that examines how corporate decision-making and people-friendly business strategies have begun to converge. It relies on executive fiduciary duties, stakeholder engagement and economic analysis of management incentives. It addresses how firms incorporate stakeholder-friendly business strategies, examines the role of shareholders and board activism in pushing for social responsibility. There are significant differences between traditional governance and the NG model. Under the new model, Carroll and Buchholtz (2009) define 'stakeholders' from a broader perspective, positing that they can be "any individuals or groups who can affect or are affected by the actions, decisions, policies, regulations or goals of an organisation", Mitchell et al. (1997) conversely divide stakeholders into three groups based on the salience of their power, legitimacy and urgency of their claims. Hence employees, customers, owners, competitors, government and civil society organizations could all be stakeholders of a firm. Within business and societal relations, the core ideas of stakeholder thinking are that Stakeholders can create standards for the industry and reflect on the industry's implementation of these standards, and these industries have a responsibility to consider stakeholders' views in their internal regulation

ESG Metrics in the RMG Industry

In the last decade, global clothing production increased with more than 300 million people employed along its value chain. It's one of the fastest thriving industries in the world with Bangladesh being the

second largest exporting nation for ready-made garment items worldwide. However, this has come with high environmental costs putting substantial pressure on non-renewable natural resources. Water-intensive textile manufacturing processes use 93 billion cubic meters of water annually. Secondly, the process of dyeing clothes is one of the sources of water pollution globally. Thirdly, the annual greenhouse gas emissions from the RMG industry are more than the combined amount for all international flights and maritime shipping. With the fast move in changing fashion trends, items are designed and manufactured and sold to consumers in increasingly shorter time frames, causing a dramatic reduction in the number of times garments are worn before they are thrown away. An increase in the clothes being discarded causes a loss of economic and there are also environmental implications. The positive fact here is that more and more people are being aware of these effects and are being more conscious about sustainable garment productions. To raise further awareness, recently, a group of fashion executives met in Los Angeles to discuss how manufacturing practices could be modified so that companies were compelled to act the G7 Fashion Pact, the main part of which was focussed on getting zero greenhouse gas emissions by 2050; ESG issues now form an increasingly vital part of the business model of companies. Hi-end fashion brands like Prada had pledged to phase out virgin nylon by 2021. Zara has also toed the same path. It has committed to making all of its clothing from 100 percent sustainable fabrics by 2025. Nordstrom has started an online shopping category called "sustainable style," besides many other initiatives. Besides the voluntary initiatives of the Brands, consumers believe that it's crucial to reduce the amount of packaging, use renewable and recyclable materials; make clothes that are designed to last longer, and use fewer resources (power, water, materials), etc. Long-term investors carefully assess the sustainability of

companies they shall be investing in, focusing on the most material aspects of a company's long-term value creation.

At present, Bangladesh requires a supply chain risk management platform that allows businesses to enable sustainability, ensure resilience and deliver impact within their network of partners, suppliers and third parties, who are vital to their operations. Such a solution must employ cutting-edge research and analysis to identify gaps in sustainability, involvement in past controversies and ESG risks that may be hidden in disparate and multi-tiered supply chains. It must provide businesses with the data, analysis and tools they need to drive holistic and quantifiable improvements in ESG supply chain resiliency.

Such a system must be designed to align with the 10 principles of the United Nations Global Compact and enable companies to elevate the UN's 17 Sustainable Development Goals furthering giving the companies the tools and insights they need to positively impact their business operations and achieve a more sustainable and resilient future.

The whole process must be achieved in 3 distinct steps – Explore, Enhance and Engage. The umbrella organization must create an ecosystem where corporations will fully identify, engage with and understand ESG risks posed by their supply chain and improve operational resilience. In the next step, it must inform and encourage prospective business partners, financial institutions and small businesses to invest in a greener future and lastly, enable supply chain participants to improve their ESG practices, benchmark against their peers and use their elevated ESG standards as a USP. With Bangladesh graduating from the LDC, maintaining a standard ESG practice has become a matter of utmost importance, which must be at the top of all new and/or old business development plans. 

Barrister Shehrin Salam Oishee is a Director of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Director of Envoy Group and an Advocate of the Supreme Court of Bangladesh.



There is no option but to decarbonize and, we believe firmly that manufacturers who actively work towards reducing their emissions will be more competitive in the medium to long term.

David Sävman, Head of Supply Chain, H&M Group

In an exclusive interview with The Apparel Story, David Sävman, Head of Supply Chain, H&M Group, shares his thoughts on how the global supply chain can be made cleaner and greener. He also sheds light on collaboration between brands and suppliers to proceed on the path of decarbonizing the fashion industry.

What measures are being taken by H&M Group so that a collaborative approach between manufacturers and brands can be followed to make the supply chain cleaner and greener?

Climate change is the most urgent question of our time. Energy efficiency, renewable electricity and shifting towards a circular business model remain the main cornerstones of H&M Group's climate strategy. We have been actively working towards our goals to achieve a climate-positive value chain by 2040 for years and will continue to do so. With our commitment to halve our emissions by 50% every ten years, we have set a reduction goal of 56% by 2030 (the base year 2019). Our long-term vision is a fossil-free supply chain. One step that will get us closer to our long-term goals is that from January 2022, we will not onboard suppliers to our supply chain that use on-site coal-based solutions to run their facilities. Collaboration is key in ensuring a more sustainable future for the industry. Brands, manufacturers, and governments need to work together to transform the sector towards more sustainable practices. We have a two-pronged approach or working directly with our supply chain while also driving initiatives on Public Affairs and with Stakeholders, to create a conducive environment and achieve a bigger impact. With our suppliers, we provide support directly through our expert teams, while also making connections with programs that other stakeholders have. H&M Group's local expert team supports business partners on energy efficiency opportunities identification as well as guides on implementation within facilities. Similarly, our team also

Collaboration is key in ensuring a more sustainable future for the industry. Brands, manufacturers, and governments need to work together to transform the sector towards more sustainable practices. We have a two-pronged approach or working directly with our supply chain while also driving initiatives on Public Affairs and with Stakeholders, to create a conducive environment and achieve a bigger impact.

helps suppliers identify and operationalize opportunities related to rooftop solar and renewable fuels. In addition, through PaCT (Partnership for Cleaner Textiles), STWI (Sweden Textile Water Initiative), 3E (Energy Efficiency Engagement) and NEST (Need for Environmental Sustainability in Textile) our business partners have implemented resource efficiency interventions. These initiatives are complemented by our work on Public Affairs, in which we advocate for a conducive policy environment that will enable greener and cleaner practices and

for the whole industry. The shift towards more sustainable practices in the RMG sector will continue to be high on H&M Group's agenda and we hope to deepen the collaboration even further.

Also, are there any incentive mechanisms for Bangladeshi supplier engagement in decarbonization pathway has been taken into account from H&M Group, as Bangladesh is one of the largest sourcing destinations for them?

There is no option but to decarbonize and, we believe firmly that manufacturers who actively work towards reducing their emissions will be more competitive in the medium to long term. We have in place a supplier management system that rewards emission reductions in production. The better our suppliers perform on emissions reductions, as well as a range of other sustainability areas, the higher they score overall, the more business we offer them. There have been tremendous improvements in technology in the last decade, because of which renewables have become much more competitive globally. We know that this is not the case yet in Bangladesh. We also know that there are significant challenges here, given that the country is one of the most densely populated in the world. We applaud that despite these challenges, the Honorable Prime Minister Sheikh Hasina has announced the cancellation of coal plants and set a target for 40% of energy to come from renewable sources by 2041. These steps will ensure that Bangladesh, and its manufacturers, will stay competitive. **A**

RISE OF A KINGDOM

Part-03: Bond Garments Limited



Md. Mohiuddin Rubel

In its long arduous journey of four decades, the readymade garment (RMG) industry of Bangladesh has steadily moved forward, overcoming many insurmountable odds and outperforming rivals. Today it is the second largest garment exporter in the world and a powerhouse for the Bangladesh economy. The enviable success, however, in this sector did not come on a silver platter. Behind the industry's remarkable development journey, there are a series of mesmerizing real-life stories of some extraordinary people proving their entrepreneurial as well as leadership skills to survive and thrive. In sequel to the previous two parts,

where we highlighted Riaz Garments of Mohammad Reaz Uddin and Desh Garments of M. Noorul Quader, here we will shed light on Bond Garments established by A.M. Musa.

When the RMG industry was still in its infancy, A.M. Musa nurtured it with a mother's care. He not only set up one of the country's first garment manufacturing units, but also generously shared tricks of the trade with others, thus contributing making the ground solid for flourishing of the RMG industry in Bangladesh.

According to an estimate, he helped about 200 new entrepreneurs to set up garment factories by sharing his



knowledge regarding factory set-up requirements, various stages of production, marketing and export. Starting his business career in 1964 with a construction firm, Mr. Musa had steadily moved to indenting, clearing and forwarding, food preservation and bricks manufacturing business within a span of ten years. Then he got the idea of garment manufacturing and export while visiting some western countries. Initially he imported 35 Brother

sewing machines from Japan in 1975 and installed those in his residence in Dhanmondi, Dhaka. Those were believed to be the first automatic electric sewing machines in Bangladesh. Then he collected a group of tailors from Dhaka's New Market and other areas, and encouraged them to get training on operating those machines. However, they had to learn it mostly on trial and error basis. Bond Garments Ltd. came into being in 1976. At that time, setting up an

export-oriented garment factory outside Chittagong was beyond anyone's imagination. But Mr. Musa showed the courage to establish a factory in Mirpur, paving the way for a host of new factories in Dhaka and on its outskirts.

As the founding Managing Director, Mr. Musa worked hard with devotion and ingenuity. Thanks to his dynamic personality, uninterrupted endeavor, zeal and enthusiasm to have the best out of nothing, before long Bond Garments attained the status of the largest export oriented garment industry in Bangladesh.

In the 1982-83 fiscal year, Bond's export earning was Tk. 4.50 crore, which jumped to Tk. 9.43 crore in 1983-84. Then in the following fiscal year, Bond took up the leading position in export earnings from apparel exports with a turnover of Tk. 11.08 crore, which was 3.69 percent of the total export earnings from this sector in 1984-85. In recognition of this landmark achievement, Bond Garments was accorded the Presidential Export Award in that year.

Bond's integrated marketing, timely shipment, quality production with latest machinery and techniques had helped it create a good image both at home and abroad. In order





ESCAP/UNCTAD REGIONAL SEMINAR ON GENERALIZED SYSTEM OF PREFERENCES
12-23 JANUARY 1981
UNITED NATIONS BUILDING BANGKOK THAILAND

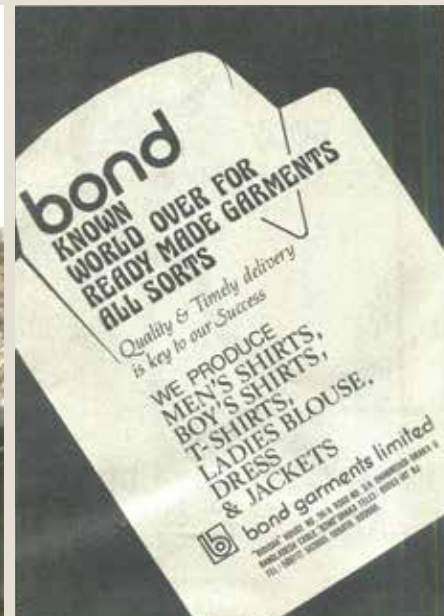


A. M. Musa



to ensure meticulous quality control, it had roped in three Chinese technicians who had been associated with different garment industries in Hongkong, Srilanka, Macao, Korea and Singapore. In the process of development, Bond had extended its wings with three units and four sister concerns. However, Mr. Musa was not only

focused on the development of his own business. His concern and efforts for overall development and well-being of the whole industry had elevated him to the status of guardian angel of the RMG sector. At that time many who had leaped into this sophisticated industry were quite in the dark about apparel manufacturing and export. So, Mr.



Musa on one hand strived to make investors aware of every stage of garment manufacturing and quality control, and on the other hand was vocal against any policy that could potentially come in the way of the industry's flourishing.

He also played an important role in negotiating with authorities concerned to secure various facilities like back to back L/C, bonded warehouse facility, incentives for RMG manufacturers and exporters and assistance from Export Promotion Bureau. Besides, his role behind the formation of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) will always be remembered with great admiration and respect by the stakeholders of Bangladesh RMG industry.

Thus the history of Bangladesh RMG industry is replete with stories of people going out of their ways and doing extraordinary things for the betterment of the industry. The journey has never been a cakewalk; rather it has been full of challenges and perils from its inception to present. But those who spearheaded the country's RMG revolution, from industry pioneers to present day leaders, have always risen up to the occasion to help the industry attain continued prosperity. **A**

Md. Mohiuddin Rubel is a Director of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Director of Denim Expert Ltd.



Transfer of know-how in fashion design and innovation in the apparel industry will naturally follow and ultimately sharpen the competitiveness of the Bangladesh garment industry in the Korean market and beyond.

H. E. LEE Jang-Keun, Ambassador of the Republic of Korea to Bangladesh

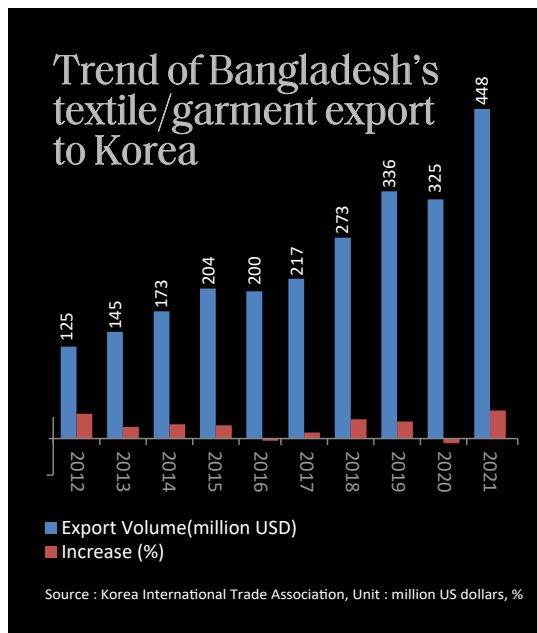
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outh Korea is one of the growing markets for Bangladesh in the East Asian region. In recent years, the bilateral economic and trade relationship between Bangladesh and South Korea has grown significantly. In an exclusive interview with *The Apparel Story*, H. E. LEE Jang-Keun, Ambassador of the Republic of Korea to Bangladesh, expressed his views on the fashion and retail clothing market of South Korea, the potential of Bangladesh to further penetrate, and the importance of design, innovation, fiber diversification, value addition, and technology transformation.

South Korea is one of the emerging markets for Bangladesh in Asia. It is one of the fastest rising developed countries which experienced a huge transformation over the past 60 years. The demand and per capita consumption of clothing and other commodities are increasing continuously. Currently, Bangladesh holds 5th position in terms of South Korea's apparel import from the world. How could Bangladesh top the list as a sourcing destination for South Korea, and what should be our strategic priorities?

Being the 7th largest trading country with trade volume exceeding 1 trillion US dollars, Korea is one of the major textile and apparel exporting as well as importing countries in the world. According to recent statistics, Korea's textile and garments export in 2021 was 14.32 billion US dollars while imports reached 17.04 billion US dollars in the same year. Considering the continued economic expansion, in particular in trade, of both Korea and Bangladesh, there is a huge potential of increasing bilateral trade between the two countries. However, the bilateral trade volume has been stagnant for the past ten years. After reaching 1.8 billion US dollars in 2011, it remained below 1.6 billion US dollars until 2020. Bangladesh's export to Korea, however, has seen a steady increase from 27 million US dollars in 2001, to 244 million US dollars in 2011 and 392 million US dollars in 2020.

Very good news this year in this regard is that the bilateral trade volume reached a historic high in 2021 crossing 2 billion US dollars. Korea's export to Korea in 2021 reached 1.635 billion US dollars breaking the record of 1.627 billion US dollars of 2011. Bangladesh's export to Korea also recorded a historic high in 2021 with 551 million US dollars, 40.4 percent increase from 2020. Textile and



garment is the largest export item which accounts for over 80 percent of Bangladesh's total export to Korea. To increase Bangladesh's garments export to Korea, I believe it necessary and crucial to making the most of Korean garment companies investing in Bangladesh. As you may know, Korea is the 5th largest FDI country in Bangladesh with an accumulated stock FDI volume of 1.2 billion US dollars as of 2021. Garments and textiles occupy almost 80 percent of Korea's investment in Bangladesh. Out of around 300 Korean companies operating in Bangladesh, over 100 are in the garment or garment-related sector and they are all exporters. If Korean companies in Bangladesh increase their export to Korea, Bangladesh will soon become a major garment sourcing destination for Korea. In doing so, I would like to urge the Bangladesh authorities to provide equal export incentives to Korean investment companies in Bangladesh, in particular those in the EPZs, as to the local companies. I found out that most Korean investment companies are not enjoying the benefit of the current cash incentive system. It is not only unfair to discriminate against Korean investment companies in the export incentives program but also undesirable to promote garment exports. Currently, Korea is the largest foreign investor in EPZs in which as many as 71 companies are

operating. The Korea companies will definitely play a very meaningful facilitating role in increasing Bangladesh's garment export to Korea.

As South Korea established itself as a fashion hub, how do you think Bangladesh can upscale in the area of innovation and design development so that it can further penetrate the South Korean market?

As rightly pointed out, garment design and innovation are some of the

key factors to increase Bangladesh's market share in Korea's apparel market. In addition to active collaboration with Korean RMG companies operating in Bangladesh, which are mostly specialized in manufacturing rather than design or innovation, the collaboration between Korean and Bangladeshi apparel companies may contribute to enhancing the competitiveness of made-in-Bangladesh garment products in the Korean market. For example, Korean designers may help add value to made-in-Bangladesh garments by designing the latest and even a forward-looking fashion. In such a way, the transfer of know-how in fashion design and innovation in the apparel industry will naturally follow and ultimately sharpen the competitiveness of the Bangladesh garment industry in the Korean market and beyond.

I believe Korean apparel companies will also show a keen interest in collaboration with Bangladesh garment companies since those can be benefited from competitive production costs as well as quality. To sum up, I would recommend the Bangladesh garment industry seek collaboration with Korean apparel companies, in particular those operating in Bangladesh, to produce more tailor-made products for Korean consumers so that it can further penetrate the Korean market.

As an LDC, Bangladesh enjoys special duty concession on 226 apparel products in the South Korean market under the Asia Pacific Trade Agreement (APTA). Beyond these, Bangladesh would have had to face 5.20% - 6.50% duty while exporting in South Korea. How can we work together to have a transition time for graduation at least by 12 years to continue duty-free market access after Bangladesh's graduation from LDC?

Korea has been providing duty and quota free access to around 95 per cent of Bangladesh products, including textile and garments, to the Korean market since 2012. Considering the provision of preferential access to the Korean market by Bangladesh products was not a result of bilateral negotiation but a decision offered to all the LDC countries based on the WTO recommendations, the decision on its extension after the LDC graduation is likely not to be subject to bilateral negotiation. In this context, Bangladesh might consider collaborating with the other two LDC graduating countries, Nepal and Laos which are to be graduated together in 2026, in seeking an extension of preferential access after graduation, in particular at the WTO level. While Bangladesh can also look into the cases of the countries that already graduated from the LDCs, it might not be a good reference as the six countries having graduated so far are all small economies which are Botswana(1994), Cape Verde(2007), Maldives(2011), Samoa(2014), Equatorial Guinea(2017), and Vanuatu(2020). Therefore, one desirable option for Bangladesh is to pursue the conclusion of an FTA with Korea during the remaining period before the graduation. So far, there has not been any official discussion between the two governments in this regard. At present, Korea has concluded an FTA with 56 countries which accounts for over 70 per cent of Korea's trade.

The transfer of know-how in fashion design and innovation in the apparel industry will naturally follow and ultimately sharpen the competitiveness of the Bangladesh garment industry in the Korean market and beyond.

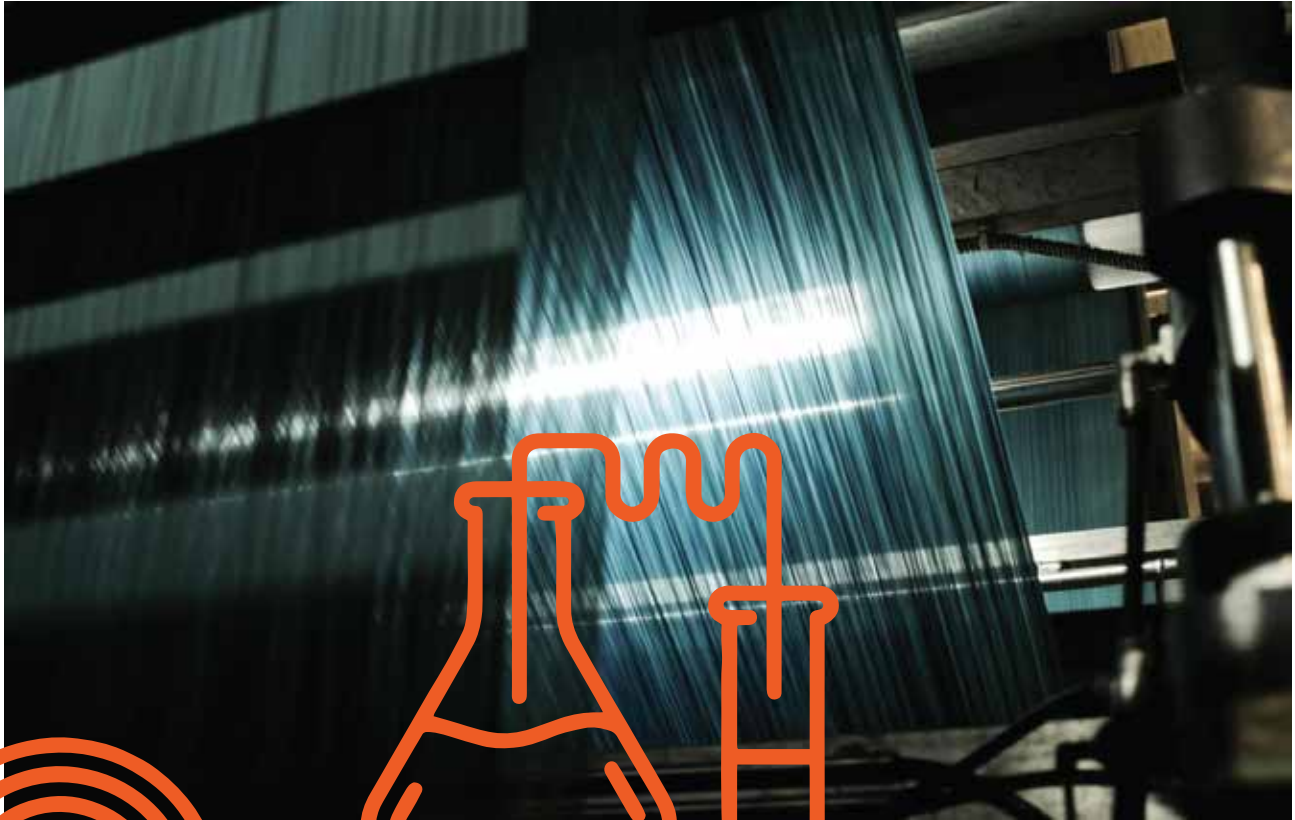
Bangladesh is ever grateful to South Korea for its support in early days which marked the beginning of apparel manufacturing and export from our country. As we are entering a new era of growth vision based on fashion designing and innovation, how do you think South Korea can help Bangladesh, particularly investment in non-cotton and value-added items?

Here again, Korean investment companies operating in Bangladesh will play a crucial role in leading the future-oriented RMG collaboration and connecting our two countries including design and fashion. Korean companies that have invested in the RMG sector in Bangladesh are already moving into technology-oriented or value-added areas. You can easily see this when you visit the KEPZ in Chattogram, operated by Youngone Corporation, the biggest Korean investment company in Bangladesh. Man-made fiber textile is manufactured in the compound with an automated system. KEPZ has built three design/fashion academies in the compound and is now preparing a Hi-tech zone and plans to accommodate a technology oriented garment business. KEPZ also has built the largest textile factory zone in the country aiming to lead the future of the country's textile industry. I hope that Bangladesh can make the best use of the Korean

investment companies in Bangladesh in its efforts to move into a more technology centered RMG industry.

In 2020, South Korea's total apparel import from the world was USD 9 billion where the share of Bangladesh was 3.56%. Can you kindly mention some of the relevant sourcing fairs/events, where Bangladesh can showcase its apparel items, which will eventually increase the import share and also will be able to entertain South Korean consumers?

At present, textile and garments account for more than 80 percent of Bangladesh's export to Korea. In 2021 Bangladesh's textile/garment export to Korea marked a record high with 448 million US dollars out of 551 million US dollars of total export. During the past ten years, Bangladesh's textile and garment export to Korea increased annually by 17.7 percent on average. The total volume of garments exports to Korea which stood at 125 million US dollars in 2012 has nearly quadrupled to 448 million in 2021, a 258.4 percent increase in ten years. This promising trend demonstrates that Bangladesh's share in Korea's apparel import will continue to increase in the coming years. Organizing a Bangladesh RMG fair in Korea will be an idea to accelerate Korea's apparel import from Bangladesh. Before the pandemic, KBCCI, Korea Bangladesh Chamber of Commerce and Industry, in cooperation with KOTRA, Korea Trade and Investment Promotion Agency, used to jointly organize a trade delegation to Korea called "Showcase Bangladesh" annually. Once the pandemic slows down, such initiative will be resumed. While Bangladesh has become the world's largest RMG exporting country in 2021 surpassing Vietnam and China, many Korean people are unaware of it. Showcasing Bangladesh RMG will help raise the profile of Bangladesh, not only in the RMG sector but also in Bangladesh's advancing economy, among Koreans. **A**



RIGHT FIRST TIME

Right first time (RFT) is the number of batches dyed in one short stint or without re-processing. Two types of RFT are measured in a dye house—lab-to-bulk and bulk-to-bulk. While the former represents laboratory performance, the latter is about bulk performance. Bulk-to-bulk RFT is vital

to resource consumption. A dye house with poor RFT will need to reprocess a higher number of batches, requiring additional time, water, energy, and chemicals. A few simple changes in the production process, lab dip development, and chemical quality check can improve the RFT.

An increase in bulk RFT from 80% to 95.5% can reduce

- 15 percent of water baths no longer required re-processing,
- time,
- energy,
- water,
- Chemicals usage.

Recommended Actions to improve RFT from 80% to 90%

- Running a lab or sample machine trial to reduce post-treatment wash bath by using more efficient washing-off agents and dye fixer chemicals
- Testing dye lot against the standard and not against the running lot
- Setting pass/fail limit for the approval of lots
- Adopting auxiliary chemical testing
- Calibrating weighing machine daily for better RFT and to avoid human error
- Maintaining good practices for lab-to-bulk correlation
- Adopting auto-color dispenser and solution maker systems for better accuracy and high RFT
- Comparing standard approved sample and sample dyeing for strength of other parameters
- Setting acceptance limits for dye quality
- Making sure that reports are prepared, checked and signed by the authorized person
- Checking parameters including moisture content and pH
- Passing on test results of conditional approval after lab dyeing to the concerned department
- Considering water quantity absorbed by yarn for each refill so that the material-to-liquor ratio (MLR) is similar to the first bath. This will help avoid disturbing the MLR
- Ensuring each box has a separate labeled spoon
- Ensuring each auxiliary drum has a separate labeled mug



A factory with bulk yarn dyeing capacity of 8.6 tons/day increased its Bulk RFT from 80% to 95.5% also achieved



87,704
m³/year
Water
Saving



764,402
m³/year
Natural
Gas Saving



2,108,460
kWh/year
Electricity
Saving



117
tons/year
Chemical
Saving



3,148
CO₂e/year
GHG
reduction ^A

Snowtex: An Inspiring Journey of Excellence in High Value Products and Beyond



T

he journey of Snowtex started from absolute zero back in 1998 as a supplier of garment accessories to the local manufacturers. With small yet very firm steps Snowtex launched a small buying house and started to gather small orders from brands. At that time most of the orders were basic items and few value-added items. It was always a challenge to balance the stake of the brands and manufacturers being a small buying house but they never compromise three basics quality products, competitive

price, and on-time delivery. With little working capital coupled with hard work, honesty, and commitment Snowtex were surviving with a small team. 2004 was game-changing for Snowtex! "Berne" a US-based buyer used to take the support of Snowtex extend their support to build a joint venture factory where the total CAPEX investment was made by the brand and the working capital arranged by Snowtex. It was truly a reward for the hard work, workmanship, and professionalism of the



small team of dreamers called Snowtex. They established their first factory named Snowtex Apparels Ltd. in 2005, later they established Cut & Sew Ltd in 2011. Building on the success they established Snowtex Outerwear Ltd. in 2014 and Snowtex Sportswear in 2019 and the journey of triumph goes on. Starting with 5000pc export orders in 2004 currently, Snowtex group has 180 production lines, 1100 machines, 18000 human resources. Within 26 million standard hours this company supplies about 22 million pieces high value-added clothing annually. Their main exportable items are Jackets, Sportswear, activewear, ski wear, swimwear, hunting wear, real down, fake down, seam sealing, insulation, softshell, thermo bonding, welded, flame retardant, functional wear, coveralls, overalls, rainwear, Safety wear, which are being exported to around 50 countries of the world including USA, Canada, UK, EU, Japan etc.

Monthly Production capacity=2500000 pcs
 Monthly Quilting= 1 million yard
 Monthly Printing= 2 million panel
 Monthly Embroidery= 40, 000 pcs with 12K standard stitch
 In the beginning, getting orders is one of the major challenges for manufacturers opting for exporting high-end products. But the main

challenge is the availability of skilled workers capable of making such products. High-end product manufacturing requires special skills in almost every department but as Bangladesh is basically specialized in simple volume-based products it is difficult to fulfill the demand of altogether a different cohort of skills. More importantly, the allied products and services for these items were also not available in abundance. Therefore Snowtex has to minimize the dependence on suppliers and integrate the manufacturing process to the possible best extent. Snowtex owns 2D and 3D design sections, digital sampling software, cutting, printing, embroidery, welting, quilting, sewing, and finishing, along with all the advanced machinery. They have their own in-house lab to inspect and test every item they produce and their own automated fabric inspection unit. To ensure capacity development of its human resources Snowtex has its own training center cable of providing training to some 300 people, where they provide training on machine operation, orientation with machine parts, fabrics, stitches, needle details, names of machines, and IoT devices. With the support of its partner brands, Snowtex has established its design center. Currently, some designers from Europe are working

in that center. For the last two years, Snowtex is providing its own design and catering to its brands. Mr. Khaled said that nowadays, many large garments have their design studio or center, but for small industries, it is quite difficult to establish a design center. But if we can do it, in future we have the potential of getting more orders which are now shifting to China & Vietnam”.

To excel in process optimization, efficiency, and productivity Snowtex have its own digital system of tracking production data, bottlenecks, DHU, machine breakdown record etc. they are also installing IoT devices in every machine to track more granular level data to enhance productivity. From order placement to shipment business process runs in Snowtex through ERP system, raw materials in the store are scanned by an RFID device, and the data is automatically transferred to the data warehouse. Through their own invented digital tracking device, they can identify individual process defects easily and take necessary corrective action and enhance productivity. To ensure shipments make it out smooth, the company has its own inspection, clearing, and forwarding (C&F) firm and logistics support. Besides being excellent in production integration and efficiency, Snowtex is maintained excellence in environmental sustainability both Snowtex Outerwear and Snowtex Sportswear are Platinum-rated LEED factories certified by the United States Green Building Council. Snowtex uses energy-efficient lights, VRF AC, Servo motors, resulting in energy consumption reduction by up to 56 percent annually. Besides adopting all the eco-friendly manufacturing systems, Snowtex uses a state-of-the-art 290kW rooftop solar PV to reduce its carbon emissions all these are testaments to their dedication to climate action. Snowtex group awarded with “Bangabandhu Green Factory Award” for their excellence in sustainability and eco-friendly practices.

“Workers wellbeing is one of the core areas of concern in Snowtex here every worker are entitled to



medical services, a daycare center for children, free lunch, attendance bonus, maternity benefits, support for new employees, sanitary napkin, skill development training, sports and co-curriculum activity," said Khaled.

One of the exclusive practices of snowtex is its happiness survey system, through a simple machine workers' mental health situation is assessed and required supports are provided to make them happy. Currently, Snowtex follows 24 good practices inside the factory such as free lunch for all employees and workers, provident fund, lift support for all employees, digitized happiness survey, production incentive bonus, Innovation reward, attendance bonus, CFC free factory, subsidy on sanitary napkins, free iron supplement for the female worker, work facility for disable person etc. Besides, outside the factory, they are doing some CSR work like –providing donations for the schools, mosques, graveyards, conducting tree plantation programs, etc.

With the core value of "Honesty and

Commitment," the company's vision is to be an outstanding organization through fulfilling its commitment to its partners (customers & suppliers) and making the company the best place for its worker. The motto of snowtex is "Be Happy Make Happy". The company creates a win-win situation for all its stakeholders especially for the people who work for it and the brands they cater to. 'Our business is not just for making a profit; we make strides to positively impact lives of all the players in the supply chain as well as the economy and country at large.' – said Mr. S.M Khaled. One of the major impediments in producing high-end products is the lack of strong backward linkage, especially in manmade fiber. We need more investment in the backward linkage along with incentives for manufacturers. Besides government may consider reducing duty barriers on the importation of raw materials and fabrics for special MMF-based fabrics.

We need more investment in the backward linkage industry so that

we can source raw materials domestically. But in backward linkage, the availability of gas and utility is a primary requirement. Though the availability of gas has improved a lot in the last few years, it is not enough yet. We need government support in this respect said Mr. Khaled.

"Though many skill development programs are going on, the competence level is not adequate for the industry. We need govt. support to make technical and vocational education need-based for the industry. We also need market-oriented skills training of the right quality".

For the enthusiast in high-value item, Mr. Khaled suggested that it is tough to be successful in just 2-3 years. "You have to try to gain the buyers' trust by working hard with full of commitment and quality work. Additionally, top management has to be more focused and monitor the overall production process particularly, merchandising marketing and most importantly industrial engineering. **A**

Knittersland

Knittersland helps buyers and clothing manufacturers to gain global market transparency and to

A must tool for BUSINESS

manage their business relationships across the supply chain more efficiently. Moreover, recognitional of SMEs, knittersland works closely with them.



- Cost Effective
- Time Effective
- One Stop Solution
- Transparent
- Vast Options
- AI Based Follow-up
- Strong Communication tools
- Secure & Reliable
- Easy & Handy
- Worldwide



- Perfect platform to connect your manufacturing business with reliable & authentic manufacturers from all over the world.
- No intermediate involvements of a third party, no additional and unnecessary price hikes.
- Buyers can create RFQ as desired and place your order.
- Manufacturers' have option to participate in quoting and live bidding.
- Real-time order monitoring, which is a prerequisite of all manufacturing companies to be enlisted in the platform.

The Way things are done



MD- Mr. Mahin Mazher, Director- Mr. Rezaul Karim and VP- Mr. Mahmud Hasan Ripon of Knittersland met with BGMEA President, Mr. Faruque Hassan at the BGMEA HQ

Knittersland

The land of knitters
Where dreams are woven



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www.knittersland.com

Strengthening the Dynamism of the Bangladesh RMG Sector



Sadiq Ahmed

The Bangladesh Readymade Garments (RMG) sector has been a lifesaver for Bangladesh, growing from strength to strength. It has been a major source of GDP growth, export earnings, investment, employment, female empowerment, and poverty reduction. Starting from a zero base in 1983, the RMG exports grew to \$34.1 billion in FY2019, and employment exceeded four million with female workers accounting for 59%. The RMG sector has been facing several tough challenges over the past several years including the need to adjust to global standards for working conditions, safety, and environmental protection, the need to upgrade technology in the era of the fourth industrial revolution (4IR), and most recently the onset of the global COVID-19 pandemic. Evidence shows that the RMG sector has responded remarkably well to these challenges. The sector is now mostly compliant with global standards for working conditions and environmental protection, technology up-gradation is

proceeding well and the recovery from the COVID-19 downside is on the mend. As a result, average labor productivity, measured in terms of export earnings per worker, has surged from \$4772 in FY2012 to \$7149 in FY2021 and is projected to grow further to \$8636 in FY2022. RMG export fell sharply in FY2020 to \$27.9 billion but recovered to \$31.5 billion in FY2021 and is projected to grow to \$38 billion in FY2022, based on the results of the first five months of FY2022. All this is good news for Bangladesh. But one downside is the sharp slowdown in the expansion of employment. The consolidation of production owing to a compliance with global standards and the adoption of modern technology took a toll on employment. So, employment growth was stagnant for most of the years between FY2012-FY2019. There were also some cutbacks owing to COVID-19 downside during FY2020. Since then, however, there are reports of some employment growth as new investments have added capacity in the RMG sector. The best estimate is that RMG employment in FY2022 now stands at around 4.4 million workers as compared with 4.0 million in FY2012. Although trickle-down impact on employment in recent years compares unfavorably with the heydays of FY1990-FY2012 when the RMG sector was the most dynamic source of job creation in Bangladesh, this recent growth in job creation is qualitatively different in

that this reflects the employment of more-skilled workers as compared with low-skill employment in the previous periods. Additionally, the experience of the past 12 months suggests that with new investments, more and better jobs can emerge from the RMG sector.

Moving forward, the RMG sector needs to prepare to face its toughest challenge yet associated with the upcoming graduation from LDC status and the loss of duty-free access to the European Union (EU) markets in 2026. What can the RMG sector do to prepare for this transition? How can RMG's resilience and dynamism be further strengthened? In this regard, I was recently invited to meet Faruque Hassan, the President of BGMEA. Mr. Hassan updated me on the ongoing progress and challenges in the RMG sector and suggested if I could share my views on the prospects of RMG focusing specifically on three principal issues: the need for capacity building; scope for diversification, and future priority areas.

The RMG sector's past resilience and dynamism give me hope that it can grow further and successfully adapt to the LDC transition. Capacity enhancement and diversification are key elements of the future RMG growth strategy.

Capacity expansion:

Notwithstanding past rapid export growth, Bangladesh still accounts for a mere 6.3% of the estimated global RMG market of about \$480 billion. It is now the second-largest RMG exporter after China. But the gap with China is huge. Overall, given the size of the global RMG market, the scope for additional market growth is huge. A key requirement for this is new investment in capacity expansion. While Bangladeshi investors have shown some dynamism in the RMG sector, I would strongly advocate the need for strategic partnerships with foreign investors. International experience shows that FDI not only brings new money, but it also brings modern technology and prospects for new markets. BGMEA should strive for attracting as much FDI in RMG as possible, working closely with the government to overcome bottlenecks.

Diversification: Capacity expansion and diversification should go hand in hand. There are four dimensions of the diversification challenge:

product concentration, fiber concentration, price concentration and market concentration.

Bangladesh has made progress in all these areas, but the room for improvement is substantial. On the product space, Bangladesh now produces as many as 216 HS-6 RMG products. Yet, in FY2019 five basic products (Shirts, T-shirts, Trousers, Sweaters and Jackets) still accounted for 73% of total RMG exports (comprising of 43 HS-6 categories). Despite some success with efforts to enter the high-end products market, the average price for 80% of total RMG exports (accounting for 189 HS-6 categories) falls in the less than \$15/kg range. Concerning fiber concentration, an estimated 74% of exports are cotton-based even though the global market for synthetic fiber-based RMG products is growing faster than cotton-based RMG products. On the market space, the total number of countries where Bangladesh exports RMG products has now reached 166. Yet, some five countries (USA, Germany, UK, France, Spain) still account for 59.4 percent of total RMG exports. When EU is considered in its entirety, the market concentration in EU and North America grows to 83%.

Clearly, the diversification agenda in all 4 dimensions is huge and that's where most strategic attention is needed. This can be facilitated by strategic FDI. Market diversification will also benefit from free trade agreements (FTAs). Vietnam has already shown the way how a combination of FDI and FTAs can dynamize the expansion of the export markets.

Research and Development (R&D): Investment in R&D is a critical determinant of the growth and expansion of any product or market. Economy-wide, Bangladesh has a poor record on R&D. The RMG sector has done better, but the scope for further investment is tremendous.

There are two types of R&D investment that need emphasis. The first concerns product development. These are mostly done in-house at the enterprise level. In the absence

of hard data, it is difficult to say if the R&D investment at the enterprise level is adequate. BGMEA could explore this matter internally with its core members and make appropriate decisions. The other R&D concerns the economics of the RMG sector. The sector is facing many cost-push challenges. It also faces efficiency, productivity, and marketing issues. Informed debate and policy analysis on the economics of RMG is absent due to the lack of a proper management information system (MIS) on the one hand and the absence of investment in sector research. Even such basic data as cost structure, productivity growth, rate of return on investment, employment, and investment at the industry level is not available. This prevents a proper understanding of the economics of RMG and any meaningful analysis of competitiveness, cost restructuring and required policy interventions. BGMEA can play a leading role in developing a proper MIS system and facilitating meaningful policy research to strengthen the competitiveness of the RMG sector. A small in-house R&D team could be assigned the responsibility for doing research on the economics of RMG in partnership with local research institutions.

Skills development: The RMG sector has a positive record of developing in-house on-the-job training. There is still a shortage of specialized skills that are often filled through foreign staff. Stronger skills development programs including partnerships with local universities and international institutes might be of help in addressing the skills challenge. With greater automaticity and capital-intensive technology, skills training gains added significance. In-house training capability can also benefit from FDI. BGMEA might also consider establishing a specialized RMG training academy with support from government-sponsored donor funding. **A**

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Legacy of a Legendary Philanthropist

RP Shaha - A poor man who became a millionaire, and then voluntarily became a poor man, spending all money in the service of humanity.



Kumudini Hospital, founded by RP Shaha in Mirzapur, Tangail, still stands as a shining example of philanthropy for the service to poor people.

Warmly caressed by the Bay of Bengal and cradled by meandering rivers flowing from the Himalayas, Bangladesh enviably occupies an important strategic position in South Asia. It is endowed with rich fertile land, abundant rainfall, year-round warm temperatures and an enviable demographic dividend. Propelled

keenly by the private sector, especially the ready-made garment (RMG) industry, Bangladesh has been among the world's fastest growing economies over the last one decade. According to a forecast of the Centre for Economics and Business Research (CEBR), the country once described by US

Secretary of State Henry Kissinger as the world's leading 'bread basket case', will become 24th largest economy in the world by 2036. Apart from the robust and vibrant economy, Bangladesh has an inspiring history, a galaxy of luminaries and a rich cultural heritage that makes all Bangladeshis

proud. Looking back over the annals of history, one will find a mixed bag of triumph and tragedy, elation and despair, but what stands out is the towering heights of its historical figures and their outstanding heroic acts of sheer bravery and benevolence. There have been many extraordinary people who contributed immensely to humanity and nation-building as-well-as to the fields of arts, literature, science, business and many more. Many people, however, are not fully aware of the abundant richness of this land and the rich contribution to the world by its bright sons and daughters. This is mainly responsible for the negative stereotyping of the country in the international quarter. So to give credit where it is long overdue and in the pursuit of creating a positive international image for Bangladesh, we are launching this special series to highlight our unsung heroes and to tell the stories that are rarely told in traditional media. In this article we will focus on a man who, in the words of famous



Inside view of the house of RP Shaha in Mirzapur, Tangail

politician and former Prime Minister of Pakistan Hossain Shaheed Suhrawardy, was “a poor man who became a millionaire, and then voluntarily became a poor man, spending all money in the service of humanity, for the suffering and the distressed, for the furtherance of education, for rendering a service to the State, which the state itself has

not undertaken.”

This great-souled magnanimous man is Rai Bahadur Ranada Prasad Shaha, popularly known as Danbir RP Shaha. He was given the title Danbir (the hero benefactor) in consideration and honour of his philanthropic spirit and charitable acts. The Apparel Story team recently visited his ancestral home in Tangail



Outside view of the house of RP Shaha



Pratibha Mutsuddi

to know more about his life, works and the rich legacy he left behind. In today's philanthropic circles around the globe, giving while living instead of funding a foundation after death is becoming increasingly popular. Famous philanthropists like Bill and Melinda Gates and Domino Pizza's Chuck Feeney have been propagating this idea in recent years. RP Shaha, however, had pioneered this concept in the 1940s. Moreover, he gave his entire fortune away, not just a portion, for the good and wellbeing of mankind. In doing so he also made possible two distinct impossibilities. The first being if anyone hailing from a poor family and having a troubled childhood ever dreams of becoming a millionaire, most would probably write it off to fiction, a fantasy. But if that dream were to materialize,

and the once poor boy not only became one of the wealthiest men in the country, but then gives it all away to worthy causes, it would arouse enormous wonder and admiration even in the heart of the greatest cynic. This is exactly what the great RP Shaha did, and in doing so, brought positive impact to the lives of countless men and women. However, it is not that he only donated generously here and there; he also set-up numerous institutions that focused on health, education and women empowerment. Then he amalgamated all of his service-oriented institutions as-well-as business ventures under a common platform named Kumudini Welfare Trust. The Trust primarily had two functions; one to earn and the other

to serve. All the proceeds from the for-profit side supported and maintained the non-profit wing which included a hospital, a school, several colleges, a nursing institute etc. Thanks to the system he put in place and the values he instilled, the Trust not only withstood the test of time but also continued to expand and serve more and more people. Noted educationist and language movement activist Pratibha Mutsuddi, who was like a daughter to RP Shaha, served as a director and principal of Kumudini Welfare Trust. In an exclusive interview with *The Apparel Story* during our recent Tangail visit, she gave us a vivid account of various aspects of RP Shaha's life and contribution to humanity, how he led an ordinary life despite being one of the wealthiest men in the region, and how he went on doing extraordinary things.

"He made huge donations in developing hospitals and educational institutions because of his strong belief that the foremost requirements for ensuring women's rights and empowerment are education and healthcare," said Pratibha Mutsuddi. Take Kumudini Hospital and Bharateswari Homes for example. These two institutions he set up nearly 80 years ago stand tall even today – one as an impressive healthcare facility and the other as an outstanding educational institution for girls.

EARLY LIFE OF RP SAHA

RP Shaha was born in 1896 to Debendra Kumar and Srimati Kumudini in the village of Mirzapur in Tangail. He was seven-years old when his mother died a painful death from a tetanus infection during child birth, due to the lack of medical facilities. It had a profound impact on his young mind, and he made a promise to himself and to God that if his fortunes were ever to turn around, he would do something for ailing people. However, after her death, his father remarried, leaving him neglected and abused at the hands of his stepmother. Then he was sent to



When the First World War broke out, RP Shaha enlisted in the Bengal Ambulance Corps of the British Indian Army as a soldier.



Sculpture of RP Shaha on the premises of Kumudini Hospital in Tangail, Bangladesh.

Kishorgonj in his maternal uncle's house for schooling. There too he couldn't adjust and his formal education came to end after first few years in elementary school. By age 12, he ran away from home and began a new life in Calcutta, working as a day laborer, hotel boy, newspaper hawker, and other odd jobs to earn a living. He had no formal education. What he learned was self-taught; lessons from nature, real life experiences, and the busy city life in Calcutta. Motivated by patriotic zeal and hoping to end human suffering, he learned about revolution, and at one stage got himself involved in Swadeshi Movement against the British occupation, which landed him in jail for a brief period.

LIFE IN THE ARMY

At the outbreak of the First World War, the leader of the Swadeshi Movement, Surendra Nath Bandyopadhyay, asked all revolutionaries to fight the British. Ranada enrolled in the Bengal Ambulance Corps of the British Indian Army as a soldier and was sent to Mesopotamia in present day Iraq. There he performed his duties with distinction earning a medal and citation from King George the Fifth. He also received a gallantry award for saving around 20 British officers from fire in a field hospital. It was such a courageous act that his

commanding officer wrote a comment in his service book, "On the occasion of magazine explosion near the hospital, he remained cool and worked hard and being of the last to leave the hospital."

In 1916, RP Shaha returned to Calcutta. He was given a heroic reception at the Calcutta Railway Station. He decided to join the Bengali Double Company which came to be known as the 49th Bengal Regiment. There he was commissioned as a Viceroy commissioned officer of the British Indian Army in February 1918. On August 30, 1920, his regiment was disbanded and he started another glorified chapter in his life.

TURN OF FORTUNE

After his military service, he took up trading in coal. Starting with door-to-door coal supply, he gradually progressed to take up larger supply orders. Thus, through sheer hard work and perseverance, the wealth of Ranada Prasad Shaha grew. In 1933, he became a shareholder in a joint river transportation business named "Bengal River Service". Later he bought the firm outright. This was the core business of all his commercial ventures. By 1945, RP Shaha had already acquired the entire jute business of the Scottish firm George Henderson & Company at Narayanganj which was previously owned by David & Company, an English firm. This is how he ascended from rags to riches. However, there have been and are many people on earth who amassed huge amount of money only to spend extravagantly to satisfy their selfish desires. But a few people have there been or are there who used their wealth for the good and well-being of mankind; RP Shaha is one of them who did so, and that made all the difference. His extraordinary deeds have added such a luster to his name that he shines even today as one of the most outstanding personalities of the country. ^A

*(To be continued)
Next Part: Rise of a
Charity Empire*

Emerging Fashion Market in Bangladesh

TWELVE CLOTHING

Making Clothes that Fit, Contemporary and Affordable



Heritage, emotion and expression are interwoven in clothes. This is the mantra that drives Twelve Clothing crafting its product with care for people who love to be trendy in all seasons with new moods and styles. Twelve Clothing, a concern of TEAM Group, started its journey as a fashion brand in Bangladesh in 2012 with its first outlet at Uttara in Dhaka. Though Twelve was revealed in 2012, it rebranded itself in 2019 with renewed promises to bring fashionable collections with an unique combination of quality and affordability.

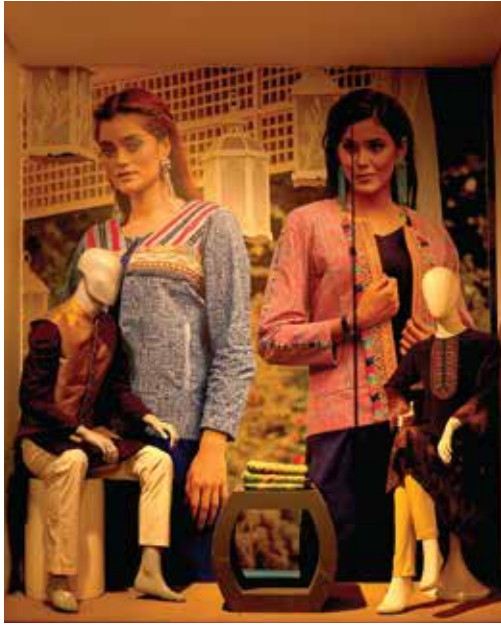
The brand has been quite successful in carving out a niche in the fashion market in Bangladesh, having 32 stores across the country including Dhaka, Chattogram, Sylhet, Khulna, and Barisal within only three years. Apart from physical stores, the brand ensures customers have an easy shopping experience online through its E-commerce site and Facebook store.

'Wear your emotion' is the philosophy behind its collections influenced greatly by nature and our cultural heritage. The brand focuses on classic look with a spicy twist to

the new generations' flamboyant thoughts and incredible detailing which is recognizable in each garment. Inspirations from all over the world are taken to achieve a diverse look. Twelve brings its collection keeping in mind the choices of a broad spectrum of consumers, spreading across age groups from teenage to 40 years. Twelve has a huge line of fashionable collections for women, men and kids as well with products ranging from ethnic wear to western outfits.



Abdullah Hil Rakib, Managing Director of TEAM Group and a Director of the Board of BGMEA, shared his observation that the local fashion market has been witnessing a silent but notable shift where customers' preference for branded clothing is increasing. According to unofficial estimates, the size of the local apparel market of Bangladesh is worth around 520 billion Taka and it is projected to grow to about 2 trillion Taka by 2040.





“Over the past 50 years, Bangladesh’s economy has expanded significantly and is on the track of graduating to a developing country (LDC) category. With the expansion of the economy, the growth of the middle class, increase in purchasing power and fashion consciousness

have created demands for branded outfits and led to the growth of local clothing brands,” he said. Alongside meeting the demand of the local market, Twelve Clothing is planning to go global by 2025. “The rich cultural heritage of Bangladesh will be known to the countries through the outfits

designed and manufactured by us. Thus it will also contribute to promoting “Made in Bangladesh” brand across the world. Millions of Bangladeshis are living in different parts of the world and they make up a highly potential consumer group” said Abdullah Hil Rakib. **A**

THE ALL-IN-ONE SYSTEM



The All-in-One System performs all washing operations by combining 4 integrated responsible technologies in one machine, saving time and resources:

1. **NoStone**® for authentic, sustainable, stone-wash effects without pumice stone;
2. **UP**, which optimizes garment washing, bringing the liquor ratio to unprecedented levels (LR 1:2) while reducing consumption, time, and costs;
3. **Core**, a nebulizing system that creates effects and applies products to the garment, improving performance and reducing water consumption by up to 96%;
4. **ECOfree 2**, which uses ozone in both water and air for a brighter garment, less water and chemical consumption.

SCROLL PAINTING



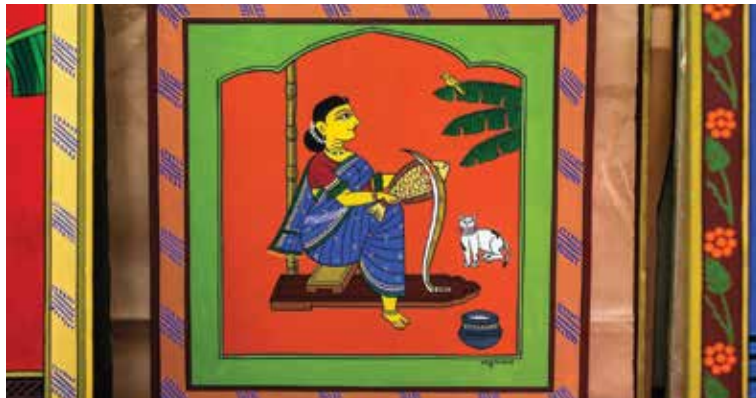
In today's era, when mobile phone or other gadgets have become a main medium of entertainment, there's a Patua in Bangladesh whose family has been practicing patachitra or scroll painting, for more than 450 years or nine generations. The exclusivity of his painting not only lies in the theme such as, Gazee Pir, Sree Krishna, Muharram, Ramayana, Mahabharata, Manasha Mangal, Ras Leela and various other lore in folk culture; the raw materials he uses for his painting is also sustainable, eco-friendly and all are drawn from

nature. Probably the only living Patua of Bangladesh, Shambhu Acharya has devoted his life to keeping the tradition of patachitra alive, which has been practiced in rural Bangla since the 12th century. He prepares the handmade canvas in his own distinctive style and natural elements like brick powder, tamarind seeds, chalk powder, egg yolk, sabu seeds, leaves of sour apple, indigo, different kinds of soil mixture, vermilion, goat hair as the paintbrush are used while painting.

Scenes from religious stories and cultural myths and themes from life in rural Bangladesh are the main depiction of patachitra. Apart from being a nationally acclaimed painter, artist Shambhu Acharya's art piece is being collected by art lovers across the globe. His art piece has been exhibited at British Museum (London), Victoria Albert Museum (London), Shanghai Museum (China), Fukuoka Museum (Japan), Indonesia Museum (Indonesia) and many others.



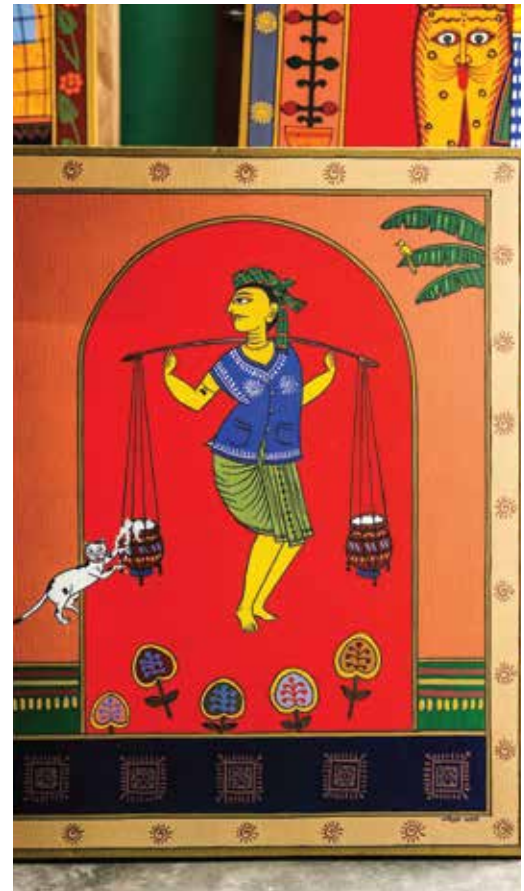
“Kolaboti Bou” A newly married rural bride peeping through a stack of banana leaves and blushing while it’s drizzling outside. There are also two “kutum birds” seen behind which gives the indication of guests coming, according to rural myth.



“Mach Kata” A rural housewife is cutting fish, which is one of the staple food in Bangladesh. A domesticated cat is seen sitting beside her, expecting to get some from its master.



‘Klantir Abosheshe’ A helpless, tired blue elephant who is being captivated in chains. The poor soul is trying to free herself from the bondage.



“Goala” A milkman is carrying milk to the market, while a cat is seen aggressively attacking the pot. **A**

Businesses Looking Beyond Pandemic



The Covid-19 pandemic has brought to light previously unseen vulnerabilities in the supply chain and impacted business models. What are the lessons of the pandemic entrepreneurs should consider while setting future business strategies for the post-pandemic era? What are the potential areas for future investment? Two young entrepreneurs in the RMG sector of Bangladesh shared their views with The Apparel Story.



Ashaab Adeeb Hassan

The COVID-19 pandemic is undeniably something unprecedented and has immensely impacted the supply chain and business models all across the globe. Despite the challenges it has brought to the table in our industry, it has helped us re-evaluate our priorities and understand how we can move forward in a more sustainable and robust way.

There are many lessons that we have learned from this pandemic and lessons that we continue to learn on a daily basis as we tackle this ongoing challenge. For young entrepreneurs like myself, it has been a very harsh reality check. To begin with, one of the first lessons that this pandemic has taught me is that you have to be careful in choosing your partners. We are in an industry where we work completely based on credit and trust. Many partners cancelled and postponed orders/payments leaving suppliers in tough situations. It is also important to note that it is vital to establish a good foundation and working relationship with your partners so that when it comes to tough

situations, you can assure that they will work with you to make ends meet. Moreover, taking our time to directly communicate with our customers and build trust is critical in the current market scenario.

Global supply chains are vulnerable to all kinds of risks and disruptions which has been devastatingly highlighted by the global pandemic. This was a huge challenge that we faced in this industry during the pandemic. We need to be able to highlight this issue for the future and work towards reducing our dependency on imports and especially in China. Lastly, in a thriving economy like ours, being able to adapt to current market conditions and rapid changes is a key quality to have as a young entrepreneur. This importance of adaptability, along with perseverance has never been more clear and evident. Future investments in making the industry more sustainable and digital is very important for our sector to grow and move to new horizons. This industry and many others will change quite significantly in the future as a result of the emerging Industry 4.0.



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→ technologies and systems. We need to make our sector more sustainable to be able to survive and grow in the future, especially in this day and age where consumers are becoming more environmentally conscious. Most of the other manufacturing countries are already ahead of us in this aspect. We need to constantly pursue approaches that make sustainable fashion be more accessible and affordable. Further investments in cleaner energy, recycled fibers and yarns are some of the things we can achieve to advance our country. Overall I think that the pandemic has made us all more adaptable and brought about new work culture of being able to work remotely. Bangladesh is a resilient country and this pandemic has helped prove this further. We have pushed through and even thrived since the pandemic has started.

Ashaab Adeeb Hassan
Project Coordinator, Giant Group



Lithe Moontaha Mohiuddin

The Covid-19 pandemic was an unpredictable global phenomenon disrupting businesses of all kinds. While some took a major hit to their profitability & even their sustainability, like indoor fine-dining restaurants; others gained customers, such as services like DoorDash, GrubHub and Uber Eats. While this pandemic taught us many invaluable lessons, one that I took to my heart and would advise all of the fellow young entrepreneurs out there to keep in mind is their Supply Chain and Sourcing Network. I believe that although Covid-19 has not created any new challenges, it has accelerated & magnified flaws that already existed in the Supply Chain. In fact, severe disruption faced by businesses during the pandemic is motivating businesses to make their Supply Chain more resilient. Bangladesh relies heavily on China as an input supplier, sourcing crucial raw materials such as yarn, dyes, chemicals, accessories and trim. This exposed us to shortages, slowing down and even a temporary halt to the flow of raw materials as China faced Multiple National Lockdowns. Countries such as India, on the other hand, are on average

less vulnerable to these risks as they source a lot of their inputs domestically. Therefore, future businesses should have a varied, collaborative & flexible Supply Chain, preferably both locally and globally as these disruptions in one location is expected to have a “Ripple Effect” across the entire global supply chain.

As a young entrepreneur, I believe that future investment must be focused on Innovation & Technology. From lives to livelihoods, innovation and technological advancement is one of the key factors in bringing in growth and change. Although technological changes can be a topic of discomfort and often requires adapting, especially to generations before us, it can also be a game-changing tool to improve efficiency. As the Second Generation in the esteemed RMG Sector of Bangladesh, we must encourage the change that technology bounties us with, as this discomfort itself leads to learning, which yields growth and fosters success.



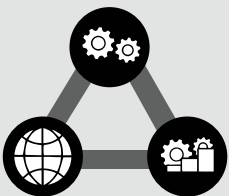


Innovation & Technology are the key driving force behind sustainable business today, even in the RMG Sector. This industry, the heart of which was once cheap labour, is facing the barrel of the gun now amidst intense competition on a global scale. The world of fast fashion requiring shorter lead times, competing with new low-cost entrants, etc. are just some of the global threats that the RMG Sector of Bangladesh faces today. The industry needs to evolve to be on par with the needs of the global consumers and the only way to do that is to invest in technology and innovation. The mature RMG Sector of this country should therefore use innovation to reimagine apparel production lines and integrate technology, which will foster the rapid expansion and continuous diversification of product portfolio. Otherwise, we will be stuck fighting the wrong competition, killing our actual business strength in the process.

Lithe Moontaha Mohiuddin
Director, Lithe Group

Emerging Market: Russia



Russia is the largest country in the world in terms of area which covers one-eighth useable land of the Earth. Russian economy is the eleventh largest economy in the world with 10,126 dollars nominal GDP. Overseas trade is massively significant to the Russian economy. This country has huge natural resources, particularly natural gas, metals, and oil. Russia is one of the major trade and development partners of Bangladesh. The bilateral trade between the two countries has increased significantly over the last few years. Recently, Bangladesh has made a formal proposal to the Eurasian Economic Union (EAEU) for Free Trade Agreement (FTA) which will create huge opportunities for Bangladesh and Russia in coming days.

 <p>Population: 142.32 million (July 2021 est.)</p>	 <p>GDP per capita (current US\$): 10,126.7</p>	 <p>GNI per capita (current US\$): 10,690</p>	 <p>Capital: Moscow</p>	 <p>Major Ports: Arkhangelsk, Murmansk, Kaliningrad, Primorsk, Saint Petersburg, Novorossiysk, Nakhodka, Vladivostok, Vostochnyy</p>
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Source: The World Factbook – CIA & World Bank

Year	BD's Export to Russia	BD's Import from Russia	Trade Gap
2015-16	314.29	280.30	33.99
2016-17	464.62	465.64	-1.02
2017-18	485.23	629.80	-144.57
2018-19	548.26	653.05	-104.79
2019-20	487.29	781.94	-294.64
2020-21	665.32	481.88	183.43

Source: Bangladesh Bank and Export Promotion Bureau (EPB)

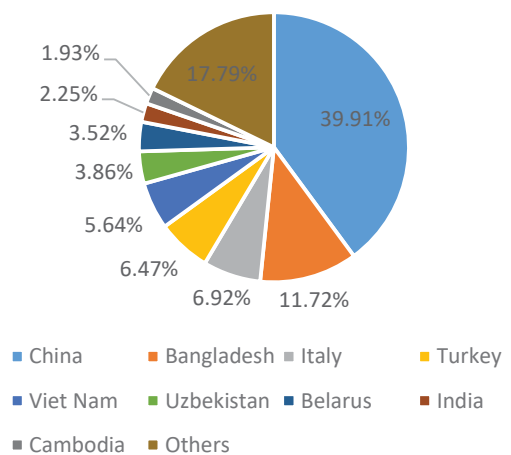


Russia's Clothing Import from the World

Bangladesh is the 2nd largest apparel sourcing country for Russia. In 2020 Russia's apparel import from the world was 6.91 billion dollars, while the share of Bangladesh was 11.72 %. China, being the top apparel import destination of Russia holds 39.91% share of total apparel import.

Exporters	2018	2019	2020	Share in 2020
World	7061.74	7342.36	6913.52	100%
China	2591.07	2611.26	2758.94	39.91%
Bangladesh	811.05	890.40	810.47	11.72%
Italy	560.73	545.61	478.25	6.92%
Turkey	436.62	503.14	447.01	6.47%
Viet Nam	319.90	423.33	389.90	5.64%
Uzbekistan	207.66	247.88	267.18	3.86%
Belarus	284.74	301.36	243.01	3.52%
India	195.75	186.67	155.35	2.25%
Cambodia	143.76	169.54	133.20	1.93%
Others	1510.47	1463.18	1230.20	17.79%

Figure-1: Russia's major source of apparel imports in % in 2020



Russia's clothing import from Bangladesh

Russia's apparel import from Bangladesh has increased continuously in the past few years before Covid. In 2019, Russia's total apparel import from Bangladesh was more than USD 890.4 million. But in 2020, export declined by -8.98% due to the Covid-19.

Year	Knit	Woven	Total Clothing	Growth
2016	308.72	276.98	585.70	24.59%
2017	413.36	369.68	783.04	33.69%
2018	441.40	369.66	811.05	3.58%
2019	482.31	408.09	890.40	9.78%
2020	442.69	367.79	810.47	-8.98%

Source: ITC Trademap

Russia's Major Clothing Items Import from Different Countries in the World

Table-4 illustrates Russia's top 20 apparel items imported from Bangladesh and different countries in the world in 2020 and the Compound Average Growth Rate (CAGR) of those items imported from the world during 2014-2019. During 2014-2019, the apparel items having positive annual growth were woven garments 8.57%, M/B cotton knitted trousers 8.06%, W/G MMF woven overcoats 6.49%, Knitted Full or knee-length stockings 5.98%, W/G synthetic woven trousers 2.84%, and cotton knitted T-shirts 0.27%.

Table 4: Russia's top 20 imported items from the world and major countries in 2020 (Value in MN USD)

HS Code	Product	World	China	BD	Italy	Turkey	Viet Nam	Others	CAGR of Russia's import from world during 2014-2019*
621010	Woven garments	663.83	644.08	1.43	0.01	4.92	2.36	11.02	8.57%
610910	Cotton knitted T-shirts	432.52	42.35	135.59	16.89	39.99	18.60	179.11	0.27%
611020	Cotton knitted Jerseys & pullovers	370.05	84.64	80.10	21.79	37.84	20.73	124.96	-1.24%
620462	W/G cotton woven trousers	330.30	64.05	88.05	14.99	59.68	9.56	93.98	-0.96%
620193	M/B MMF woven anoraks	314.09	164.35	22.02	12.43	3.59	58.35	53.35	-1.57%
620342	M/B cotton woven trousers	301.95	38.62	96.40	18.37	32.65	12.32	103.59	-0.80%
611030	MMF knitted Jerseys & pullovers	291.81	142.12	45.48	10.30	33.83	13.31	46.77	-3.16%
620293	W/G MMF woven anoraks	259.59	154.51	8.97	10.65	2.18	35.94	47.35	-1.71%
620213	W/G MMF woven overcoats	183.74	122.16	2.46	6.93	1.64	13.52	37.03	6.49%
611595	Knitted Full or knee-length stockings	129.43	57.80	0.06	3.80	11.78	1.74	54.25	5.98%
621210	Non cotton Brassieres	120.45	32.99	6.10	1.23	1.22	8.21	70.70	-1.58%
610342	M/B cotton knitted trousers	116.68	18.35	20.63	4.09	6.72	7.47	59.42	8.06%
620520	M/B cotton woven shirts	109.59	26.48	30.90	7.95	7.95	6.61	29.69	-4.49%
611521	Synthetic knitted Panty & hosiery	102.56	7.97	0.00	13.93	0.22	0.00	80.44	-7.18%
620463	W/G synthetic woven trousers	101.09	44.24	5.06	3.56	3.56	12.13	32.54	2.84%
'610462	W/G cotton knitted trousers	95.93	16.64	20.28	2.22	7.93	4.39	44.47	-0.53%
610990	Non cotton knitted T-shirts	95.55	24.92	8.43	4.01	4.01	11.97	42.21	-6.05%
620443	W/g synthetic woven dresses	94.61	46.13	1.29	6.55	6.55	3.59	30.50	-5.05%
620640	W/G MMF woven blouses & shirts	93.18	39.07	10.25	3.48	3.48	3.07	33.85	-3.38%
620343	M/B synthetic woven trousers	87.70	33.54	6.81	1.26	1.26	22.37	22.47	-3.81%

Table-5 shows some major apparel items imported by Russia in 2019 which have positive annual growth in the last 5 years (from 2014-19) before Covid. It indicates the high demand for these products in Russia, but the share of Bangladesh to these items is very low. So Bangladesh has the potential to export these items to Russia.

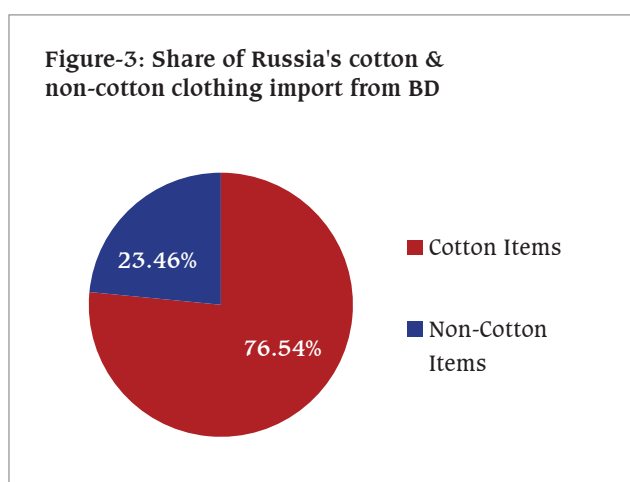
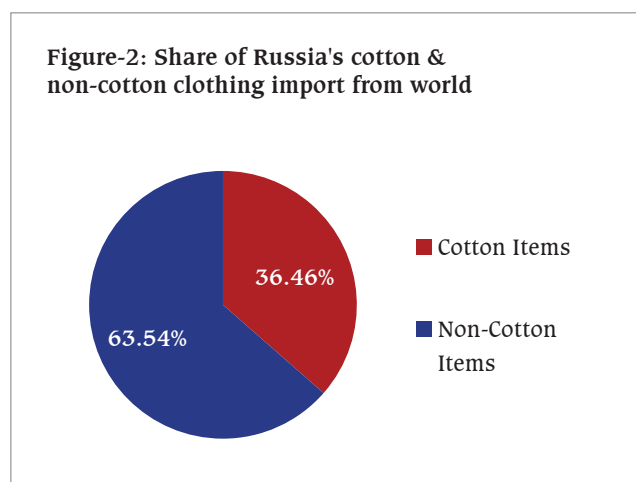
HS Code	Items	Russia's import from world in 2019	Russia's import from BD in 2019	BD's Share in 2019	CAGR of Russia's import from world during 2014-2019*
620213	W/G MMF woven overcoats	237.88	2.66	1.12%	6.49%
620463	W/G synthetic woven trousers	131.15	6.78	5.17%	2.84%
620444	W/G artificial fibres woven dresses	82.40	3.56	4.32%	7.29%
611011	Woolen knitted Jerseys & pullovers	79.40	1.58	1.99%	4.11%
611241	W/G synthetic knitted swimwear	75.35	1.94	2.57%	2.93%
620113	M/B MMF woven overcoats & raincoats	56.04	2.14	3.81%	14.38%
621050	W/G non cotton woven garments	53.39	1.11	2.07%	12.39%
611610	Plastics or rubber, knitted Gloves	44.43	1.16	2.60%	5.30%
610343	M/B synthetic knitted trousers	43.60	2.18	5.00%	9.02%
620433	W/G synthetic woven jackets & blazers	43.59	1.11	2.54%	3.48%

*Though the import data of 2020 is available, but the CAGR was calculated considering the data of 2019 intentionally to avoid the Covid period.



Russia's cotton & non-cotton clothing import share from the world and Bangladesh in 2020

Russia imported 6.92 billion dollars worth of apparel items from the world in 2020 where the share of non-cotton based items was 63.54%. During the same year, Russia's clothing import from Bangladesh was 810.47 billion dollars of which only 23.46 % are non-cotton based products.



Source: ITC Trademap



Market Access

- Import duty on apparel in Russia ranges 5%-20% (mostly 10%) on c.i.f. (cost, insurance, and freight) value, but not less than 1-3 Euro per KG.
- In addition to the import duty, 18% Customs VAT is levied on the sum of the customs value and the customs duty.

Challenges Bangladesh faces in the Russian market

- There are several cost and procedures involved in the Russian customs clearance of goods that make trades difficult. For example – there is a customs processing fee of 0.15% of the actual cost of goods to be paid by the importer. The tax filing methods are also complex.
- L/C is not widely practiced by Russian customers, so it is difficult for Bangladeshi RMG exporters to get in to deals particularly because of uncertainty in payment guarantee.

Some facts about Russian retail market

- As per the 2021 Global Retail Development Index by Kearney, the national retail sales of Russia was 429 billion dollars in 2021.
- E-commerce in Russia is increasing continuously, which is expected to grow by 7.5% annually from 2019 to 2023.
- Russian retail market is mostly dominated by local brands such as Pyaterochka, Okey Group's DA!, Krasnoe & Beloe, Bristol etc. H&M, Inditex, Gucci, Ralph,,Lauren, Balenciaga, Burberry, and Louis Vuitton are the major global fashion brands operating their business in the Russian retail market. [Ⓐ]

BGMEA celebrates glorious 50 years of Bangladesh



Unending is the delight and limitless is the pride for the people of Bangladesh as the country rises from a 'basket case' to a 'development surprise' in an eventful journey of 50 years.

To celebrate the glorious 50 years of Bangladesh, the Bangladesh Garment Manufacturers and Exporters Association

(BGMEA) organized a colorful program in a hotel in Dhaka on December 28 with enthusiastic participation of different stakeholders including government minister, ambassador, leaders of BGMEA, RMG entrepreneurs, economists, development partners, journalists and others.

BGMEA has published a special edition of its



magazine The Apparel Story, commemorating the 50 years of Bangladesh and 40 years of BGMEA, which was unveiled at the program. Tipu Munshi MP, Honorable Commence Minister and also a former president of BGMEA, and Md. Atiqul Islam, Honorable Mayor of

Dhaka North City Corporation (DNCC) and also a past president of BGMEA joined the grand celebration which was also attended by former presidents of BGMEA Redwan Ahmed, Mostafa Golam Quddus, Quazi Moniruzzaman, S.M. Fazlul Hoque, Anwar-Ul-Alam Chowdhury

(Parvez), Abdus Salam Murshedy, MP and Md. Siddiqur Rahman. BGMEA President Faruque Hassan presided over the event which was also attended by Ambassador of Japan to Bangladesh ITO Naoki, BGMEA Vice Presidents, Directors, and other stakeholders. **A**

News in Pictures



BGMEA President Faruque Hassan received the Green Leadership Award 2021 from Honorable Environment, Forests and Climate Change Minister Md. Shahab Uddin. BGMEA has been honored with the award for its exemplary leadership in developing Bangladesh as the home of the highest number of green garment factories in the world.

Ambassador of South Korea to Bangladesh, Lee Jang-keun, paid a courtesy call on BGMEA President Faruque Hassan in Gulshan, Dhaka. They had discussions on possible areas of expanding trade between Bangladesh and South Korea and how both countries can collaborate in a meaningful way to pave the way for boosting bilateral trade. BGMEA Vice President Miran Ali, First Secretary of the Embassy of South Korea Lee Jungyoul, and former President of Dhaka Chamber of Commerce and Industry (DCCI) Shams Mahmud were also present at the meeting.



BGMEA leaders including President Faruque Hassan held a meeting with NBR Chairman Abu Hena Md Rahmatul Muneem in Dhaka and urged the NBR to remove customs and bond related obstacles from the way of business to expedite the growth of the apparel and textile industry. Former BGMEA Presidents Md. Shafiul Islam (Mohiuddin) MP and Md. Siddiqur Rahman, incumbent First Vice President Syed Nazrul Islam, Vice President Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam were also present at the meeting.



A delegation of BGMEA lead by President Faruque Hassan paid a courtesy call on Dr. Ahmad Kaikaus, Principal Secretary to the Hon'ble Prime Minister, in Dhaka and discussed issues regarding graduation of Bangladesh from LDC and its possible implications on export-oriented trade and preparedness to deal with the new challenges in the post-LDC era. BGMEA First Vice President Syed Nazrul Islam, Vice President Shahidullah Azim, Vice President Miran Ali and Director Asif Ashraf were also present at the meeting.

BGMEA leaders headed by President Faruque Hassan visited the garment village at Bangabandhu Shilpa Nagar in Mirsarai, Chattogram to see the progress of construction of its infrastructure and facilities. BGMEA First Vice President Syed Nazrul Islam, Vice President Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam, Vice President Md. Nasir Uddin, Vice President Rakibul Alam Chowdhury and Directors Md. M. Mohiuddin Chowdhury, A.M. Shaful Karim (Khokon), Md. Hassan (Jacky), M. Ahsanul Hoq and Mohammed Meraj-E-Mostafa (Kaisar) and high officials of BEZA were also present on the occasion.



BGMEA President Faruque Hassan along with Vice President Shahidullah Azim and Director Rajiv Chowdhury met with Bridges Division Secretary Md. Monjur Hossain at Setu Bhaban in Dhaka. The BGMEA leaders urged the government to expedite implementation of infrastructure-mega projects and complete them as quick as possible to stimulate local economy and further facilitate exports.



BGMEA leaders held a meeting with Chairman of Chittagong Port Authority (CPA) Rear Admiral M Shahjahan in Chittagong where BGMEA President Faruque Hassan underscored the need for enhancing capacity and efficiency of Chittagong Port in line with the growing business of Bangladesh to meet the future demand of sea-borne trade. Ambassador and Head of Delegation of the European Union (EU) to Bangladesh Charles Whiteley and Ambassador of Italy to Bangladesh Enrico Nunziata were present at the meeting. BGMEA First Vice President Syed Nazrul Islam, Vice President Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam, Vice President Md. Nasir Uddin, Vice President Rakibul Alam Chowdhury and Directors Abdullah Hil Rakib, A.M. Shafiu Karim (Khokon), Md. Hassan (Jacky) and M. Ahsanul Hoq also attended the meeting.

BGMEA President Faruque Hassan together with Ambassador and Head of Delegation of the European Union to Bangladesh Charles Whiteley, Ambassador of Italy to Bangladesh Enrico Nunziata and with Chairman of Chittagong Port Authority (CPA) Rear Admiral M Shahjahan visited Chittagong Port on the occasion of arrival of a direct vessel from Europe in Bangladesh. The direct route will reduce the cost by almost 40% as goods can reach the European port within just 16 days. BGMEA First Vice President Syed Nazrul Islam, Vice President Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam, Vice President Md. Nasir Uddin, Vice President Rakibul Alam Chowdhury and Directors Abdullah Hil Rakib, A.M. Shafiu Karim (Khokon), Md. Hassan (Jacky) and M. Ahsanul Hoq were also present there.



BGMEA President Faruque Hassan together with Ambassador and Head of Delegation of the European Union (EU) to Bangladesh, Charles Whiteley and Ambassador of Italy to Bangladesh Enrico Nunziata and Chittagong Port Authority Chairman, Rear Admiral M Shahjahan visited Bay-terminal and Potenga Container terminal. BGMEA First Vice President Syed Nazrul Islam, Vice President Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam, Vice President Md. Nasir Uddin, Vice President Rakibul Alam Chowdhury and Directors Abdullah Hil Rakib, A.M. Shafiu Karim (Khokon), Md. Hassan (Jacky) and M. Ahsanul Hoq were also present there.



Leaders of BGMEA headed by BGMEA President Faruque Hassan met with Minister for Local Government, Rural Development and Co-operatives (LGRD), Md Tazul Islam MP at the secretariat in Dhaka. They requested the LGRD Minister to take measures for repairing all the roads in the industrial areas in the quickest possible time to ensure smooth vehicular and passenger movement on the roads. BGMEA First Vice President Syed Nazrul Islam, Vice President Shahidullah Azim and Vice President Md. Nasir Uddin also attended the meeting.

A delegation of BGMEA led by President Faruque Hassan paid a courtesy visit to Chief of Army Staff General S M Shafiuddin Ahmed at the Army Headquarters in Dhaka. Other delegation members were BGMEA Vice President Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam, Vice President Md. Nasir Uddin and Director Abdullah Hil Rakib.



Leaders of BGMEA headed by President Faruque Hassan met with Chairman of the Civil Aviation Authority of Bangladesh (CAAB), Air Vice Marshal M Mafidur Rahman, and visited the cargo village at Hazrat Shahjalal International Airport in Dhaka. They expressed thanks to CAAB for the improvements in air cargo handling services including smooth functioning of all scanning machines at the airport. BGMEA Vice President Shahidullah Azim, Vice President Miran Ali, Director Asif Ashraf and former Director Ashikur Rahman (Tuhin) were present at the meeting.



BGMEA President Faruque Hassan attended the inauguration of the Textile Tech Association as a special guest in Dhaka. Principal of Applied Human Science Professor Ismat Rumina, founder of Textile Tech Association Sabrina Sharmeen, fashion designer Bibi Russell also were present at the inaugural ceremony.

Leaders of BGMEA headed by President Faruque Hassan met with M. Tofazzel Hossain Miah, Senior Secretary at the Prime Minister's Office in Dhaka and discussed the present business situation and challenges being faced particularly by the RMG industry in Bangladesh and possible course of actions to deal with the challenges. BGMEA Vice Presidents Shahidullah Azim, Khandoker Rafiqul Islam and Md. Nasir Uddin were present at the meeting.

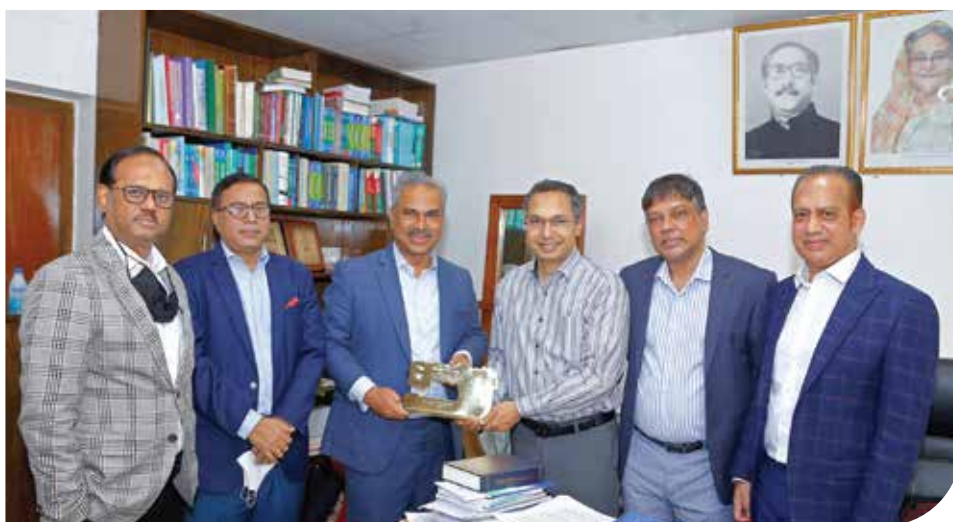


A delegation of BGMEA led by BGMEA President visited Dhaka airport's 3rd terminal where AKM Maksudul Islam, project director of the third terminal, briefed them about advanced architecture and modern facilities of the new terminal. The BGMEA President expressed thanks to the government for taking such a time-befitting initiative. BGMEA Vice Presidents Shahidullah Azim and Miran Ali, Director Asif Ashraf and former Director Ashikur Rahman (Tuhin) High officials of the Civil Aviation Authority of Bangladesh were also present on the occasion.



A delegation of BGMEA headed by President Faruque Hassan met with Honorable Railways Minister Md. Nurul Islam Sujan, MP at the Railway Bhaban in Dhaka and urged the government to speed up implementation of the ongoing railway development projects, including building new railway tracks, upgrading single line to double track, and conversion of the existing rail lines into dual gauge. BGMEA Vice President Miran Ali, Directors Asif Ashraf and Barrister Vidiya Amrit Khan were also present at the meeting.

The Bangladesh Garments Manufacturers and Exporters Association (BGMEA), the German international cooperation enterprise GIZ and the Particip GmbH (Particip) signed a Memorandum of Understanding (MoU) to strengthen the capacity of factory committees (participation, safety, anti-harassment) of BGMEA member factories. Faruque Hassan, President, BGMEA; Dr. Michael Klode, GIZ Project Coordinator STILE and Md. Manjur Morshed, Senior Adviser, Particip GmbH inked the agreement on behalf of their respective organizations at BGMEA's PR office in Gulshan, Dhaka.



BGMEA President Faruque Hassan met with Md. Masud Sadiq, Member (Customs Policy), National Board of Revenue (NBR), in Dhaka. He urged NBR to remove customs and bond related impediments and ease procedures along with services in order to propel the growth of RMG industry. BGMEA Vice President Shahidullah Azim, former First Vice Presidents S M Abu Tayeb and Nasir Uddin Chowdhury and former Director Md. Munir Hossain were also present at the meeting.



BGMEA President Faruque Hassan spoke at a program as special guest, underscoring the need for promoting the rich culture and heritage of Bangladesh globally to boost brand image of the country internationally. SME Foundation and the Association of Fashion Designers of Bangladesh with the support of the Ministry of Cultural Affairs jointly organized the event on the occasion of "Heritage Handloom Festival 2022" in Dhaka. Honorable Posts and Telecommunications Minister Mustafa Jabbar attended the discussion as the chief guest.



BGMEA President Faruque Hassan attended a roundtable titled 'Industrial Rainwater Harvesting- A Sustainable Approach to Water Management,' as the chief guest. The event was organised jointly by BGMEA and WaterAid at The Westin Dhaka. Ms Hasin Jahan, Country Director, WaterAid, was present on the occasion as the guest of honor.



Leaders of BGMEA and labour rights organizations had a meeting at BGMEA complex at Uttara, Dhaka where they expressed their firm willingness to continue collaboration and cooperation to maintain harmonious industrial relations for the greater interests of the RMG sector. BGMEA Vice Presidents Shahidullah Azim, Khandoker Rafiqul Islam and Md. Nasir Uddin, Directors Md. Khosru Chowdhury, Haroon Ar Rashid, Rajiv Chowdhury, Md. Imranur Rahman, Mijanur Rahman, and former Director ANM Saifuddin attended the meeting.



BGMEA President Faruque Hassan spoke at the launching program of ‘Securing Green Transition of the Textile and Readymade Garments Sector in Bangladesh’ organized by the Centre for Policy Dialogue (CPD) in Dhaka. Saber Hossain Chowdhury MP, Chairman of the Parliamentary Standing Committee on Ministry of Environment, Forest and Climate Change attended the program as chief guest. Ms. Christine Johansson, Deputy Head of Mission and, Head of Development Co-operation, Embassy of Sweden; and Dr. Fahmida Khatun, Executive Director, Centre for Policy Dialogue (CPD) also spoke at the event.

BGMEA President Faruque Hassan addressed a session titled as “Industry-Academia Linkage in the Era of 4IR” as the chief guest. The session was organized by Bangladesh University of Professionals at Bijoy Auditorium, Mirpur Cantonment in Dhaka.



BGMEA President Faruque Hassan distributed winter clothes among poor people at Zarina Shikder Girls High School and College, and also at Hajaribagh Park in Dhaka. Honorable State Minister for Shipping Khalid Mahmud Chowdhury, MP was present as chief guest at the program which was presided over by former President of BGMEA Md. Shafiu Islam Mohiuddin, MP.



BGMEA Senior Vice President SM Mannan (Kochi) along with Director Rajiv Chowdhury and other leaders paid rich tribute to the Language Movement heroes on the occasion of Amar Ekushey and International Mother Language Day on 21st February for their supreme sacrifice for Bangla as state language.

BGMEA President Faruque Hassan inaugurated the 6th edition of BGMEA Cup at Uttara Sector 4 Kallyan Samiti Field. BGMEA Vice President (Finance) Khandoker Rafiqul Islam, Vice President Miran Ali, Directors Abdullah Hil Rakib and Mijanur Rahman, players of the participated teams were present at the inaugural ceremony of the inter-garment football tournament.



A delegation of BGMEA led by President Faruque Hassan paid a courtesy call on Brigadier General Md. Nazmul Haque, Director of Dhaka Medical College Hospital (DMCH). They discussed how BGMEA and Dhaka Medical College Hospital can collaborate to ensure that garment workers and employees get healthcare services on a priority basis. BGMEA Vice President Shahidullah Azim, Vice President Md. Nasir Uddin, Assistant Director of DMCH Dr. Md. Ashraful Alam, Associate Professor at DMCH Dr. Md. Imdadul Haque were present on the occasion. ^A

Bangladesh's RMG Export to World

Wovenwear

Value in Million USD

Month	Value in MN USD						Growth				
	2016	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
January	1456	1457	1571	1645	1625	1399	0.1%	7.9%	4.7%	-1.2%	-13.9%
February	1325	1210	1382	1556	1506	1273	-8.7%	14.2%	12.7%	-3.3%	-15.5%
March	1282	1223	1383	1517	1200	1142	-4.6%	13.1%	9.7%	-20.9%	-4.8%
April	1134	1098	1252	1255	195	1175	-3.2%	14.0%	0.3%	-84.5%	504.1%
May	1264	1237	1423	1646	622	1191	-2.2%	15.1%	15.6%	-62.2%	91.4%
June	1575	1273	1238	1193	1075	1297	-19.2%	-2.8%	-3.6%	-9.9%	20.6%
July	1040	1216	1491	1632	1495	1229	16.9%	22.6%	9.5%	-8.4%	-17.8%
August	1331	1439	1332	1163	1104	1153	8.2%	-7.5%	-12.6%	-5.1%	4.5%
September	894	742	1163	1092	1065	1514	-17.0%	56.7%	-6.1%	-2.5%	42.2%
October	1021	1054	1473	1152	986	1516	3.2%	39.7%	-21.8%	-14.4%	53.8%
November	1212	1266	1422	1240	1110	1460	4.5%	12.3%	-12.8%	-10.5%	31.5%
December	1398	1460	1552	1539	1261	1868	4.4%	6.3%	-0.8%	-18.1%	48.2%
Total	14931	14674	16681	16631	13242	16216	-1.7%	13.7%	-0.3%	-20.4%	22.5%

Source: EPB

Knitwear

Value in Million USD

Month	Value in MN USD						Growth				
	2016	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
January	1170	1247	1311	1488	1414	1463	6.6%	5.2%	13.5%	-5.0%	3.4%
February	1042	1016	1219	1352	1279	1353	-2.5%	20.0%	10.9%	-5.5%	5.8%
March	1031	1067	1195	1308	1056	1312	3.5%	12.0%	9.4%	-19.3%	24.3%
April	1063	1111	1219	1284	180	1342	4.5%	9.8%	5.3%	-86.0%	644.9%
May	1183	1251	1400	1598	608	1366	5.8%	11.9%	14.1%	-61.9%	124.6%
June	1435	1252	1248	1206	1165	1598	-12.7%	-0.3%	-3.4%	-3.4%	37.1%
July	1077	1263	1527	1678	1750	1658	17.3%	20.9%	9.9%	4.3%	-5.2%
August	1396	1606	1386	1243	1365	1600	15.0%	-13.7%	-10.3%	9.8%	17.3%
September	928	878	1294	1249	1349	1905	-5.4%	47.4%	-3.4%	8.0%	41.2%
October	1134	1239	1668	1368	1338	2046	9.2%	34.6%	-18.0%	-2.2%	52.9%
November	1098	1258	1431	1271	1334	1776	14.6%	13.7%	-11.1%	5.0%	33.0%
December	1181	1351	1347	1396	1390	2176	14.4%	-0.3%	3.7%	-0.5%	56.6%
Total	13737	14539	16246	16442	14228	19595	5.8%	11.7%	1.2%	-13.5%	37.7%

Source: EPB

Total (Woven + Knit)

Value in Million USD

Month	Value in MN USD						Growth				
	2016	2017	2018	2019	2020	2021	2017	2018	2019	2020	2021
January	2626	2704	2882	3133	3039	2862	3.0%	6.6%	8.7%	-3.0%	-5.8%
February	2366	2226	2601	2909	2784	2625	-5.9%	16.9%	11.8%	-4.3%	-5.7%
March	2312	2290	2578	2825	2256	2455	-1.0%	12.6%	9.6%	-20.1%	8.8%
April	2197	2208	2471	2539	375	2517	0.5%	11.9%	2.8%	-85.2%	571.8%
May	2447	2487	2823	3243	1231	2557	1.7%	13.5%	14.9%	-62.1%	107.8%
June	3011	2525	2486	2399	2240	2895	-16.1%	-1.5%	-3.5%	-6.6%	29.2%
July	2118	2479	3018	3310	3245	2887	17.1%	21.7%	9.7%	-2.0%	-11.0%
August	2726	3045	2717	2406	2468	2753	11.7%	-10.8%	-11.5%	2.6%	11.6%
September	1822	1620	2457	2341	2413	3419	-11.1%	51.7%	-4.7%	3.1%	41.7%
October	2156	2294	3141	2520	2324	3562	6.4%	37.0%	-19.8%	-7.8%	53.3%
November	2310	2525	2853	2511	2445	3235	9.3%	13.0%	-12.0%	-2.7%	32.3%
December	2578	2811	2899	2935	2651	4045	9.0%	3.1%	1.3%	-9.7%	52.6%
Total (RMG)	28668	29213	32927	33072	27471	35812	1.9%	12.7%	0.4%	-16.9%	30.4%
All Products	34971	35774	39252	39337	33605	44223					
<i>Share of RMG</i>	<i>81.98%</i>	<i>81.66%</i>	<i>83.89%</i>	<i>84.07%</i>	<i>81.75%</i>	<i>80.98%</i>					

Source: EPB

Bangladesh's RMG Export to World

Export Value in Million US\$

EU Countries	Woven			Knit			Total			Growth in 2021
	2019	2020	2021	2019	2020	2021	2019	2020	2021	
Austria	8.33	5.84	10.60	28.33	20.63	29.01	36.66	26.47	39.61	49.63%
Belgium	354.47	223.00	219.10	401.71	272.90	418.57	756.18	495.90	637.66	28.59%
Bulgaria	0.43	0.19	0.42	2.13	1.81	1.48	2.56	2.01	1.90	-5.47%
Denmark	241.32	252.25	318.82	454.33	439.87	628.30	695.65	692.11	947.12	36.85%
Finland	7.24	6.27	5.84	27.42	21.31	25.08	34.66	27.58	30.92	12.12%
France	800.64	596.75	696.66	1187.19	936.30	1260.79	1987.83	1533.05	1957.45	27.68%
Germany	2402.16	2199.60	2688.02	3133.42	2692.84	3507.88	5535.58	4892.44	6195.91	26.64%
Greece	7.63	7.46	8.72	34.28	25.61	30.78	41.91	33.07	39.50	19.45%
Italy	504.56	376.78	399.61	927.99	744.18	911.11	1432.55	1120.96	1310.72	16.93%
Ireland	85.30	54.22	60.08	102.56	82.21	109.77	187.86	136.43	169.85	24.49%
Netherlands	444.29	387.25	496.69	559.78	526.42	704.21	1004.07	913.68	1200.90	31.44%
Portugal	28.82	15.94	20.63	56.25	36.68	49.81	85.07	52.62	70.43	33.85%
Romania	4.46	3.27	3.45	10.88	9.54	15.39	15.34	12.82	18.85	47.06%
Spain	1088.23	863.40	1070.73	1298.12	1053.56	1432.14	2386.34	1916.96	2502.87	30.56%
Sweden	234.33	197.05	213.41	410.92	342.15	440.53	645.26	539.21	653.93	21.28%
Cyprus	0.76	0.38	0.19	1.59	1.79	1.84	2.35	2.17	2.04	-6.15%
Czech Republic	193.54	105.23	119.11	103.57	89.57	105.40	297.11	194.80	224.51	15.25%
Estonia	0.01	0.06	0.13	1.17	0.83	0.89	1.18	0.89	1.02	14.46%
Hungary	0.94	7.35	23.22	6.95	40.03	86.63	7.90	47.39	109.85	131.81%
Latvia	0.10	0.01	0.24	0.59	0.80	0.80	0.69	0.81	1.04	28.53%
Lithuania	0.63	0.34	0.20	2.03	1.21	0.28	2.66	1.55	0.49	-68.66%
Malta	7.25	0.04	0.02	4.90	1.41	0.06	12.15	1.44	0.08	-94.22%
Poland	529.76	449.93	599.97	733.27	692.67	1041.13	1263.03	1142.60	1641.10	43.63%
Slovakia	29.38	24.90	22.02	48.17	42.76	50.64	77.55	67.66	72.66	7.39%
Slovenia	12.47	12.60	18.95	44.24	42.96	66.31	56.70	55.57	85.26	53.43%
Croatia	5.67	4.26	3.67	11.03	9.32	10.73	16.70	13.58	14.40	6.04%
Luxembourg	0.02	0.05	0.12	1.16	0.68	0.96	1.18	0.74	1.09	47.65%
Sub-Total (EU)	6992.75	5794.45	7000.60	9593.98	8130.06	10930.54	16586.73	13924.52	17931.15	28.77%
EU % of World	42.05	43.76	43.17	58.35	57.14	55.78	50.15	50.69	50.07	
Growth %	-2.67	-17.14	20.82	-0.60	-15.26	34.45	-1.48	-16.05	28.77	
USA	4494.48	3499.85	4653.69	1525.88	1567.58	2624.28	6020.36	5067.44	7277.97	43.62%
% of USA	27.03	26.43	28.70	9.28	11.02	13.39	18.20	18.45	20.32	
Growth %	1.95	-22.13	32.97	6.28	2.73	67.41	3.01	-15.83	43.62	
U.K.	1806.35	1310.64	1486.38	2030.41	1785.68	2324.69	3836.76	3096.32	3811.06	23.08%
% of U.K.	10.86	9.90	9.17	12.35	12.55	11.86	11.60	11.27	10.64	
Growth %	1.19	-27.44	13.41	3.42	-12.05	30.18	2.36	-19.30	23.08	
Canada	623.40	459.21	537.70	491.36	405.96	573.69	1114.76	865.17	1111.38	28.46%
% of Canada	3.75	3.47	3.32	2.99	2.85	2.93	3.37	3.15	3.10	
Growth %	6.51	-26.34	17.09	4.05	-17.38	41.32	5.41	-22.39	28.46	
Non-Traditional Markets										
Japan	502.73	459.18	483.42	570.70	418.72	545.68	1073.44	877.89	1029.11	17.22%
Australia	302.07	263.45	299.75	390.21	369.32	465.72	692.28	632.77	765.47	20.97%
Russia	192.45	183.90	252.52	289.98	289.64	435.29	482.43	473.54	687.81	45.25%
India	353.73	227.26	323.37	158.65	140.83	232.92	512.38	368.09	556.29	51.13%
Korea Rep.	144.04	131.97	153.96	153.22	158.38	205.90	297.26	290.35	359.85	23.94%
China	247.02	143.53	137.80	196.45	122.03	104.06	443.46	265.56	241.86	-8.93%
UAE	88.63	83.00	129.46	87.99	84.96	116.15	176.62	167.97	245.61	46.23%
Mexico	108.66	68.36	94.88	99.27	65.81	113.80	207.93	134.17	208.68	55.54%
Malaysia	70.15	51.82	45.93	111.77	90.21	114.25	181.91	142.03	160.18	12.78%
Saudi Arabia	41.88	43.54	64.62	51.23	45.56	80.53	93.11	89.10	145.15	62.90%
Turkey	105.91	94.54	65.28	53.38	53.02	47.91	159.29	147.56	113.19	-23.29%
South Africa	41.34	34.07	48.30	52.08	42.48	63.11	93.42	76.56	111.41	45.53%
New Zealand	29.41	28.90	34.03	52.84	51.73	71.06	82.25	80.63	105.08	30.32%
Chile	50.34	39.67	54.73	64.57	43.49	70.77	114.90	83.17	125.50	50.90%
Brazil	65.87	40.99	34.64	65.61	45.53	39.06	131.48	86.52	73.70	-14.82%
Other Countries	369.44	284.01	315.32	402.14	317.37	436.07	771.58	601.38	751.40	24.95%
Sub-Total (Non-Trad.)	2713.65	2178.21	2538.01	2800.10	2339.08	3142.28	5513.75	4517.29	5680.30	25.75%
% of Non-Traditional	16.32	16.45	15.65	17.03	16.44	16.04	16.67	16.44	15.86	
% Growth of Non-Traditional	-0.15	-19.73	16.52	2.85	-16.46	34.34	1.35	-18.07	25.75	
GRAND TOTAL	16630.63	13242.36	16216.38	16441.74	14228.37	19595.48	33072.37	27470.74	35811.86	30.36%
Growth %	-0.30	-20.37	22.46	1.21	-13.46	37.72	0.44	-16.94	30.36	

Source: EPB ^A



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