

# The Apparel Story

June-July 2021

**BANGLADESH  
APPAREL  
INDUSTRY  
SETTING HIGHER  
BARS OF  
SUSTAINABILITY**



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

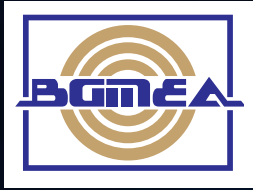


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# EDITORIAL

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Climate change is no longer a topic for discussion, lurking danger of global warming requires real actions to protect the planet from peril which seems imminent if carbon emissions go unabated. More importantly climate change impacts know no geographic boundaries, and one country may feel the deadliest impacts no matter how little it contributes to global warming. Such is the case for Bangladesh which is one of the most climate-vulnerable countries in the world although Bangladesh is among one of the lowest carbon emitters. However, Bangladesh is leading the Climate Vulnerable Forum (CVF) in tackling climate change. Honorable Prime Minister of Bangladesh Sheikh Hasina has taken over the chair of the CVF for a second two-year term.

In line with Bangladesh's continuous strides the ready-made garment industry is also making committed efforts to lower environmental impacts of manufacturing. Bangladesh is proud to have the highest number of green garment factories in the world with 145 factories certified LEED (Leadership in Energy and Environmental Design) by the US Green Building Council (USGBC). More 500 factories in the process of achieving LEED certification. Green technologies used by the factories are helping in cutting down on energy usage by 40 percent and water consumption by more than 30 percent. Green buildings reduces environmental impacts of a built area through its lifetime, meaning less carbon emission, water footprint and resource consumption.

In recognition of our efforts, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has been honoured with the 2021 USGBC Leadership Award. The award was bestowed upon BGMEA for its exemplary leadership in developing Bangladesh as the home of the highest number of green garment factories in the world and many more green factories which are coming up. Years of hard works, dedication and strive for safety and sustainability have brought the recognition of the apparel industry of Bangladesh.

Historically the global business is following linear model that is "take-make-dispose which is not sustainable". To reduce the pollution burden on the earth, we must follow the regenerative circular model to keep the materials in use which is built around the principle of Reduce, Reuse and Recycle. Therefore globally the businesses are shifting to circularity. The transformation of the global apparel industry from linear to circular is part of the next techno-economic paradigm shift considering this BGMEA has already join hands with GFA, Reverse Resources and P4G to create and enabling environment and demonstrate circular business model.

Sustainability cannot be achieved in isolation rather it requires more concerted efforts throughout the supply chain. Besides, we need to have a collective consensus and passion to achieve the desired results. More of us need to do the same things rather than passing responsibilities to the bottom of a supply chain.

Editorial Board  
The Apparel Story



## Disclaimer:

*The Apparel Story* is published for private circulation by Bangladesh Gament Manufacturers & Exporters Association (BGMEA). BGMEA assumes no responsibility for the correctness of items quoted in the magazine although every effort is made to give information from sources believed to be reliable.



# The Apparel Story

## CONTENT

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- 06 Cover Story**  
Bangladesh Apparel Industry Setting Higher Bars of Sustainability
- 11 Special Story**  
Steering Industry Forward : Leaders Who Are Setting the Stage
- 16 Special Feature**  
Centre for Innovation, Efficiency and OSH :  
Bridging Knowledge Gaps to Boost Productivity
- 19 Special Interview**  
Harry Verweij, Ambassador of the Netherlands to Bangladesh
- 22 Column**  
Shaping the future of Bangladesh Apparel Industry
- 26 Sustainability**  
Sustainable Finance to Foster Green Growth
- 29 Focus of the Month**  
Global Fashion Industry: Covid-19 and Beyond
- 33 Unleashing Heritage**  
Nakshi Kantha
- 36 Technology**  
Rainwater Harvesting
- 38 Interview of the Month**  
Iqbal M Hussain, Managing Director of RSC
- 40 Worker's Corner**  
Rowing Against the Wind
- 43 Market Brief**  
United Arab Emirates (UAE)
- 45 Photo Story**  
Bangladesh RMG Industry Welcomes Transgender
- 50 News in Pictures**
- 55 Statistics**



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YKK logo

By Mohammad Monower Hossain |

# Bangladesh Apparel Industry Setting Higher Bars of Sustainability



BGMEA President Faruque Hassan with the "2021 USGBC Leadership Award"

**B**angladesh is one of the most vulnerable countries to the impacts of global warming and climate change, though it is one of the lowest carbon emitters in the world. The planet earth is facing a dire crisis in the form of COVID 19 pandemic. From lives to livelihood, the manmade system has been literally disrupted due to the 20-nanometer virus. But the direst one is yet to face. Yes, climate change can literally destroy everything. Therefore, it doesn't matter how much we emit, because the impact of climate change

doesn't follow any borderline. With a population of over 160+ million the consequences of climate change would be devastating for Bangladesh. In our path of development Bangladesh now stands at its take-off phase with a vision of becoming a developed country by 2041. To pursue this goal there is no alternative to enhancing the resilience of the economy and country as a whole. To do so it's a must to mainstream environmental sustainability within the economic development.

## The most astounding fact is out of world's top 100 industrial project 39 are originated from Bangladesh. Eight of the top ten global industrial projects are in Bangladesh.

Global apparel industry is the second most polluting industry only after oil and gas. The fashion industry is disreputably lavish. It produces 10 percent of the global greenhouse gas emissions and consumes huge amount of water and produces a lot of post-industrial waste, of which very little amount is being recycled. Therefore, making fashion industry eco-friendly and sustainable often seems impossible. Bangladesh is the second largest apparel exporter in the world but what is more important is this single industry employs around 4.4 million workers, of them majority are women. Around 81 percent of the export earnings are generated from this sector while it contributes around 12 percent to the country's GDP. So, for obvious reason Bangladesh cannot afford any disruption in this sector.

Globally sustainability has emerged as one of the major areas of concern and has become an integral part of the business landscape. Therefore, Bangladesh RMG industry has been

addressing the issue of sustainability in a proactive manner, taking the industry to a different level and written the narrative of the industry to tell rest of the world. As the country's pioneering export industry, the RMG industry has been playing a crucial role in running the engine of economic growth of the country. In doing so the industry make praiseworthy effort do minimize the environmental cost of production. Industrialization comes with negative externalities on natural ecosystem but RMG industry changes the game by taking some prudent steps and a focused strategy. Partnering with the government, development partners, brands and stakeholder BGMEA steered the industry towards the path of sustainable and resilient growth. BGMEA has joined the Fashion Industry Charter for Climate Action with a pledge to reducing the carbon footprint of the industry by 30 percent within 2030 an initiative of U.N. Climate Change. In partnership with Water Resources

Group 2030—a public, private, civil society partnership of the World Bank, BGMEA is closely engaged in the journey of transforming the policy map of the water resources management. Closing the loop of existing linear economic model is one of the major impediments of decoupling the economic growth of the industry. To address this challenge BGMEA established “Circular Fashion Partnership” partnering Global Fashion Agenda (GFA) and Reverse Resources funded by the P4G.

"With the rapid development and growth, we remain very vigilant about the environmental impact of the production and are keeping a fine balance of people, planet and growth. To reduce the environmental cost of production, the industry is making tremendous endeavors, and BGMEA is encouraging its member factories through raising awareness, implementing project-based technical assistance and policy advocacy." Says Faruque Hassan, President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Apart from all these initiatives, Bangladesh RMG industry is well ahead in the world in terms of having “Green Factory”. Globally, Bangladesh presently has the highest number of LEED-certified factory buildings.

The green factory building is a commendable effort to amplify the positive and minimize the negative impacts of it throughout its entire lifecycle, with foremost concentration in energy use, water use, indoor environmental quality, material selection and its effects on the site. The U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) provides an excellent global rating system, that rewards best practices and innovations and certifies the buildings with different levels of LEED certification. The rating system consists of total 110 points across seven criteria such as sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, innovation and design process, and regional priority credits. Each criterion has a set of parameters with different points. In



## LEED Credit Categories



2015-2018, LEED certified buildings across the globe have saved \$1.2 billion in energy, \$149.5 million in water, \$715.3 million in maintenance, and \$54.2 million in waste. Green buildings emit GHGs in half the portion of that emitted by conventionally constructed buildings due to water consumption, 48 percent and 5 percent less due to solid waste and transportation respectively. These buildings have cleaner air circulation, more access to daylight, less pollution, harm free chemical paints and finishing, which create a healthier working environment. The improved quality of environment not only enhances the comfort of workers but also illuminates the working spirit and boosts retention rate and productivity.

The Bangladesh ready-made garment (RMG) industry has achieved LEED certification for more than 144 garment factories—including 41 LEED Platinum certifications, 89 LEED Gold certifications and 8 LEED Silver certifications, nearly 500 more factories are registered to achieve

order to obtain those points, a green factory building has to meet the requirements of the set parameters. All points under each criterion are henceforth aggregated to yield an overall performance score. A performance score of 40-49 corresponds with an LEED Certified level, 50-59 corresponds with an LEED Silver, 60-69 corresponds with an LEED Gold and a score of 80 and above corresponds with an LEED Platinum. A score of 110

implies that the factory building is performing at the highest level and has net zero GHGs emissions and pollutant discharge.

LEED certification is a globally recognized accreditation of leadership in sustainability that brings in economic benefits as well as non-economic benefits of environment and health. LEED assists factory owners to cut down operational costs of the factory. According to the estimates of



Platinum  
80+ points



Gold  
60-79 points

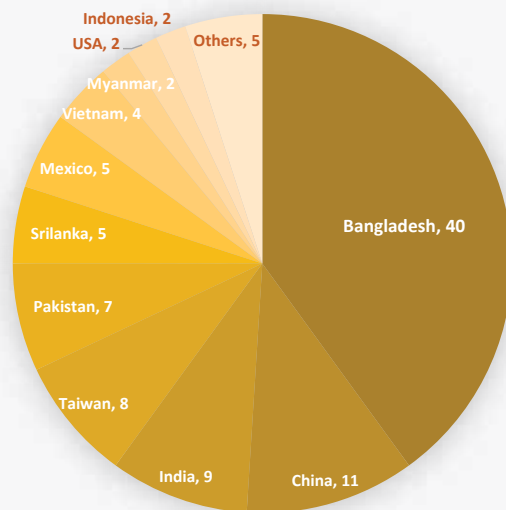


Silver  
50-59 points

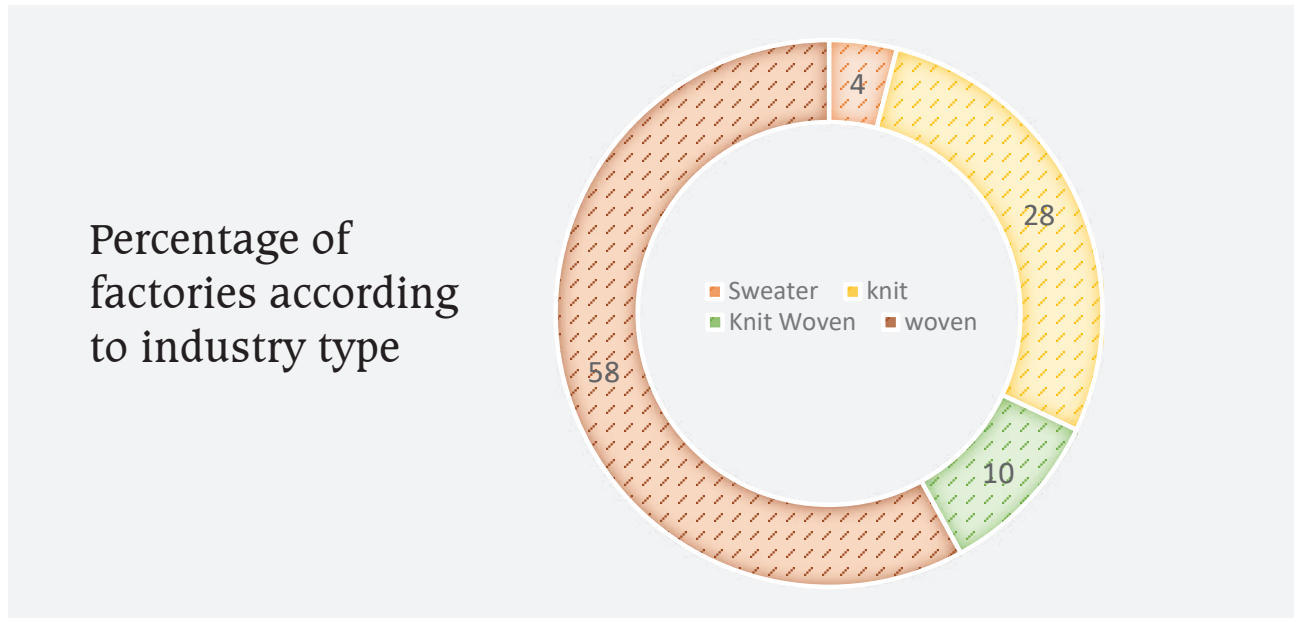


Certified  
40-49 points

## Top 100 LEED Factories



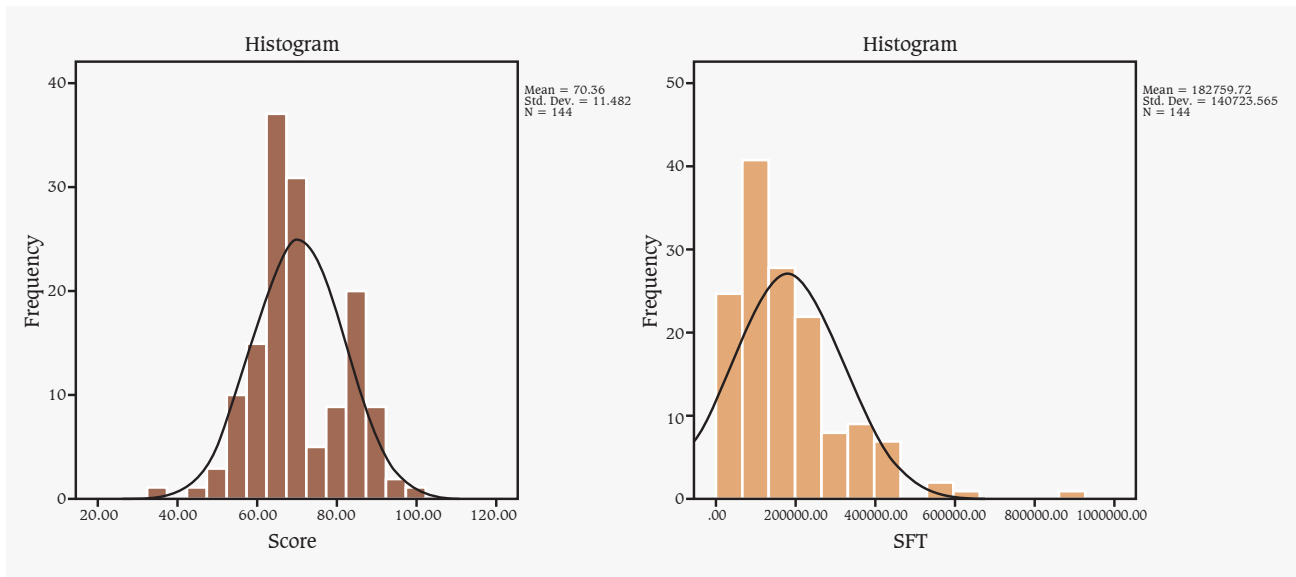
The most astounding fact is out of world's top 100 industrial project 39 are originated from Bangladesh. Eight of the top ten global industrial projects are in Bangladesh. 58 percent of the factories are woven, 28 percent are knit, 10 percent are knit-woven and the rest 4 percent are sweater



Most of the factories are located in Dhaka followed by Gazipur, Chattogram and Naryanganj.



Average score of the Bangladesh's green factories is around 70 while the highest is 100. Average area of these factories is 1,85,000 SFT.



LEED. These factories are environment friendly in planning, design, construction and operation, which reduce or eliminate negative impacts and improve our quality of life through its life time. These statistics reveal the quest of excellence in efficiency and environmental sustainability. 'Green factory building' is a laudable approach of strengthening environmental, social and corporate

governance as well as attaining leadership in global business sustainability. BGMEA is the only trade association of the world representing an industry which has the highest number of green factories certified by USGBC. For its outstanding contribution to promoting green factories BGMEA has been honored with "2021 USGBC Leadership Award". BGMEA won this award as the first

association of the world. Years of hard works, dedication and strive for safety and sustainability have brought the invaluable global recognition for the RMG industry of Bangladesh. The garment manufacturers of Bangladesh have already done an excellent job which is commendable but must not be complacent because the journey to sustainability is not a sprint it's a marathon. **A**



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*Special Story*

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*Steering Industry Forward*

# Leaders Who are Setting the Stage

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When great minds come together, BIG ideas come to life. With the newly elected 35-member Board of Directors of BGMEA for the term 2021-2023, hopes are high for great things to happen in the horizon of the apparel industry of Bangladesh. It is because the new Board of Directors are not only successful entrepreneurs in their own arena, but also possess quivers filled with arrows of unflinching courage and leadership and talent. Headed by President Faruque Hassan, the BGMEA Board is formed with a galaxy of experienced first-generation industrialists as well as second-generation entrepreneurs who are up and rising. While some of them have already made indelible marks on the development trajectory of the RMG industry, some others are determined to use their talent and experience to drive the sector towards a new height of glory. Now, they are putting their heads together to steer the sector into a higher level of prosperity in future. Hopes are pinned on them to deal with all areas of concern facing the industry. Whether it is upskilling workers or increasing overall competitiveness and productivity of the industry, or any other thing, they are expected to lead the way, breaking the status quo and ushering in change.

## Office Bearers



**Faruque Hassan**  
President, BGMEA &  
Managing Director,  
Giant Group



**Syed Nazrul Islam**  
First Vice President, BGMEA &  
Managing Director,  
Well Designers Ltd.



**S.M. Mannan (Kochi)**  
Senior Vice President, BGMEA  
& Chairman, Seha Design (BD) Ltd.



**Shahidullah Azim**  
Vice President, BGMEA  
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Classic Group



**Khandoker Rafiqul Islam**  
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& Managing Director,  
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**Miran Ali**  
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Bitopi Group



**Md. Nasir Uddin**  
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**Rakibul Alam Chowdhury**  
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& Managing Director,  
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**Asif Ashraf**  
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**Tanvir Ahmed**  
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**Rajiv Chowdhury**  
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& Managing Director,  
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Amrit Khan**  
Director, BGMEA  
& Deputy Managing Director,  
Desh Garments Ltd.



**Inamul Haq  
Khan (Bablu)**  
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& Managing Director,  
Ananta Group



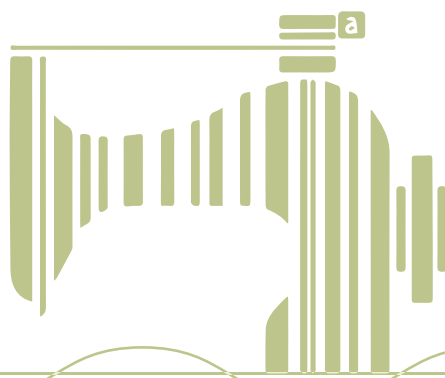
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Laila Group



**Mijanur Rahman**  
Director, BGMEA  
& Managing Director,  
Fashion Power Group



**Sajjadur Rahman  
Mridha (Shipon)**  
Director, BGMEA  
& Chairman,  
ABA Group



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**Tanvir Habib**  
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& Chairman,  
Legacy Fashion Ltd.



**A.M. Shafiul Karim (Khokon)**  
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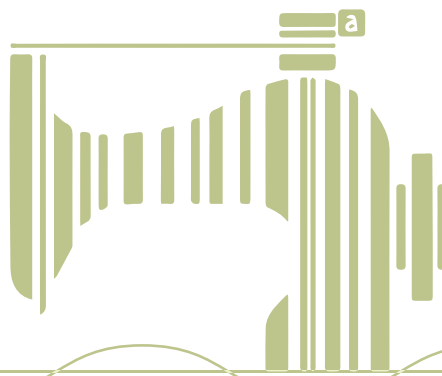
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**Mohammed Meraj-E-Mostafa (Kaisar)**  
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& Managing Director,  
NLZ Fashion Ltd. 



# Centre for Innovation, Efficiency and OSH

*Bridging Knowledge Gaps to Boost Productivity*



In this era of fourth industrial revolution, the clothing industry has reached to an 'evolve or die' moment because disruptive technologies are frequently challenging conventional ways of doing business. Besides, consumers' appetite for fast fashion and increasing competition in the global retail supply chain made the pursuit for innovation all the more important.

So, what the stakeholders in RMG sector must realize, and fast, is that the sector's competitiveness has to be increased to sustain the growth that has been achieved so far as well as to expand market share in future.

Bangladesh has made great strides to compliance issues. But it is time to make sure that we are both compliant and competitive.

## ***Knowledge – the core competency***

Facilitating a transition towards higher level of competency requires adapting to changing product design, reducing lead time, increasing productivity by increasing knowledge and skill of garment workers, adopting latest technologies, minimizing production cost, making manufacturing plants green and sustainable etc. But knowledge is the first and foremost requirement for for all of our

developmental efforts. With this in mind, a new Centre for Innovation, Efficiency and Occupational Safety and Health (OSH) is being developed at the newly built head office of BGMEA in Uttara which will work as a knowledge hub. The Centre will strive to extract knowledge about best business practices, most-advanced technology and latest trends of the global fashion industry and inject those ideas into our industry through trainings, workshops and stakeholders'

gatherings.

It will also focus on wider issues concerning the industry such as industrial relations, industrial engineering, productivity, efficiency, human resource development, business ethics and practices, financial reporting, occupational safety and health, and good governance. Overall, the Center will analyze the current situation, challenges, skills and innovation landscape in the world of clothing industry and recommend ways to address those challenges.



## ***Increasing Productivity: Where Bangladesh stands?***

Maintaining optimum productivity level is an imperative in garment manufacturing because buyers demand higher value at lower price. To increase productivity, what factories need most are trained staff and advanced technology. Despite being the world's second-largest apparel exporter and increasing Minimum Wages for workers by 381% since 2010, Bangladesh's low labor productivity compared to competing countries is a cause for serious concern.

Lack of efficiency has a direct bearing on the industry's low level of product diversity. As a matter of fact, most factories tend to replicate the design provided by retailers or buyers. It is about time we paid more attention to our own product development capacity because it helps with better negotiation and profitability.

To address the sector's productivity lag, the Innovation Centre will implement both top-down and bottom-up approaches to enhance efficiency of a manufacturing plant. Funded by Danish International Development Agency (DANIDA) and In Cooperation with University of Southern Denmark (SDU) and Ahsanullah University of Science and Technology (AUST), a project called NIPOSH (Network to integrate productivity and occupational safety and health improvements (NIPOSH) has already begun under the center. It will develop and document a network model for integrated improvement of productivity (LEAN)



→ as well as to secure a sustainable model. This Centre will facilitate certificate courses for facility mid-level management which would help them to ensure efficiency in the facility production process. It will also try to reduce the system loss within the business policy by providing training to concerned personnel regarding some basic but rather important issues i.e. financial reporting, VAT/ Tax management system, customs related issues etc.

### ***Getting ready for industry 4.0***

The industrial sector has undergone many transformations riding on the back of new ideas and invention. Currently, the fourth industrial revolution is building on the digital revolution that revolves around automation, artificial intelligence, internet of things etc. which is changing the industries and businesses.

The technological transformation, albeit slow, has already begun in Bangladesh's textile and RMG sector. Roughly 8% of jobs are automated in the RMG sector and by 2025 it is expected to reach 25%. While deploying cutting-edge technology, the factories must also enhance the knowledge and skills of workers so that they can handle the latest technologies.

In this regard, within the premises of the Centre, BGMEA in collaboration with Textile Technology Business Center (TTBC) will set up a one-stop resource center which will regularly organize training and workshops

under a specialized 'Knowledge Series' on cutting-edge technologies and resource efficiency solutions.

### ***3 D Design***

3D design has come to the prominence because of the pandemic-induced shutdowns. The 3D revolution will stay even after the pandemic is gone because it has brought much needed speed to the manufacturing and marketing process. Therefore, it is vital for Bangladesh RMG industry to adapt to this global requirement of virtual sampling and proto-typing by increasing capacity building of the industry.

The Centre will build capacity of the industry to achieve excellence in the area of product development through the use of 3D designing and virtual prototyping, which will support the industry for further optimising cost and lead time to a significant extent.

### ***Bridging the gap between local heritage and Export market***

Bangladesh has a rich history of cultural heritage including Jamdani fabrics which is one of our GI products. Although the value addition capacity of our local heritage is very high, its potential remains untapped. The Centre will facilitate transformation of local heritage into high-end fashion pieces which will help to develop an iconic brand image of Bangladesh.

In this regard, the Center will find

opportunities to link local artisans to international retailers for creating business opportunities.

Nevertheless, Bangladesh's digital presence in the virtual markets and social media platforms will also be emphasized through various training, courses, workshops, seminars etc.

### ***Collaboration for success***

Just as continuity requires knowledge, innovation and vision for the future, partnership for development is also crucial. The journey is most satisfying when development partners step up in times of need and help reach our desired destination.

In this regard, BGMEA is thankful to WTO cell of Ministry of Commerce (MoC), Aamra Resources Ltd, Danish International Development Agency, University of Southern Denmark and Ahsanullah University of Science and Technology and all others who extended their collaboration. This sort of partnership is essential to change the industrial landscape of Bangladesh. The Centre, however, is still in the nascent stage and requires more support. It has a long way to go to fulfill its ultimate objective of solidifying the industry's position in the global fashion industry. And further collaboration from development partners and stakeholders will strengthen that cause. **A**



‘A lot of positive things happened over the past years in Bangladesh’s RMG industry’

Harry Verweij, Ambassador of the Netherlands to Bangladesh



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The Netherlands is one of the major market in European Union for Bangladesh's apparel export. The Netherlands stood closely with Bangladesh for the development of the industry. In a special interview with the Apparel Story, Harry Verweij, Ambassador of the Kingdom of the Netherlands to Bangladesh expressed his thoughts on the market outlooks in the Netherlands, the challenges faced by the Bangladesh RMG industry and the importance of market promotion, innovation and value addition.

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**In this time of pandemic, how do you see the market is trending, particularly the EU and the Dutch fashion market, and how would you assess the recovery from the pandemic?**

The trend of most markets is difficult to predict, especially now: some parts of the world seem to be re-opening, while others are in renewed lockdowns. The jury is still out on whether we'll get new waves and mutations later this year. So far however, my impression is that despite the previous year, this year's COVID wave is handled better by markets. We haven't seen the massive order cancellations and shops in European high streets have shifted to delivery services. Having said that however, I feel we should not forget that the medium-term challenges for the industry are still firmly in place: changing consumer patterns, the rise of new production countries and the further application of technology in production were already apparent before COVID hit the world. If anything, the pandemic likely accelerated those dynamics. Recovery will therefore depend on the adaptability, boldness and positioning of the sector in the coming years.

**How would you evaluate the transformation of the RMG industry of Bangladesh and its stride toward sustainability? Do you think the transformation in the industry will boost the confidence of customers on "Made in Bangladesh" apparel?**

A lot of positive things happened over the past years in Bangladesh's RMG industry. And because of that, today Bangladesh has, for instance, some of world's highest-rated LEED Platinum factories. The problem is that not enough people know about it. The transformation of the industry is not visible enough to boost the confidence of the buyers. So I think Bangladesh should step up its game in promoting the industry.

It is also impressive to see the industry is diversifying and upgrading its product offerings. For instance, there is now greater capacity to produce garments made from synthetic fibers; manufacture more complex products such as outerwear, tailored items, and lingerie; and provide new washes, prints, and laser finishings. Entry into these new segments has been supported by the changing rules of

origin for preferential trade with the EU, allowing for the use of imported fabrics. There also has been some increase in vertical integration of the supply chain that is resulting in decreasing lead times.

However, many of Bangladesh's factories have not yet transitioned to providing these new offerings, and I feel that factories should not shy away from this investment. T-shirts, trousers, and sweaters continue to dominate the country's exports and it is critical that this changes. This will also help Bangladesh get better pricing since there is considerable price pressure in basic product categories.

**The Netherlands has been one of the major markets for Bangladesh's apparel, as well as a major development partner for the industry. How would you prioritize collaboration for up-scaling the capability of this industry going forward?**

The Netherlands stood closely with Bangladesh for the development of the industry and I feel that this certainly paid off. RMG will remain a priority for the Netherlands as long as sizeable brands source in Bangladesh, and the Netherlands

wants to remain at the global forefront of promoting Responsible Business Conduct: Dutch companies that source from abroad, have an obligation to ensure that workers are paid fair wages and that working conditions are in line with international standards.

At the same time, one of the most impressive elements of the story of Bangladesh is the resilience and rapid development. For that reason, the bilateral relation between Bangladesh and the Netherlands is also evolving, from a relationship based primarily on development, towards a relationship based on mutual trade and investment. So what I'd hope to see is that we can prioritize collaboration in the sector in knowledge exchange and innovation and ultimately more business.

**As Bangladesh has graduated from LDC to a middle-income country, how do you think our country and industry should prepare? What should be our strategy toward smoother transition and extended market access by preference giving countries including EU?**

As Bangladesh graduates from least-developed country status in the next few years, preferential access to European and other markets is up for negotiation. Additional tariffs would be seriously disruptive for the RMG sector. I can't speak for the EU as a whole, but there really is only one strategy. If Bangladesh wants to have preferential market access to the

**Bangladesh is a high potential, fast growing market where the reality on the ground is often much better than what the public image looks like in the mind of those who have never visited.**



EU, it will have to adhere to the standards that the EU demands: implementing 27 international conventions related to human rights, labour rights, protection of the environment and good governance. As we've seen in the case of Cambodia, the EU is willing to pull out in case of non-implementation. So my advice would be to give the highest priority to the conventions and their implementation. If Bangladesh wants to further level the playing field with competing markets then the focus should be on productivity, as well as investment in digitization, automation, and (environment) sustainability.

**Since you are leaving Bangladesh soon, what experience are you taking back and what would be your message for the business communities in Bangladesh and the Netherlands?**

What I will miss about Bangladesh is the hospitality, flexibility and resilience of its people. I feel privileged having been able to witness the development of the garment sector in particular: a sector so close to me and Dutch citizens that it's quite literally in every Dutch high street shop, in every citizen's wardrobe. My general message to business communities in the Netherlands is that Bangladesh is a high potential, fast growing market where the reality on the ground is often much better than what the public image looks like in the mind of those who have never visited. There are huge opportunities for export-oriented businesses, as well as for the domestic market. Moving now means reaping the benefits later.

**Anything else you would like to add?**

A heartfelt thank you to the BGMEA. As the leading sector association I have seen much of the challenging circumstances under which you operate and the multitude of interests you have to balance. But even if we sometimes disagreed on matters, I have always felt respect and openness to discuss. That professionalism is something I will certainly cherish when I think back of my time in Bangladesh. **A**

# Shaping the future of Bangladesh Apparel Industry



Mamun Rashid

In not so distant past, I was nearly forced into the BGMEA advisory board by my dear friend Atiqul Islam, former BGMEA president, to help him come out of the mess that

was created by Rana Plaza collapse and other relevant incidents. It was a very challenging time - morale was down, many small factories were taken out of the global supply chain, orders were cancelled, rights groups were becoming vocal against the Bangladesh apparel sector and so was the international civil society, academia, and development partners, every concession or waiver from the government was being challenged by the media and part of

the local civil society. There were surprises everywhere. The government and senior political leadership were out to salvage our apparel sector in any way possible, perhaps the only silver lining in this sordid affair. No doubt, we have come a long way since then. Despite the hardship, one thing we all understood was that the Bangladesh apparel industry has reached the “too big to fail” stage, due to its size and



**I believe with the skills and knowledge we have accumulated so far, there is no reason why we cannot expand to higher value productions and incorporate innovations. Just trying to survive is not enough anymore, only learning to thrive can ensure a future for the sector.**



product diversity. Most of us realized that our workers were the true partners in progress and we genuinely need to take care of our true partners. We kept on talking about productivity improvement, innovation and sustainability but while few of our apparel producers reached an enviable stage - be it green factory environment, workers

health and safety, building technology solutions, or the business re-engineering process, many others lagged. Our development has moved at a slow and steady pace, patting ourselves in the back with the comfort that although we are decades behind in technology and innovation, we will catch up in the next 10-20 years

through technological adoption. But the COVID-19 pandemic changed the world completely. Even if we keep aside the hardship and devastation the world has been facing since early last year, the norms and trends of consumer behavior has changed for good, so has the way of doing business. The question remains whether our RMG sector is prepared for it. It would not be fair to expect that the world would revert to the older norms and the businesses will be as was, because none of the data all over the world suggest that. The pandemic has forced the world jump headfirst in its technological capabilities to ease way of life and ease of doing businesses. The vision of catching up slowly and gradually over decades will not cut it anymore. The convergence to technological adoption and alignment with global practices will need to be faster than ever to stay relevant.

It's important to note how most of our producers realized that the government can't do much apart from using police force to pacify mobs or workers. The businesses need to solve their own problems in managing workers, through the adoption of better technology to increase production, avoiding any surprises by putting up improved fire-safety equipment, and ensuring worker training and efficient financing package. We are now talking to the media, the US state department, the EU, and other development partners much more openly than in the past. We are ready to take criticism into account, go the extra mile to build

friendships, and constantly research new avenues for growth. Learning only from past mistakes is not enough anymore, being proactive in setting novel standards is paramount in the post pandemic world.

In the past decade, major compliance measures have been undertaken to ensure safety of factories and workers. The labour law of the country has been amended and the right to form trade unions in factories including in the special economic zones has been approved. Although these initiatives helped to develop standards and ensure transparency and compliances, the measures came at steep compliance costs for the sector. While compliance measures have helped to bring more credibility of the RMG sector, this is not a one-off initiative. This is an ongoing process and must be pursued continuously for sustainable growth of the sector as the world moves to green, zero-emission, sustainable businesses. It is encouraging to note that RMG entrepreneurs have accepted compliance as an integral part of their business to survive. Many are taking self-motivated initiatives to remain ahead of the curve and to achieve and maintain competitiveness. With the planned departure of Accord and Alliance in June 2018, the role of the government, Bangladesh Garment Manufacturers and Exporters Association (BGMEA), buyers and development partners had been critical in following up compliance measures.

But the road ahead is quite challenging. With higher compliance related expenditures, the cost of doing business goes up. This gives stiff price competition to the entrepreneurs. In such a situation some may opt for reduced production capacity to make up for additional expenditures on compliance requirements. But as the industry aims for apparel exports of USD 50 billion by 2021 or so, production capacity must increase further and faster. There are ways to sustainable growth alongside the increasing expenditures- either to improve profitability by adopting global

**In the wake of the fourth industrial revolution which is going to rely heavily on technology, robots will take away many human jobs. Modern sectors will fall prey to such innovation first. Of course, this is an issue for the policymakers who must generate employment and engage the excess labour force in other sectors. RMG entrepreneurs must think of training workers in order to adapt to technological transformation.**

technologies, cost minimization and efficiency improvement, or to innovate in product to reach an overall higher margin level to compensate for the additional expenditure.

As the sector has grown without bounds in past few decades, improving efficiency and probability has always taken a back seat. Like any business in the world, the need for efficiency improvement comes when the business growth reaches maturity. We are there already, and this is high time we make efficiency and profitability improvement our prime drivers rather than volume growth game. Secondly, we have proven our capabilities as garments manufacturers to the world, but for what? Are we known for product innovation, are we known for delivering high value products? Or are we always going to be known for basic staples of the industry? I believe with the skills and knowledge we have accumulated so far, there is no reason why we cannot expand to higher value productions and incorporate innovations. Just trying to survive is not enough anymore, only learning to thrive can ensure a

future for the sector. Given the fact that our competitors are moving at global convergence at a pace faster than ever, our past slow and steady approach to innovation, technology adoption and efficiency improvement will not work anymore. If we walk when our competitors are running, we are just going to fall further behind. And technology is not a game in which a turtle win.

Another pillar of our success in RMG sector is our labour. Higher productivity will require state of the art technology and skill development. If the sector is ready to invest so much for safety and technological upgradation, it can also increase labour wages. In the short run, increase in labour costs does lead to higher production costs. But the increase is not significant, as many global studies reveal. Moreover, in the long run these costs are internalized by higher productivity. Hardworking Bangladeshi workers are ready to put extra efforts to learn technical skills. However, the issue of technology and its impact on the employment must be thought of seriously. In the wake of the fourth industrial revolution which is going to rely heavily on technology, robots will take away many human jobs. Modern sectors will fall prey to such innovation first. Of course, this is an issue for the policymakers who must generate employment and engage the excess labour force in other sectors. RMG entrepreneurs must think of training workers in order to adapt to technological transformation.

Another lesson we need to take from our neighbouring country is that, as consumer spending increases, technology enabled businesses take over the landscape and access to consumer technology gets easier for people, people tend to have more options, more flexibility and wide range of capabilities. All economic indicators say that we will soon see that trend in Bangladesh too. If businesses are complaining that the wage today is too high, they should fear the fact that labour will be scarce even at a higher wage in near future. Workforce today look for sense of accomplishment, learning



opportunity and room for growth. Maybe these have not been issues in our RMG sector in the past, but it would be a grave mistake to assume that this will not be a major challenge in the future if the entrepreneurs wish to expand their businesses. The developed countries counteracted that challenge by reliance on technology and creating high value jobs within the sector. I always tell my entrepreneur friends- Be warned, this is going to happen faster than you can imagine. On the flip side, like any industry anywhere in the world, some businesses are meant to fail. Our RMG sector has reached such a maturity that it is time to allow businesses, which are not cut for the future, to fail and the industry to consolidate. But the problem is deeper. Like any other developing country, we are not ready to accept a couple of things- firstly, allowing some businesses to fail does not mean allowing the sector to fail, it actually means quite to opposite; secondly, even if we are open to the idea, we are not equipped to assist the businesses in distress and we

just force them to linger on with baggage, which impact the sector and the economy. Barriers to exit is unnecessarily high for a business in distress and extremely low for a business which is successful- whereas it should have been exact the opposite. To cut the story short, we need framework to help RMG businesses in distress. If the business needs to fail for the industry to be stronger, we need to learn to embrace the situation and allow for that. If we look at all the competing countries, we will find regulations and processes to deal with such situations. We need to take the situation into cognizance and accept the fact that we are not decades behind our competitors, like we used to believe. And it is high time we take it up with the regulators and set up an actionable process to deal with situation, because at the end of the day, the baggage will only pull us down. Finally, buyers, another major stakeholder, must collaborate with suppliers in improving productivity. Ironically, in a fiercely competitive market, brands and retailers look

for the lowest price. Buyers source from Bangladesh to maximize their profits through cheap clothes. Ethical buying and fair price are not under the purview of profit-making brands. Some companies are seeking to reduce costs further by sourcing from low-cost countries. Southeast Asia and Sub-Saharan regions are under their consideration. This emphasizes the need for higher productivity and stricter compliance for us. The government can provide some relief on the cost of production through better infrastructural facilities and energy, competitive interest rate and better exchange rate and the media can help create awareness among consumers about ethical buying and act as a watchdog for compliance. Finally, trust gap among various stakeholders must be minimized through better understanding and more transparency. **A**

*Mamun Rashid is a leading economic analyst and former advisory board member of BGMEA.*

# Sustainable Finance to Foster Green Growth



Barrister Shehrin Salam Oishee

Bangladesh's RMG industry is increasingly prioritizing the issue of sustainability. Our industry's leaders recognize that sustainable production is essential in order to attract and retain international fashion brands and retailers – most of which now have firm targets set for the reduction of carbon emissions. To achieve these carbon

reduction goals, the fashion industry is inherently dependent on its supply chain. Cleaner production, increasing use of renewable energy and the implementation of smart technologies are among watchwords of our RMG industry as it strives to become the 'go-to' sourcing hubs for progressive apparel brands. All of the above requires investment, however, and to this end, we are seeing a huge growth in sustainable or 'green' financing/green funds as well as the increased use of environmental, social and corporate governance (ESG) criteria to evaluable investments and their

social impacts. Green finance is a structured financial activity which has been developed to ensure a more desirable environmental outcome. Examples of green finance include an array of loans, debt mechanisms and investments used to encourage the development of green projects or reduce the impact on the climate of more regular projects. Globally, the green bond market could be worth \$2.36 trillion by 2023 and is regarded as a way of meeting the needs of environmentalism and capitalism at the same time.

## ***Green Finance in Bangladesh***

To become a leader in sustainable apparel production, Bangladesh needs to simultaneously adopt and embrace green finance mechanisms. This is a relatively new market and Bangladesh is still playing catch-up. At present, domestic banks and financial institutions have made a certain amount dedicated to green projects. Bangladesh has also taken several steps to encourage green financing, starting from establishing green banking policy guidelines, concessional refinancing schemes, and so on.

Alongside this, there is a limited amount of green equity finance as well, and currently approximately 15 venture capital firms are working on green projects. Such projects in Bangladesh are actively attracting the attention of both local and foreign investors, which includes DEFTA Partners and a number of Nordic companies amongst others, intending to invest in sustainable energy and clean-energy related projects in the country.

### ***This all bodes well.***

However, we still have work to do. Despite the green banking policy guidelines, there is a very slow promotion of such sustainable projects, due to a lack of a proper management and active interest of banks and financial institutions to manage such funds.

In Bangladesh, approximately 50 sectors were identified as eligible to receive direct green finance, up until 2017.

The majority of applications for green finance funding are made by small scale local entrepreneurs on the one hand, and the apparel and textile sector on the other, which – as indicated earlier – needs more green finance to help drive the shift to sustainable production.

A major barrier to our businesses in attracting green funding is proving creditworthiness in the form of equity or liability. This is hindered by the lack of proper documents and/or the insufficient fulfillment of the non-exhaustive list of requirements. Furthermore, the implementation of sustainable

## **Despite the green banking policy guidelines, there is a very slow promotion of such sustainable projects, due to a lack of a proper management and active interest of banks and financial institutions to manage such funds.**

projects require high transaction costs which often tend to over-shadow their benefits. With such projects requiring new enhanced technology, this can generate considerable risk and uncertainty, alongside existing operational and market risks. These projects rely on the current guidelines of Bangladesh Bank and are highly vulnerable to policy changes, even causing complete loss upon minor policy changes. For all the above reasons - and several others - despite the guideline of a minimum of 5% loan portfolio for green projects, Banks and financial institutions don't have enough favourable proposals to provide the same.

Bangladesh Bank instructed banks and other financial institutions to allocate at least 10% of their annual CSR budget to the Climate Risk Fund, either by providing direct grants or by providing finance at a reduced rate of interest.

The Bangladesh government has established two flagship green funds, namely the Bangladesh Climate Change Trust Fund (BCCTF) and the Bangladesh Climate Change Resilience Fund (BCCRF). These have been created with the aim of funding green projects and reducing the development time for such projects. Bangladesh has also received total grants worth US\$143.59 million to

implement 41 projects from the Global Environment Facility (GEF), which was established in 1991. The World Bank set up a Climate Investment Fund (CIF) in 2008 with funding from 14 developed nations, the UK being the leader. This is composed of 4 programmes, of which Bangladesh accesses funds from 3: the Pilot Program for Climate Resilience, the Scaling Up Renewable Energy in Low Income Countries Program, and the Forest Investment Program.

In addition, the World Bank instructed banks and FIs to provide financing for solid waste management systems, rainwater harvesting plants, and solar power panel projects. Though Bangladesh has not yet incorporated any inclusive green financing strategies, the Bangladesh Bank has been promoting green financing through concessional refinancing schemes and credit quotas for FIs as well as formulating guidelines for green banking and donor-supported sector-specific transformational projects.

In January 2016, the Bangladesh Bank set a mandatory 5% credit quota for direct green finance out of the total loan disbursement of all banks and FIs.

The Bangladesh Bank also established a refinancing scheme worth Tk. 2 billion for "Renewable Energy and Environment Friendly Financeable Sectors" in 2009 to facilitate financing possibilities for green products, such as solar energy, biogas plants, and effluent treatment plants (ETPs), the major catch for the RMG.

### ***Main barriers of sustainable finance***

Lack of access to sustainable finance to industries in Bangladesh - mainly RMG manufacturers - is a major barrier in the development of a sustainable industry. There is an inherent lack of coalition among industry & finance sector stakeholders.

This is a challenge because foreign buyers have a keen interest to develop and work with sustainable suppliers. Sustainability criteria is increasingly common in contracts



with fashion brands and retailers. Foreign banks are ready to provide finance for developing a sustainable industry, but the infrastructure of our economy is such that they cannot directly facilitate the finance. The channel has to be realized through national commercial banks to the individual industries, as an independent means of financing factories while safeguarding against hostile buyers as well. This is where the grass-root challenge lies. The successful implementation of sustainable projects is further hindered by the lack of a comprehensive legal and regulatory framework and technical data, which is a result of a lack of adequate research and development work in this field.

There is an inherent reluctance of FIs to finance sustainable projects, because they generate a lower rate of return. Additionally, the bond market of Bangladesh is considerably underdeveloped for accommodating sustainable projects, and an immature capital market for proper utilisation of green finance for sustainable projects further impedes the growth of sustainable industries in the country.

At the same time, new disruptive challenges are being introduced at a greater speed than ever before. Investing in RMG manufacturing needs more robust understanding from the perspective of financiers so that we can achieve greater confidence regarding making

## **Bangladesh Bank instructed banks and other financial institutions to allocate at least 10% of their annual CSR budget to the Climate Risk Fund, either by providing direct grants or by providing finance at a reduced rate of interest.**

investments. In addition, we need to innovate new financial tools that will increase RMG manufacturer's access to finance. To do that we need dialogue between apparel industry stakeholders, the finance sector, entrepreneurs and other partners.

### ***How to overcome the problems***

Bangladesh is at a crossroads in its development. With sustainability at the core of the RMG sector, access to sustainable funding options is crucial for the industry to realise its

potential and compete on the global stage.

To do this, we need to firstly assess the financial implications associated with environmental risks. By presenting these so that we all know what is at stake, we can encourage industries to adopt sustainable financing methods. Besides this, identifying incentives, both financial and non-financial, to encourage entrepreneurs to adopt sustainable options shall further facilitate the new regime.

Bangladesh Bank is overseeing green finance in industries, piloting policy decisions for environment and social safeguards for banks and FIs, to be followed while disbursing green finances to commercial enterprises. But the government's keen intervention at this stage is of utmost necessity, especially in the case of subsidizing the FIs and Banks, and providing sustainable and/or green financing to industries at a lower interest rate,

To address and resolve these challenges, it is necessary to make the SFU functional. The risks involved with instatement and proper functioning of sustainable green projects in countries like Bangladesh – eg the degree of operational risks due to adoption of new technology - makes the entire concept pretty unsuitable for banks and FIs to be investing in.

Being susceptible to policy changes, a more rigorous risk assessment profile for sustainable projects must be done. The Banks and FIs must offer some joint responsibility to share the risks of the sustainable ventures so as to ensure more such ventures flourish over time.

Mainstreaming such finances in the banking system is the core means of encouraging green and sustainable ventures to grow in the country. BGMEA and other like-minded organizations will make plausible cooperation with the commercial banks so as to realize these government-allocated funds effectively, to ensure proper access to the available finance. **A**

*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.*

# Global Fashion Industry: Covid-19 and Beyond

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It's been almost two years of co-existing with pandemic of the century, Covid-19; which has crumpled thousands of lives worldwide. Like all other sectors, global apparel industry has been brutally compressed by Covid-19. Either for a retail store in USA/ EU or a manufacturing plant in Bangladesh, this time will

undoubtedly go down into history as one of the worst and unprecedented year for global fashion industry. On one hand, order backlog, overdue payments, bankruptcy, high freight costs, longer shipping times etc. have impacted manufacturers and international buyers; on the other hand, the very idea of brick and mortar is being substituted by online

shopping and e-commerce as a result of constant germ phobia among the consumers.

After experiencing a momentous growth from 2016 to 2019, in the preceding year of 2020, global fashion industry faced as high as 93% industry-wide fall in profits (Source: McKinsey & Company), which clearly specifies how the

fashion industry croaked last year. Even though the deadly virus initially hard-hit China, in no time it spread all over the world. Giant retailer companies like GAP, Gucci, Carters', American eagle, H&M, JC Penny etc. shut down almost 10,000 stores just in USA and some of them even vanished after being bankrupted. The whole year of 2020 in the fashion world was all about declining sales, store closure and negative profit due to nationwide lockdown which was imposed with the aim to curb down the infection rate. Mass vaccination program and strict social distancing showed a hope of recovery and turnover, which, gloomily has been crumpled by emergence of newer variants. *Table-01* portrays that apparel import of EU and USA witnessed a -12.09% and -23.46% respective growth in 2020, which was lowest y-o-y growth in recent 5 years. In the global value chain of apparel industry, manufacturers lie at the bottoms and evidently, dip in demand pose a further challenge to this end. The data published by Export Promotion Bureau (EPB) of Bangladesh portrays the gloomy scenario of export earnings. After completing the full Fiscal Year



**The whole year of 2020 in the fashion world was all about declining sales, store closure and negative profit due to nationwide lockdown which was imposed with the aim to curb down the infection rate.**

2020-21, Bangladesh's RMG export to world stands at \$31.45 bn comprising 81.16% share of total export earnings of the country. Before Covid hit the world, the share was 84.21% with \$34.13 bn worth of export earnings. (*Table-02*) Since the first wave of COVID-19 has hit our country in March last year,

particularly the exports started getting affected since March 2020, a year-over-year comparison between 2020 and 2021 would be misleading; thus the growth in export for the months of 2020-21 has to be calculated with the corresponding months of 2018-19. In terms of product category, Knitwear export retained 0.42% growth in July-June 2020-21 than July-June 2018-19. Woven garments is facing the toughest time ever, while export has suffered almost double digit decline through the whole fiscal year. In FY 2020-21, woven garments declined by 15.94% in a comparison with the same time period of FY 2018-19. Analysis of the full FY 2020-21 shows that, Bangladesh RMG export has been declined to almost all its destinations, i.e. 8.06% for EU countries, 3.05% for USA, 15.58% for Canada and 4.76% for Non-traditional markets (In a comparison of 2020-21 vs. 2018-19) (*Table-03*). If we compare the data among last 3 year fiscal year, the declining trend will be more evident. A detailed product wise data analysis for top 30 export item's data has been provided at the end of this Apparel Story for better understanding.

**Table-01: Apparel Import (Value in MN US\$)**

	2016	2017	2018	2019	2020	Growth (Y-o-Y)
<b>USA from World</b>	80683.96	80171.98	82880.76	83704.75	64070.48	-23.46%
<b>EU from World</b>	79890.19	83494.16	90539.58	89455.44	78641.53	-12.09%

Source: OTEXA and EUROSTAT

**Table-02: Bangladesh RMG Export Scenario (Value in MN US\$)**

Year	Export of RMG	Total Export of Bangladesh	% of RMG's to Total Export
2018-19	34133.27	40535.04	84.21
2019-20	27949.19	33674.09	83.00
2020-21	31456.73	38758.31	81.16

Source: Export Promotion Bureau (EPB)



**Table-03: Country wise Bangladesh's RMG Export (Value in MN US\$)**

Country	2018-19	2019-20	2020-21	Growth 2020-21 VS 2019-20	Growth 2020-21 VS 2018-19
USA	6133.72	5146.53	5946.40	15.54%	-3.05%
Germany	5840.91	4793.03	5612.68	17.10%	-3.91%
UK	3859.15	3173.23	3444.57	8.55%	-10.74%
Spain	2407.13	2019.21	2161.41	7.04%	-10.21%
France	2066.59	1569.25	1769.00	12.73%	-14.40%
Poland	1180.88	1077.98	1380.40	28.05%	16.90%
Italy	1535.91	1196.03	1216.40	1.70%	-20.80%
Netherland	1024.46	872.21	1043.74	19.67%	1.88%
Canada	1179.30	876.27	995.59	13.62%	-15.58%
Japan	1091.43	961.94	944.82	-1.78%	-13.43%

Source: EPB

**Table-04: Price Growth (Year-Over-Year)**

Month	BD RMG (\$ / KG)	USA (\$ / SME)	EU (\$ / KG)
July,20	-2.30%	-9.75%	1.13%
August,20	-2.56%	-3.65%	-0.18%
Sept, 20	-5.23%	-4.72%	-1.26%
Oct, 20	-4.15%	-13.18%	-0.40%
Nov, 20	-5.19%	-12.80%	-0.40%
Dec, 20	-4.51%	-17.92%	-7.63%
Jan, 21	-2.79%	-8.04%	-5.26%
Feb, 21	-3.55%	-10.87%	-1.53%
Mar, 21	-3.87%	-8.37%	-2.65%
Apr, 21	-7.06%	-10.45%	5.21%
May, 21	-3.00%	-8.95%	
June, 21	-1.39%		
<b>Average (July-June)</b>	<b>-3.55%</b>	<b>-9.83%</b>	<b>-1.31%</b>

Source: NBR, OTEXA, Euro Stat

While the decline in price has already been a trend in the global market for decades, the COVID led disruption has further escalated the situation. Bangladesh RMG lost 3.55% unit value during July-'20 and

June-'21 period. (Table-04) Along with Bangladesh, similar declining trend is visible for other manufacturing countries as well. (Table-05) Nevertheless, the deeper the night,

the closer the morning. Even though the crisis still persists, the global trade and growth projection is posing a hope that maybe we are at the end of the dark tunnel. By following fastest post-recession pace in 80 years, global economy is expected to expand by 5.6% in 2021. All over the world, the regional economic activity is projected to be accelerated this year by 7.7%, particularly 6.8% in South Asia and 5.2% in Latin America and Caribbean (World Bank, June 2021). Mass vaccination program, booming trends of e-commerce and online sales, rise in the millennial and Gen Z population offer big opportunities for the fashion world in the upcoming years.

In case of Bangladesh, if we break down the data for full FY 2020-21 into two categories consisting of six months period, sluggish but upward export trend can be comprehended. In a comparison with FY 2018-19, Bangladesh's RMG export to world in first six month of FY 2020-21 declined by 9.01% which came down

**Table-05: Export Scenario of Manufacturing Countries (Value in MN US\$)**

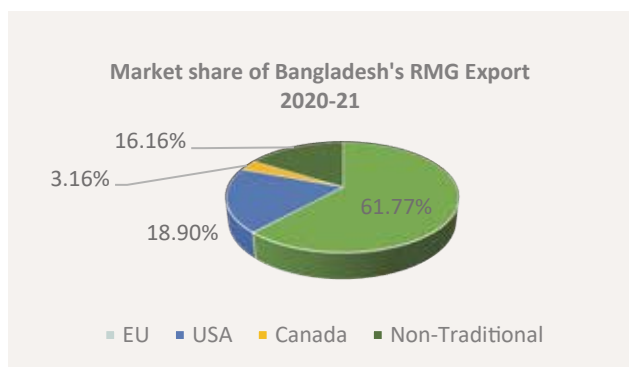
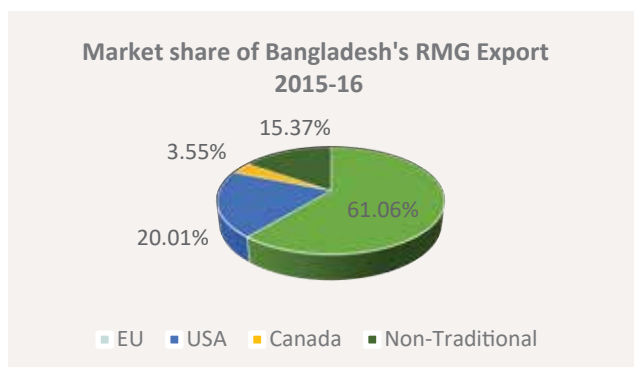
	2019	2020	2021	2021 VS 2020	2021 VS 2019
<b>Bangladesh (Jan-June)</b>	17048.36	11925.17	15911.17	33.43%	-6.67%
<b>Vietnam (Jan-June)</b>	14896.63	13111.03	13742.60	4.82%	-7.75%
<b>India (Jan-May)</b>	7726.19	4686.43	6474.42	38.15%	-16.20%
<b>Srilanka (Jan-May)</b>	2098.00	1410.89	1890.67	34.01%	-9.88%
<b>Cambodia (Jan-Mar)</b>	2183.88	2305.82	1775.25	-23.01%	-18.71%

Source: Respective Govt.

**Table-06: Retail Sales Growth in USA and EU**

2021 compared to 2020			2021 compared to 2019		
Month	USA	EU	Month	USA	EU
January, 2021	-7%	-30%	January, 2021	-3%	-30%
February, 2021	-11%	-20%	February, 2021	-8%	-22%
March, 2021	+118%	+56%	March, 2021	+12%	-30%
April, 2021	+770%	+151%	April, 2021	+10%	-44%
May, 2021	+200%		May, 2021	+13%	
June, 2021	+47%		June, 2021	+16%	

Source: US census & Eurostat



Source: EPB

to a negative growth of 6.67% in the last six months. Starting with -1.46% growth in the first six month of the preceding Fiscal year, Knitwear export achieved an average positive growth of 2.40% in the rest months. However, the struggle of woven garment export is clearly visible with almost a consistent decline of 16.76% and 15.15% in the first and last six month of FY 2020-21 respectively.

Retail sales in USA and EU market is also showing a ray of hope before us (Table-06). After following a continuous decline over the last months, retail sales in USA is showing positive growth since March 2021 and has shown highest 16% growth in June 2021 (2021 vs 2019). Even though the EU market is still struggling to get back its former pace, it's doing better than 2020.

Social media and hand-held devices have been dominating over brick and mortars shopping for a quite long time and Covid-19 has further escalated that trend with continuous germ phobia, social distancing and most importantly, for convenience. And that's why by shifting track, global apparel market is expected to grow from \$527. 08 billion in 2020 to \$635. 17 billion in 2021 at a compound annual growth rate (CAGR) of 20. 5%. The market is expected to reach \$842. 73 billion in 2025 at a CAGR of 7% (Source: business wire, 2021). With only 6.8% share of this huge market, Bangladesh has immense potential ahead of her. If we dig deeper into the market share of Bangladesh RMG export, we will see that over the years, the market has been concentrated in few countries. With

around 62% share, EU market has always been dominating. But, since we have graduated from LDC status, focusing our shift towards exploring potential markets should be our strategic priority now. Over the four decades, Bangladesh RMG has achieved tremendous growth and marked it's footprint as one of the safest, transparent and ethical sourcing hub in the world. Now it is high time we considered re-modeling our business - from labor intensive manufacturing to innovation driven one. By investing more in research / innovation / backward linkages and by communicate our stories across the globe, it is time for us to strategically move toward the middle price and high street fashion segments. **A**



# Nakshi Kantha

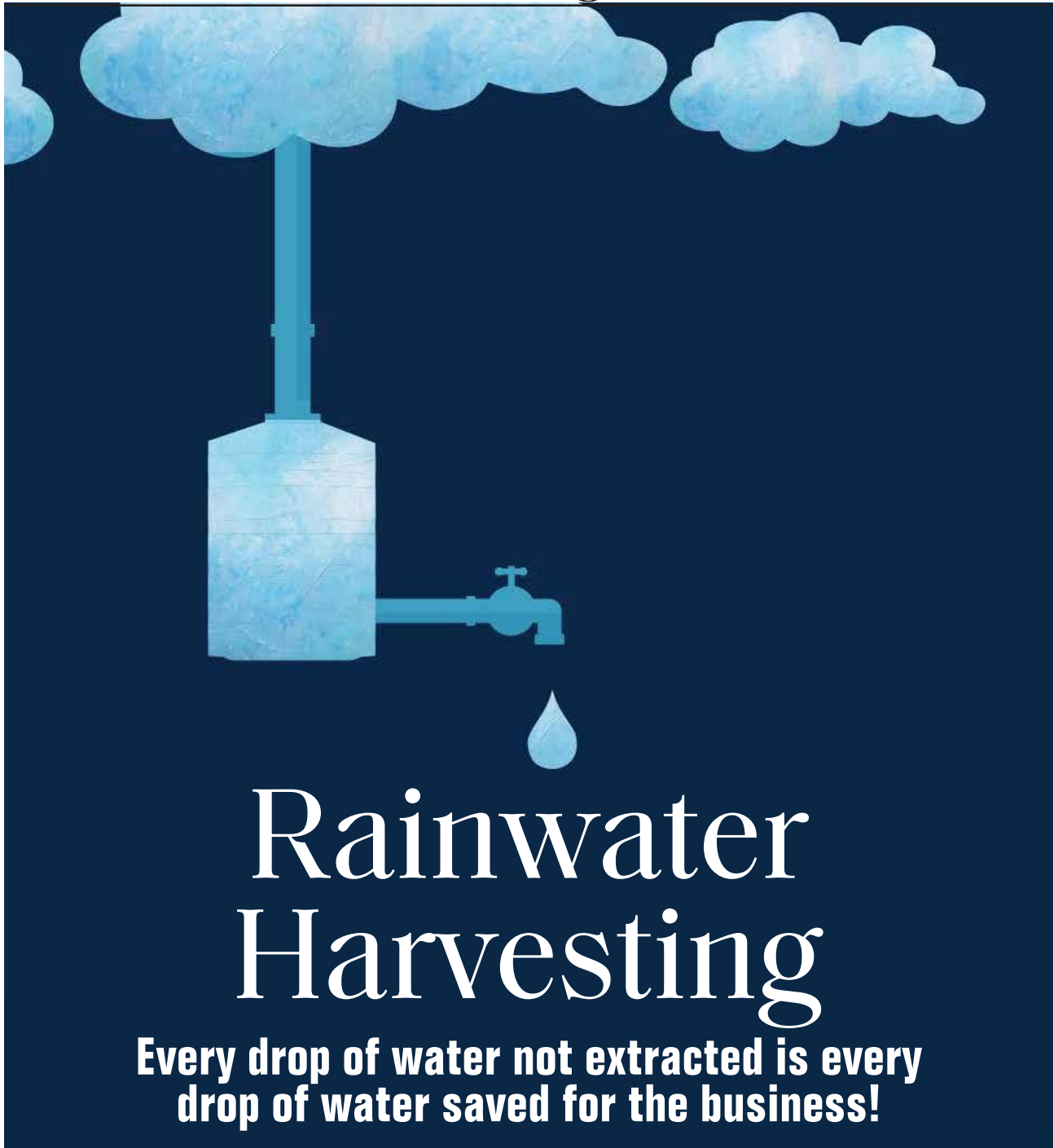




Influenced by religion, surroundings and folk belief, “Nakshi Kantha” is centuries-old tradition of undivided Bengal. The name “Nakshi Kantha” speaks for itself, where colorful patterns and designs used to be hand embroidered into a quilt by recycling old and used clothes like sharee, lungi etc with “Kantha or Running stitch”. The uniqueness of these Kanthas beautifully lie in the fact that no two kanthas are ever unerringly same. By using different types of motifs such as, lotus, solar, moon, kalka, tree of life, wheel etc. rural women and young girls embroider as if stories from someone’s life are being

stitched onto a piece of clothes. The finest designs and quality of “Nakshi Kantha” come from the region of Jessore, Faridpur and Jamalpur. However, Pabna, Bogra, Rangpur, Mymensingh, Rajshahi, Faridpur is also famous for their own style, particularly highlighted in the borders of the kantha. Making a kantha is not a job to the artisans rather an art that passes on cultural and historical knowledge. Over the years, the artistry has influenced Bengali poems and folklore in different form. One of the eminent examples of that is famous tragic romantic poem “Nakshi Kanthar Math” written by Palli Kabi Jasimuddin. <sup>Ⓐ</sup>





# Rainwater Harvesting

**Every drop of water not extracted is every drop of water saved for the business!**

Rainwater harvesting is a system of collecting the rainwater that runs off from every roof.

With the exception of the relatively dry north-western region, Bangladesh receives around 2200 mm/ 2.2 m average rainfall every year. If we can utilize this natural water in the industry, it will not only reduce our cost of ground water pumping but also reduce pressure on ground water aquifer. For instance, a

factory situated in Dhaka or Narayanganj with a roof area of 20,000 sft equivalent 1858 sqm as catchment area for rain water harvesting how much rainwater can be harvested?

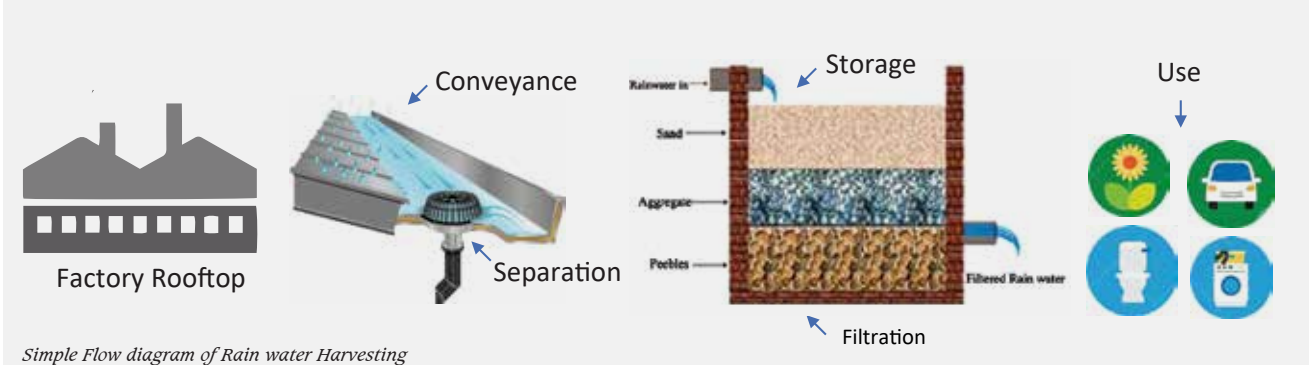
Let, Total rooftop area of a garment industry = 1858 sqm

Runoff Coefficient = 0.8 (for concrete)

Average rainfall in Bangladesh = 2200 mm or 2.2 m per year

So, Total amount of rainwater collected = Total area (m<sup>2</sup>) × Catchment Coefficient × Amount of rainfall (m) = 1858 × 0.8 × 2.2 = 3270 Cubic meter or 3.27 Million liters of water every year.

If we consider the roof top of 50,000 Sft the amount of water harvested would be 16.35 million liters of water! So think if we can harvest the rainwater from our industrial rooftops how much water we can save.



Simple Flow diagram of Rain water Harvesting



## Technical Details Rain water Harvesting

A typical rain water harvesting system for 50,000 Sft roof top to yield fresh water equipped with storage system, sensor based first flush, filtration, electromagnetic flow meter, would costs around Tk. 15 Lacs including pipe line and civil works.

But this system would yield around 16 million liters of fresh water. Cost of 1 cubic meter of ground water including treatment is around tk 26-38\* (\*Inside EPZ). So every year around BDT 4.25 Lacs – 6.21 Lacs can be saved from a rain water harvesting system with a pay back of 2.1 to 3.5 years.

A simple step can save precious ground water resource, cut the cost enhance sustainability. <sup>A</sup>

# ‘RSC believes in Delivering A World-class Sustainable Workplace Safety Programme’

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The Ready-Made Garments (RMG) Sustainability Council (RSC) is an unprecedented initiative to carry forward the significant accomplishments made in workplace safety in Bangladesh. In an exclusive interview with the Apparel Story, Iqbal M Hussain, Managing Director of RSC shared how RSC would play its role in sustaining the safety momentum in Bangladesh, its areas of works, and immediate and future priorities of RSC.

## What is the status update of RSC in terms of its operation and capacity building?

The RSC took up the full operational capacity of the Accord via the Transition Agreement and through the Cooperation Agreement in its first year has undergone capacity development. The RSC staff (being Accord Bangladesh operational staff) is fully capable of running the full requisite of all operations including but not limited to inspections, remediation, safety training and complaints mechanism and finally the boiler safety programmes. The RSC believes in DELIVERING A WORLD-CLASS SUSTAINABLE WORKPLACE SAFETY PROGRAMME.

## How does RSC position itself as a creditable and capable national safety monitoring authority?

The RSC is a permanent safety monitoring body in the RMG sector in Bangladesh. The RSC is a private initiative of the Bangladesh Industry, Global Brands and Global and Local Bangladeshi Trade Unions. The RSC has a completely unique tripartite governance structure, and by design it ensures all checks and balances are in place with decisions being made by consensus. With all the Accord's protocols being transferred into the RSC in a legal agreement including the escalation and utilisation declaration withdrawal procedures to ensure enforceability of poor performance, the RSC is indeed by design a successor of the Accord.

## What are the immediate and future priorities?

The Global Covid-19 pandemic continues to wreak havoc, both in terms of the immediate health crisis and the impending economic turn down that can be expected. We are working in compliance of the Covid-19 Health and Safety measures and arranging inspections in line with government lockdown, restrictions, and advice notifications. As a result, in the first year of the RSC, we have managed to arrange inspections in seven and

we can continue to deliver a world-class sustainable workplace safety programme making the Bangladesh RMG sector best in class and the safest workplace environment for all workers and staff globally.

half months out of our first 12 months.

Under significant achievements of the RSC, since its incorporation, June 2020 to May 2021 we list the following:

- ◆ Inspections carried out September to March and end of May owing to Covid19 Pandemic (seven and half months (7.5) out of twelve months (12))
- ◆ 1266 factories inspected
- ◆ 2525 individual inspections carried out
- ◆ 1610 corrective action plans (CAPs) published
- ◆ 1179 factories at 93% more remediation completed for initial inspections, (Structure = 86.6%, Electrical = 97.0%, Fire = 90.7%)
- ◆ 98 (out of total 362) factories completed remediation (initial findings)
- ◆ Safety Committee Safety Training (SCST) continued using Video Conference, 3645 sessions completed
- ◆ OSH Complaints Mechanism handled 1072 new complaints
- ◆ The RSC has double the initial inspection numbers per month to allow the onboarding of new factory's at a faster rate.

We hope to be able to work safely to carry out further inspections and remediation programs such that we can continue to deliver a world-class sustainable workplace safety programme making the Bangladesh

RMG sector best in class and the safest workplace environment for all workers and staff globally.

## Any reflection on stakeholder management?

The Covid-19 pandemic situation has not helped in our ability to effectively engage with national and international stakeholders alike. We have made some notable successes by being able to arrange meetings with stakeholders, likes of local Trade Unions, MOLE, DIFE, ILO and the Development Partners, the RSC recognizes this is an area of focus and is actively working on developing the Government Coordination Council. In the meantime, the RSC continues to develop and update the website and avail more and more information.

## Are there any other areas beyond workplace safety where RSC only work?

Yes, with the right timing the RSC will develop capabilities to include promotion of better Industrial Relations (IR), Skills Development, Welfare and Environmental Sustainability, Pollution Control, and other Climate Positive Initiatives. For example the RSC will be looking at Water and Carbon in it's environmental sustainability programme. **A**

By Alma Siddiqua Rothi |

# Rowing Against the Wind

Willpower is something that leads you towards success. Always believe in yourself and keep moving as Martin Luther king said, "If you have a dream, don't just sit there, if you can't run, you crawl."



Salma



Pijush

Life is not a bed of roses, to accomplish something in life one has to go through myriad challenges. And for a person with disability double is the challenge and he has to put twofold efforts than an ordinary person. Different studies found that, persons with disabilities are less likely to access skills and employment due to poor awareness, stigma, perception, and solitariness. Despite countless obstacles, there are some people who takes the path as a challenge. This is the story of such extraordinary persons who breaks the so-called ceilings of social stigma and fly on their own wings of wisdom towards the triumphs; through hard work and strong determination. They have proved themselves and set examples to many others that one maybe physically challenged but the spirit is free, knowledge has no boundaries; even they can do better

than an ordinary people if given the chance along with proper environment.

Salma, working as a Quality Inspector at Fakhruddin Textiles. She is the third among the four children of her parents. She is not a person with disability by birth, at the age of two, she caught severe fever and due to ignorance and financial constraints of her parents, she became paralyzed with both the legs and right hand, she can work with her left hand only. In every step of her life she faced the differential treatments, sometimes people's laughter. But nothing could suppress her courage to become valuable and contribute to the family, society and set an example that persons with differently able has the right to dream and can become a role model to others. Due to financial constraints as well as Salma's physical limitations, her father was

not ready to send her to the school. But with her strong willpower and passion towards education she managed to convince her family and continue the study with the help of neighbors, cousins till class seven. And from class eight onwards she managed her educational expenses with tuition money. After HSC (Higher Secondary School Certificate) exam, she came to Dhaka with her uncle and get to know about CRP (Centre for the Rehabilitation of the Paralysed) programs for the persons with disability. She started her carrier in the readymade garment industry through CRP. Now she is a mother of a six year old and contributing financially to her family. "Without job no one cares about your opinion, when you are economically independent your decisions will be counted. Birds can fly with their wings so can I, willpower is everything and I also

can live my own life like any other normal people”, says Salma. Another physically challenged person who rowed the boat against the wind is Pjush. Being the first born he was the eyeball of his parents but not to the other family members, relatives, and neighbors. It was not his fault that he is physically challenged, but the surroundings made him feel unwelcomed everywhere. Pijush completed his graduation from Rajshahi College. He came all the way with the support of his family and strong fortitude to show the world that he might be differently able but not less than anyone. After graduation he came to know about the Marks and Spencer project: “Marks and Start program”, he enrolled and received the training on computer operation and after completion, with the help of Centre for the Rehabilitation of the Paralyzed (CRP) and Marks and Spencer get the job at Crown Wears (Pvt) Limited as an Assistant Storekeeper.

The journey was very difficult as a physically challenged person (he has problem in one hand and both the legs). He needs to carry himself with the help of starchers. In every step he faced the negligence and negativity. But all the negligence and negativity heartens him more to do something extraordinary and show the surroundings that he is no less than anyone else. Pijush dreams to do better in his career and wants the society to become more liberal with the persons with disability. In his practical life he has experienced people neglecting differently able persons in different working segments, he approached different sectors to be appointed as he is certified in computer operation, he found only RMG sector more liberal and employed him based on his quality and qualification. Despite his physical challenge he came all the way through his courage, skills and knowledge. He also wishes the RMG factory to employ more differently able persons with a friendly infrastructure.

Like Salma and Pijush there are many other persons with disability



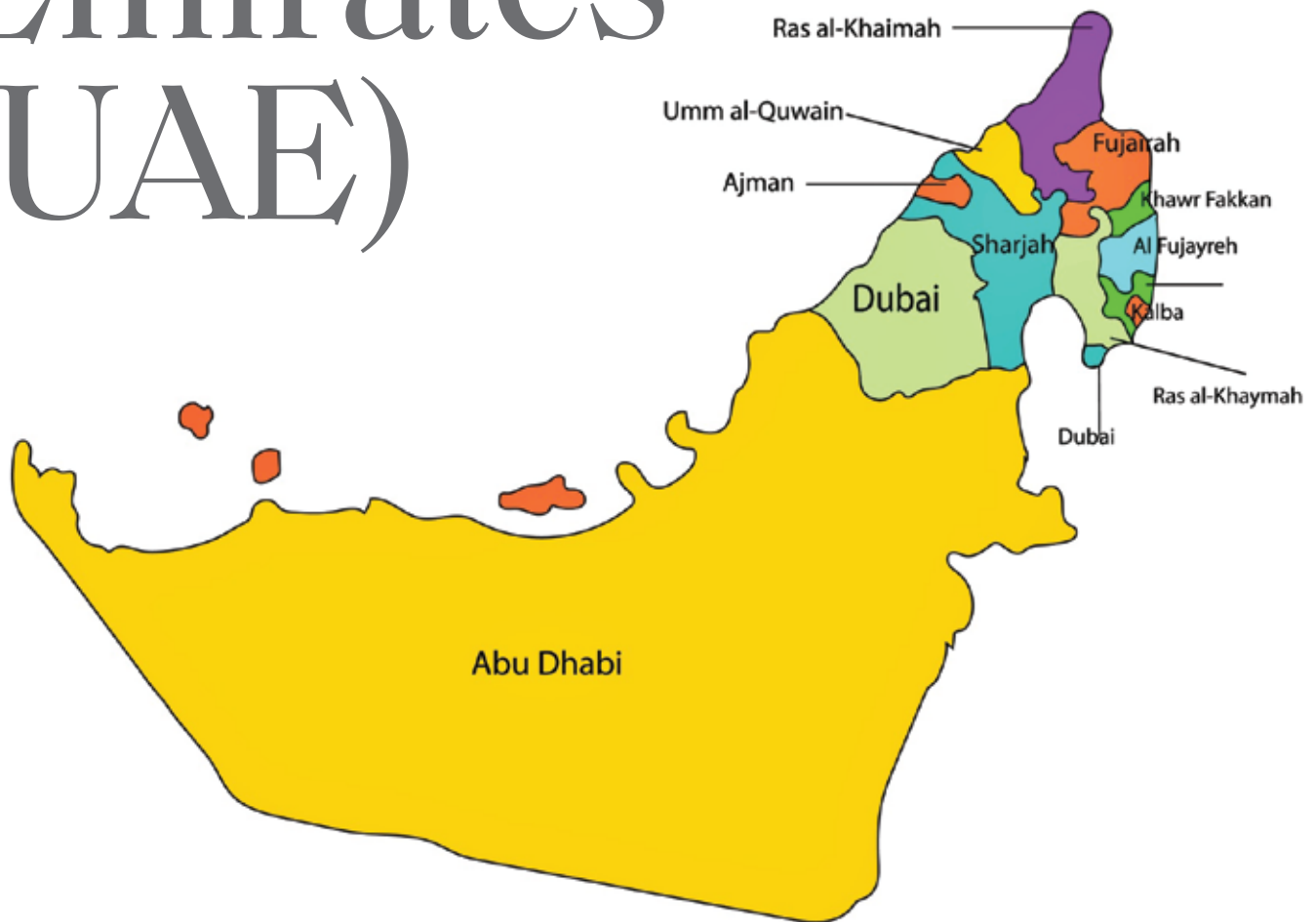
working in the RMG industry of Bangladesh. As physically challenged they have struggled and made themselves competent enough in the working world. But unfortunately they were not welcomed, they have approached different sectors of economy, and finally found a comfortable and less rigid working environment at RMG sector. To be mentioned here, around 1315 persons with disability are working in the 135 factories. BGMEA signed MoU with Shuchona Foundation to train differently able persons to assimilate in different positions in the RMG industry. BGMEA in collaboration with GIZ and CRP establishes the School of Prosthetics & Orthotics. Under “Inclusive Job Centre” project, BGMEA and GIZ is working to train and employ persons with disability in the garments sector. Alongside, BGMEA is organizing job fairs for the persons with disability time to time and recruiting them with a vision to include them in the mainstream economic activities. This sector strongly believes that, inclusive economic development is not possible keeping a large portion of the people out of service. There are 21,43,357 physically challenged persons in our country, identified by the survey conducted by the Department of Social Services (DSS). That marks the percentage around 1.19 percent of the total population. Persons with disabilities are often ignored, differentiated

**Without job no one cares about your opinion, when you are economically independent your decisions will be counted. Birds can fly with their wings so can I, willpower is everything and I also can live my own life like any other normal people**

alongside and left out from mainstream development initiatives. Thus makes it difficult for the person with disability to access health, education, housing and livelihood opportunities. The focus should be given to mainstreaming them for inclusive economic development. And the responsibility upon the state, the society, as well as the economic sectors. Let's exhort with Mahatma Gandhi as he stated, “The true measure of any society can be found in how it treats its most vulnerable members” and perform our parts to create a better society. **A**

Emerging Market:

# United Arab Emirates (UAE)



United Arab Emirates (UAE) is the 2nd largest economy of the Middle East, after the Kingdom of Saudi Arabia with a USD 421 billion Gross Domestic Product (GDP). It is one of the members of the Gulf Cooperation Council (GCC) established on 25 May 1981. Currently, UAE is a leading trading partner and a major source of investment for Bangladesh in the Middle East.

## Demographic and Economic Overview of UAE :

- Population: 9.89million
- GDP per capita (current US\$) : 43,103.3
- GNI per capita (current US\$): 43,470
- Capital: Abu Dhabi
- Major Ports: Jebel Ali, Mina Rashid, Mina Zayed, Mina Khalid, Khor Fakkan

## Bilateral Trade

Year	BD's Export to UAE	BD's Import from UAE	Trade Gap
2015-16	425.91	583.84	-157.93
2016-17	380.10	774.57	-394.47
2017-18	329.55	897.74	-568.19
2018-19	340.84	1222.56	-881.72
2019-20	294.91	720.05	-425.14

Source: Bangladesh Bank and Export Promotion Bureau (EPB)

## UAE's Clothing Import from the World

The apparel import of UAE from the world was USD 4.43 billion in 2019 whilst the share of Bangladesh was 9.39%. China holds the top position where Bangladesh was in the 3rd position after China and India.

Exporters	2017	2018	2019	Share in 2019
World	5243.04	4604.31	4438.93	100.00%
China	1779.61	1453.70	1350.29	30.42%
India	965.45	790.79	781.40	17.60%
Bangladesh	444.11	431.83	416.70	9.39%
Italy	237.37	288.60	287.40	6.47%
Turkey	266.41	250.90	246.52	5.55%
Viet Nam	232.76	207.91	211.61	4.77%
Others	1317.33	1180.58	1145.01	25.79%

Source: ITC Trade map →

HS code	Product description	World	China	India	BD	Italy	Turkey	Vietnam	Others
610910	Cotton knitted T-shirts	464.77	66.13	164.84	62.48	22.15	30.16	19.54	99.48
620342	M/B cotton woven trousers	213.48	35.97	36.15	55.70	9.78	8.76	4.43	62.70
611020	Cotton knitted Jerseys & pullovers	179.04	52.15	18.99	19.36	13.92	12.34	15.60	46.68
620520	M/B cotton woven shirts	154.71	35.77	52.87	23.46	8.80	6.55	6.87	20.40
611120	Cotton knitted Babies' garments	137.31	35.72	40.57	14.43	2.76	3.91	4.89	35.03
610990	Non cotton knitted T-shirts	132.63	30.91	15.09	7.06	2.44	8.70	12.93	55.50
620462	W/G cotton woven trousers	117.67	29.97	12.24	24.17	4.00	9.63	3.91	33.75
621210	Woven Brassieres	108.35	45.54	9.95	15.04	0.38	1.74	8.10	27.61
610342	M/B cotton knitted trousers	103.09	26.74	21.74	9.68	2.59	3.39	5.34	33.60
620443	W/G Synthetic woven Dresses	100.73	38.21	16.19	0.93	7.14	6.77	1.71	29.78

Source: ITC Trademap

## Market Access

The bilateral trade and investment between Bangladesh and UAE are gradually growing and the relationship between the two countries also developed in recent years. The UAE has adopted the GCC common tariff, and customs duties are fixed at 5% of the CIF value of most products. Currently, Bangladesh has to face a 5% duty for exporting garments to the United Arab Emirates.

## Other Distinct Features of UAE

- UAE consists of 7 city-states Abu Dhabi, Dubai, Sharjah, Umm al-Qaiwain, Fujairah, Ajman, and Ra's al-Khaimah.
- UAE's tourist industry is most popular among the Gulf nations. World's tallest building, the Burj Khalifa with 828 meters height is in Dubai.
- The UAE is a member of the World Trade Organization and OPEC.
- UAE is one of the major suppliers of petroleum oil, natural gas, and precious metal (gold, pearl, etc) in the world. More than 50% of the UAE's export was based on Mineral oil and product in 2020. <sup>A</sup>

## → UAE's Clothing Import from Bangladesh

UAE is one of the non-traditional apparel export markets for Bangladesh. In FY 2019-20, UAE's total garments import from Bangladesh was USD 416.70 million. The import value of knit and woven items was USD 232.06 million and USD 184.64 m respectively. The export growth shows a fluctuating trend in the past years.

Year	Knit	Woven	Total	Growth
2015	133.99	103.79	237.78	15.72%
2016	121.48	91.87	213.35	-10.27%
2017	249.93	194.19	444.11	108.16%
2018	245.16	186.68	431.83	-2.77%
2019	232.06	184.64	416.70	-3.50%

Source: ITC Trade map

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

In 2019, the major imported items of the UAE from Bangladesh were T-Shirts, Trousers, Shirts, Jerseys & Pullovers, and W/G Undergarments. In table 4, the following major 10 items account for around 56% of the total apparel imported from Bangladesh.

# Breaking Social Taboos: Bangladesh RMG Industry Welcomes Transgender



➤ *Transgender supervisor working with the team*

In the South Asian continent, the Transgender Community has long been treated in such a manner as if they are outsiders. Usually, they belong to the marginal and underprivileged section of society. But currently the picture has started changing in Bangladesh. Opportunities are opening up for this community to live a dignified life through employment in formal sectors including apparel industry, instead

of giving up seeking charity from people. Bangladesh RMG industry has created working opportunities for transgender people to bring them into the mainstream of economy. Denim Expert Ltd, a renowned apparel exporter in Bangladesh, has set a shining example by employing transgender people in the factory and has given them an opportunity to lead a dignified and better life. **A**



↗ *Dilruba works as a Junior Supervisor in the housekeeping team. She is responsible for providing guidance on the cleanliness and maintenance of the office areas and the overall housekeeping on the production floor*



← *Dreaming of a better life, Bithi and Adhuri have started their career in the RMG industry and currently working as Junior Sewing Operator in the Denim Expert Ltd. Overcoming all obstacles with their own talent and indomitable determination, they have turned themselves into skilled garment workers.*



↗  
*Dilruba Akther and Shima Akther are working in Denim Expert since 2018. They are proud to be a garment workers because they do not have to roam on the streets and seek charity anymore.*



↗  
*Shima is working as a Junior Safety Assistant on the factory production floor. Her responsibilities are managing fire and electrical equipment, managing personal safety equipment, arranging safety meetings, monitoring workers' identity cards and uniforms, and working with safety committees.*



## Standard Chartered: Proud to power the RMG sector

2021 is a special year for Bangladesh. This is the year we celebrate the golden jubilee of our independence. This is the year to celebrate 50 years of our achievements, built on our innate strength and resilience. The past year has been challenging for us all -- but our battle against Covid-19 once again showed the true mettle of the character of Bangladeshi people, businesses and the economy.

Thanks to the government's timely and judicious efforts, combined with the hard work of the people and the bravery on the frontlines, Bangladesh has registered one of the highest economic growth rates in the world in 2020. The country has achieved sustained progress since its independence, culminating in stellar growth in the last 12 years, over which period the GDP has nearly quadrupled. The sustained progress across primary, secondary, and tertiary sectors has set a model of growth that has defied the odds, and the world has begun to take notice.

One of the key protagonists of this success story is the RMG sector. Today, the sector accounts for more than 80% of the country's export, with "Made in Bangladesh" apparel reaching 160 countries, and 12% of our GDP. The export-oriented manufacturing segment of the country has prospered hand-in-hand with the RMG sector, driving employment, prosperity and foreign currency earnings. Over the last decade, we have made significant strides in human and social development, including progress in gender equality, economic inclusion and education. In this too, the RMG sector has made significant contributions.

The success of the RMG industry is a story of partnerships, an evolving narrative of how the skills of entrepreneurs, the efforts of women and men working at the factories, government policy support, and partnership with buyers have come together, creating the necessary ingredients for a successful and resilient sector. It has been a privilege for Standard Chartered to have been a partner to this sector over several decades.

As the oldest financial institution and a partner in progress to Bangladesh, Standard Chartered has been intimately linked with the exemplary economic growth and social progress of the country. Standing at the year that marks the golden jubilee of the independence of our country, it gives the entire Standard Chartered family great pride to have been the bank that opened the very first external letter of credit for the sovereign nation.

Standard Chartered is uniquely positioned to support Bangladesh's integration to the global apparel value chain – handling 14% of the country's trade directly and indirectly. The strength of our global network allows us to provide unique supply chain solutions for the RMG sector to optimise supply chain efficiency. One such programme is the Vendor Pre-Payment (VPP) programme, which enables upfront payment to RMG suppliers with recourse on the buyer. This enables significant gains in payment efficiency, at much lower financing cost when compared to traditional discounting modes. The VPP programmes is already serving 8 major buyers with cumulative sourcing of approximately US\$ 9 Bn from Bangladesh.

The pandemic posed a generational challenge for both individuals and businesses across all sectors, and we remained focused on forging even stronger partnerships with the clients.

Even before the introduction of the regulatory payment holiday and stimulus packages by the regulator, the Bank supported clients through flexibilities on repayment – supporting clients through loan extensions which generated the liquidity for salary and wages payment. Our VPP solution enabled RMG factories accelerated access of fund against completed shipment during the pandemic-induced lean period, supporting the factories for paying wages, Eid bonuses, and other operating expenses.

Amidst unprecedented challenges and never-before-experienced working conditions, we worked closely with our clients and our regulators, we supported total Tk 2,765 Mn salary payment to 63,101 workers. All these transfers were done digitally, through mobile wallets, working closely with partners providing mobile payment services to ensure a full-proof system that can be replicated to automate and digitise the end-to-end salary payment system.

Despite the restrictions brought about by the pandemic, we remained closely engaged with our clients, helping them shore up cash flows, building resilience. Standard Chartered provided almost US\$ 1 bn in liquidity support, both under the government stimulus packages and beyond, in the form of tenor extensions and one-off loans. To enhance the coverage of the liquidity support, Standard Chartered introduced a unique workers' salary finance programme through consultation with renowned buyers such as H&M and Inditex. The Bank's clients could avail one-year liquidity support for payment of wages under this programme, with a moratorium period of 6 months.

In order to enhance efficiency and resilience of the entire trade and cash management ecosystem, we worked closely with industry stakeholders to build digital capacity for both trade and cash. We became the first bank in Bangladesh to successfully initiate LC using block chain technology. In addition, by closely collaborating with National Board of Revenue, Standard Chartered was among the first banks to start online duty payment successfully, which helped to significantly reduce the turn-around-time for duty payment and receipt of challan. The Bank also remains at the forefront of the discussion with regulators to further enhance productivity and efficiency through digitisation.



# Proud to Power the Country's RMG Sector



## Largest & oldest international bank

Issued the 1st Import LC of the sovereign Nation

## Supporting trade and investments through our unique network

14% of country trade directly & indirectly  
25% of the country's US\$ clearing

Close partnership with clients and stakeholders to collectively overcome the challenges of the pandemic – leveraging on unique supply chain solutions and digitisation



### Vendor Pre-payment Programme

8 major buyers  
\$9 Bn procurement from BD

Optimising payment efficiency and financing cost



### Salary Loans and Digital Salary Payment

Tk 2,765 Million salary payment  
63,000 Digital wallets

Leading the way for end-to end digitisation of wages payment



### Needs based liquidity support to clients

Total US\$ 1 Billion  
200 clients supported

Both under stimulus packages and in addition to stimulus

Structured salary finance extended in addition to stimulus

## Leading the way to establish digital ecosystem for entire trade cycle

### Online duty payment

Partnered with NBR for successful go-live

### Digital Trade capabilities

LC issuance, invoice finance, bills collection & discounting, guarantee, and LC advising

Issued the first block chain LC to streamline the RMG and Textiles value chain

Standard Chartered's online banking platform, Straight2Bank (S2B), can cater to clients' every working capital requirements covering both Trade and Cash Management. S2B has the capability to be used from a web platform or mobile app and in addition can also be integrated with clients' ERP (Enterprise Resource Platform) enabling clients to fully automate their payments and reconciliation processes. The industry leading digital trade solutions include LC issuance, invoice finance, bills collection & discounting, guarantee, and LC advising.

Even before the regulatory payment holiday was announced, Standard Chartered announced a broad range of support measures for its retail customers and small businesses, many of whom are part of the RMG ecosystem.

At Standard Chartered, we continued our engagement with clients and potential investors across the network as the global businesses increasingly sought opportunities to build greater resilience in the supply chains through diversification. Recognising this unique window of opportunity to expand the FDI pool of Bangladesh, we entered a partnership with BIDA in January 2021 to take the story of a rising Bangladesh to investors around the world. Under this partnership, the China-Bangladesh Investment Summit and Malaysia-Bangladesh Investment Summit, both virtual events, were held in late January 2021 and May 2021 respectively, reaching more than 500 targeted investors cumulatively. We also partnered with Bangladesh Securities Exchange Commission for the UAE Investment Roadshow, engaging both institutional investors and the expat Bangladeshi community to drive more foreign investments into the capital markets of Bangladesh.

Throughout the challenges faced during the pandemic, the Bank has made it its mission to stand beside not only our clients, but also the communities in which we operate. To meet the immediate challenges, Standard Chartered has been working with development sector partners to deliver aid and essentials to

the communities hit hard by the pandemic and supporting frontline health services. To enable longer-term recovery through skills development and workforce reintegration, we are working with UCEP Bangladesh in reaching economically vulnerable individuals who have lost their livelihoods due to the impact of Covid-19 pandemic.

The bank has been focusing its community support measures in five key areas:

- **Provided life-sustaining food and hygiene support to 120,000 individuals**, providing **3,600,000 meals** and personal hygiene material. Distributed fresh supplies for **200,000** distressed individuals sourced directly from **2000** smallholder farmers.
- **Supported life-saving medical services for 560** critically-affected COVID-19 patients.
- **Supported education** by contributing **USD 1.3 million** to UNICEF to be used for protection measures and remote education of vulnerable children.
- **Supported the healthcare workers fighting on the frontlines** by contributing **USD 300,000** to Red Cross programmes.
- **Enrolled 300 candidates future skills training programmes**, whose livelihood have been impacted by Covid-19, 93% of whom were placed in new jobs.

A rising Bangladesh is a shining beacon in a world facing a generational challenge. The nation remains on track to achieve the status of a middle-income country by 2021, attain the SDG goals by 2030, and become a developed country by 2041. In this march towards prosperity, our RMG sector will continue to be at the beating heart. At Standard Chartered, it has been our privilege to support this incredible journey, through good winds or choppy waters. Yet, even as we celebrate 50 years our nationhood, the story of this journey has only just begun. ●

## News in Pictures



BGMEA made a donation to the Prime Minister's fund to help the poor affected by Covid fallout. Honorable Prime Minister Sheikh Hasina received the donation through videoconferencing from her official residence Ganabhaban. BGMEA President Faruque Hassan handed over the cheque of donation of Taka 5 crore to PM's Principal Secretary Dr. Ahmad Kaikaus at the Prime Minister's office. Former BGMEA President Abdus Salam Murshedy, MP, BGMEA First Vice President Syed Nazrul Islam, Vice President Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam and Directors Asif Ashraf and Md. Sajjadur Rahman Mridha (Shipon) were also present at the donation handover program.

BGMEA President Faruque Hassan, Gazipur City Corporation Mayor Md. Jahangir Alam, Bangladesh Country Manager for Marks & Spencer Shwapna Bhowmick, Gazipur Civil Surgeon Md. Khairuzzaman, Deputy Commissioner of Gazipur SM Tariqul Islam and CARE Bangladesh's Country Director Ramesh Singh attended the inaugural program of garment workers' vaccination against Covid-19.



BGMEA President Faruque Hassan handed over 15 German-made high flow nasal cannula with BiPAP and 50 thousand masks to DNCC Mayor Md. Atiqul Islam at a program held at the hospital. BGMEA donated the medical equipment to Dhaka North City Corporation (DNCC) Dedicated Covid-19 Hospital to meet the health needs of patients. BGMEA Vice President Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam, Directors Md. Mohiuddin Rubel and Rajiv Chowdhury were present at the handover ceremony.



A delegation of BGMEA headed by President Faruque Hassan paid a call on Executive Chairman of Bangladesh Investment Development Authority (BIDA) Md. Sirazul Islam at BIDA office. The delegation included Vice President Miran Ali, Directors Inamul Haq Khan (Bablu), Asif Ibrahim, Asif Ashraf, Abdullah Hil Rakib, Barrister Vidiya Amrit Khan, and Mijanur Rahman. They had discussion on ways to create a business-friendly environment to attract more investment, especially in man-made fibre based textiles.

Export Promotion Bureau (EPB) and BGMEA University of Fashion and Technology (BUFT) signed an agreement to launch diploma courses for mid-level managers and employees of garment factories to develop their professional skills. Tipu Munshi, MP, Honorable Minister, the Ministry of Commerce and Tapan Kanti Ghosh, Secretary, the Ministry of Commerce were present at the agreement signing ceremony. BGMEA President Faruque Hassan spoke at the program as a special guest.



BGMEA President Faruque Hassan met with Home Minister Asaduzzaman Khan, MP at the secretariat. Former President of BGMEA Md. Siddiqur Rahman, incumbent BGMEA Senior Vice President SM Mannan (Kochi), Vice President Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam, Vice President Md. Nasir Uddin and Directors Md. Khosru Chowdhury and Haroon Ar Rashid, and leaders of covered van owners association were also present at the meeting.



BGMEA President Faruque Hassan met with the Textiles and Jute Minister Golam Dastagir Gazi (Birpatik), MP at the ministry. They had discussion on different issues including opportunities and means to increase value addition in the RMG sector through the usage of yarn and fabrics produced by local textiles mills.

BGMEA President Faruque Hassan held a meeting with Managing Director and CEO of Biman Bangladesh Airlines, Dr. Abu Saleh Mostafa Kamal, at the latter's office in Dhaka. BGMEA Vice President Shahidullah Azim, Director Tanvir Ahmed and former Director Md. Ashikur Rahman (Tuhin) also attended the meeting.



BGMEA organized a press conference on the national budget for 2021-22 at its conference room. BGMEA President Faruque Hassan spoke at the press conference while Senior Vice President SM Mannan (Kochi), Vice President Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam, Vice President Miran Ali, Vice President Md. Nasir Uddin, Vice President Rakibul Alam Chowdhury and Directors were also present.



Bangladesh High Commissioner to the UK Saida Muna Tasneem paid a courtesy call on BGMEA President Faruque Hassan at the latter's office in Dhaka. The discussions encompassed the issues regarding graduation of Bangladesh from LDC, possible changes in the tariff regime and how Bangladesh could retain its market access in the post-LDC status in the UK. BGMEA Vice President Miran Ali was also present.

Ambassador of Italy to Bangladesh Enrico Nunziata paid a courtesy call on BGMEA President Faruque Hassan at the latter's office in Dhaka. The Ambassador expressed the willingness of Italy to provide its cooperation and support for the sustainable development of Bangladesh RMG industry. BGMEA Vice President Rakibul Alam Chowdhury was also present at the meeting.



A delegation of BGMEA led by its President Faruque Hassan met with Bangladesh Bank Governor Fazle Kabir at BB office and sought the support of the central bank for the RMG industry in its struggle to overcome the impacts of the Covid-19 pandemic and retaining its competitiveness in the global market. BGMEA Senior Vice President SM Mannan (Kochi) and Vice President Shahidullah Azim were also present.



BGMEA President Faruque Hassan met with Commerce Secretary Tapan Kanti Ghosh at the ministry and urged the Commerce Ministry to ease export procedures for the RMG industry so that the sector could address current challenges and move ahead. BGMEA Vice President Miran Ali and First Vice President of BKMEA Mohammad Hatem were also present at the meeting.

BGMEA President Faruque Hassan addressed an online event hosted by the Circular Fashion Partnership. Md. Shahriar Alam, MP, Honorable State Minister, Ministry of Foreign Affairs, Bangladesh, provided the keynote address at the event. Ambassador of Bangladesh to Denmark M. Allama Siddiki, Ambassador of Denmark to Bangladesh Winnie Estrup Petersen, CEO of Global Fashion Agenda Federica Marchionni, and Head of Recycling and Chief Project Officer of Reverse Resources, Nin Castle also spoke at the event.



The American Apparel & Footwear Association (AAFA) invited BGMEA President Faruque Hassan at its SOCIAL RESPONSIBILITY COMMITTEE MEETING held virtually. BGMEA President Faruque Hassan attended the panel titled “The Impact of COVID on Supply Chains – The Supplier Perspective”. He discussed minutely about how Bangladesh and its RMG industry is doing in terms of exports and maintaining health protocols in this difficult time <sup>A</sup> Covid-19.

## Bangladesh's RMG export to world

Value in Million USD

Month	2018/19	2019/20	2020/21	2020-21 VS 2018-19
July	3017.74	3310.48	3244.94	7.53%
August	2717.42	2406.01	2468.02	-9.18%
September	2456.51	2341.07	2413.42	-1.75%
October	3141.42	2519.82	2323.72	-26.03%
November	2853.11	2511.31	2444.59	-14.32%
December	2898.71	2935.33	2650.87	-8.55%
January	3132.57	3039.22	2862.16	-8.63%
February	2908.87	2784.28	2625.29	-9.75%
March	2825.07	2256.20	2454.91	-13.10%
April	2539.28	374.67	2516.98	-0.88%
May	3243.18	1230.54	2556.95	-21.16%
June	2399.39	2240.26	2894.88	20.65%
<b>July-June</b>	<b>34133.27</b>	<b>27949.19</b>	<b>31456.73</b>	<b>-7.84%</b>

Source: EPB

## Knitwear

Value in Million USD

Month	2018/19	2019/20	2020/21	2020-21 VS 2018-19
July	1527.12	1678.16	1750.28	14.61%
August	1385.75	1242.69	1364.50	-1.53%
September	1293.98	1249.37	1348.88	4.24%
October	1668.41	1368.13	1338.22	-19.79%
November	1430.80	1271.28	1334.47	-6.73%
December	1346.54	1396.17	1389.82	3.21%
January	1487.98	1414.22	1462.94	-1.68%
February	1352.46	1278.70	1352.64	0.01%
March	1307.83	1055.83	1312.43	0.35%
April	1284.07	180.12	1341.77	4.49%
May	1597.51	608.38	1366.37	-14.47%
June	1206.09	1164.95	1597.71	32.47%
<b>July-June</b>	<b>16888.54</b>	<b>13908.00</b>	<b>16960.03</b>	<b>0.42%</b>

Source: EPB

## Wovenwear

Value Value in Million USD

Month	2018/19	2019/20	2020/21	2020-21 VS 2018-19
July	1490.62	1632.32	1494.66	0.27%
August	1331.67	1163.32	1103.52	-17.13%
September	1162.53	1091.70	1064.54	-8.43%
October	1473.01	1151.69	985.50	-33.10%
November	1422.31	1240.03	1110.12	-21.95%
December	1552.17	1539.16	1261.05	-18.76%
January	1644.59	1625.00	1399.22	-14.92%
February	1556.41	1505.58	1272.65	-18.23%
March	1517.24	1200.37	1142.48	-24.70%
April	1255.21	194.55	1175.21	-6.37%
May	1645.67	622.16	1190.58	-27.65%
June	1193.30	1075.31	1297.17	8.70%
<b>July-June</b>	<b>17244.73</b>	<b>14041.19</b>	<b>14496.70</b>	<b>-15.94%</b>

Source: EPB

## Bangladesh's top 30 apparel items export to world

Value in Million USD

SL	HS Code	Products Description	2018-19	2019-20	2020-21
1	610910	Cotton T-shirts	6552.84	5296.43	6255.17
2	620342	M/B cotton woven trousers	5555.87	4323.15	4379.69
3	620462	W/G cotton woven trousers	3062.47	2445.82	2711.13
4	611020	Cotton Jerseys & pullovers	2209.26	1908.97	2347.15
5	611030	MMF Jerseys & pullovers	1384.11	1207.83	1298.57
6	610462	W/G cotton knitted trousers	933.29	796.09	1242.05
7	620520	M/B cotton woven shirts	1954.25	1502.78	1165.13
8	620343	M/B synthetic woven trousers	815.65	716.53	1012.77
9	610510	M/B cotton knitted shirts	805.94	595.61	557.33
10	620193	M/B MMF woven anoraks	404.62	424.80	553.92
11	611120	Cotton knitted Babies' garments	432.33	364.05	526.91
12	610821	W/G cotton briefs & panties	399.51	361.58	513.82
13	621210	Brassieres	499.82	416.83	508.96
14	610711	M/B cotton underpants	391.99	333.08	489.03
15	610342	M/B cotton knitted trousers	317.45	290.72	482.99
16	620293	W/G MMF woven anoraks	290.21	344.54	465.69
17	610990	Non cotton T-shirts	458.42	317.57	360.31
18	611090	Non cotton Jerseys & pullovers	516.26	368.83	323.41
19	610442	Cotton knitted Dresses	268.29	224.75	320.88
20	610831	W/G cotton knitted nighties	171.77	144.64	206.75
21	620630	W/G cotton woven blouses	275.38	193.27	197.24
22	620469	W/G non cotton woven trousers	273.41	181.62	193.17
23	620920	Cotton woven Babies' garments	218.24	204.38	192.07
24	620442	Cotton woven Dresses	222.19	187.67	191.55
25	620640	W/G MMF woven blouses	248.26	218.61	189.44
26	620463	W/G synthetic woven trousers	237.19	199.45	181.24
27	620192	M/B cotton woven anoraks	203.01	170.51	168.46
28	620292	W/G cotton woven anoraks	185.81	186.58	159.12
29	610463	W/G synthetic knitted trousers	120.99	108.69	154.75
30	620530	M/B MMF woven shirts	122.49	119.94	151.99
		<b>Total</b>	<b>29531.33</b>	<b>24155.32</b>	<b>27500.73</b>

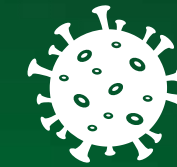
Source: EPB

Note: M/B= Men's or boys  
W/G= Women's or girls 

# TRY TO EAT THE FOLLOWING FOODS REGULARLY TO BOOST-UP YOUR IMMUNITY DURING THE COVID-19 PANDEMIC:



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*Vegetables such as Bitter gourd, Tomato, Carrot and Spinach*



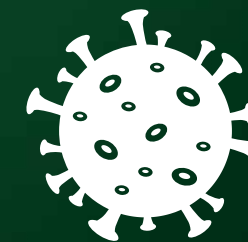
*Fruit contains Vitamin-C such as, Lemon, Guava, Pineapple, Orange, Malta and Papaya*



*Seeds such as, Nuts, Peas, Pumpkin seed and Bean*

**Moreover, the things that you should do every day to stay healthy are:**

- ◆ Drink at least 8 glasses of water
- ◆ Get 7-8 hours of sleep or rest
- ◆ Spend some times in the morning sun to get Vitamin-D



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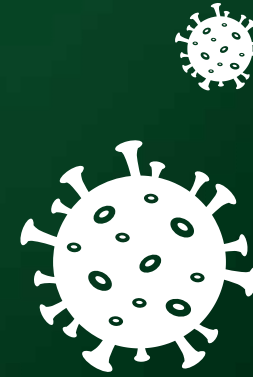
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পেয়ারা, আনারস,  
কমলা, মাল্টা ও পেঁপে



বীজ জাতীয় খাবার  
যেমন: বাদাম,  
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