Readymade Garment & Textile Industry in Bangladesh

World Textile Conference II, Mumbai
September, 2016
Growth & Great Opportunities

• **Asia** - the biggest home of textile

• Global clothing exports share:
  – China 39.3%
  – Bangladesh 5.9%
  – Vietnam 4.8%
  – India 4.1%

• One of the largest markets having 4.43 billion population
SNAPSHOT

WORLD CLOTHING TRADE 2015 IN BILLION US DOLLAR

World: 445
China: 175
Bangladesh: 26
Viet Nam: 22
India: 18
Turkey: 15
Indonesia: 7
Cambodia: 6
USA: 6
Growth of RMG Industry
FY1985-FY2016

RMG Export vis-a-vis Total Export Trend of Bangladesh
Values in Billion US$
RMG Industry at a Glance

Last 10 years compound annual growth rate (CAGR) is 12.43%
Strategies for Leadership

- People and Community
- Sustainable
- Higher Value Addition, Fashion & Design Development
- Efficient & Cost Competitive
Safer Production in Bangladesh

Inspecting factories: 3746 (100%)

Closed: 39 (1.04%)

Fit for Operation: 98.96%
Present status:

<table>
<thead>
<tr>
<th>Categories</th>
<th>Export Share%</th>
</tr>
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<tbody>
<tr>
<td>Trousers</td>
<td>28.34%</td>
</tr>
<tr>
<td>T-shirts</td>
<td>24.69%</td>
</tr>
<tr>
<td>Sweaters</td>
<td>11.32%</td>
</tr>
<tr>
<td>woven shirts</td>
<td>8.95%</td>
</tr>
<tr>
<td>Knitted shirts</td>
<td>3.27%</td>
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<tr>
<td>5 categories</td>
<td>76.57%</td>
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</tbody>
</table>

Potentials:
- Suits/Blazers
- Lingerie
- Jackets
- Swimwears/sports-wear

Opportunities in Product Diversification

10% top
20% mid approaching
70% basic
Strong in this segment
WORLD’S BEST FACTORIES ARE IN BANGLADESH

Till date 35 projects have been certified by USGBC of which 33 are RMG factories. 11 of them are Platinum certified. More importantly a further 230 LEED projects are registered in USGBC of which around 150 are from RMG sector.

Genesis Washing Ltd., the first ever Platinum LEED certified washing plant located in Bangladesh
BANGLADESH

APPAREL

AT A GLANCE

A PLATINUM LEED CERTIFIED WOVEN FACTORY

A PLATINUM LEED CERTIFIED WASHING FACTORY
Backward Linkage Textile Sector

• 1430 textile mills are in operation
• capacity of yarn production 2100 million kg
• capacity of fabrics production is 2800 million meters
• 85% of knitted fabrics demand met locally
• Huge potential in non-cotton items
• Opportunities for Foreign Investments in textile sector
OPPORTUNITIES THROUGH MARKET DIVERSIFICATION

FY 2008-09
RMG Export USD 12.35 billion

FY 2015-16
RMG Export USD 28.1 billion
The Win-Win Model

Collaboration between buyers and suppliers in
– technology up-gradation a
– Improve workers’ skills and efficiency
– resource efficiency and environment friendly production
Bangladesh has become the **Lower Middle Income Country** from an LDC based on GNI performance

**Vision to graduate to a Middle Income Country by 2021**

**Becoming a Developed Country by 2041**

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<thead>
<tr>
<th></th>
<th>FY 2009</th>
<th>FY 2016</th>
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<tbody>
<tr>
<td>GDP Growth</td>
<td>5.74%</td>
<td>7.05%</td>
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<tr>
<td>Manufacturing Growth</td>
<td>6.68%</td>
<td>10.30%</td>
</tr>
<tr>
<td>Export</td>
<td>$15.57 billion</td>
<td>$34 billion</td>
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<tr>
<td>Import</td>
<td>$22.51 billion</td>
<td>$42.92 billion* Provisional</td>
</tr>
<tr>
<td>Private Investment as % of GDP</td>
<td>19.67%</td>
<td>21.78%</td>
</tr>
<tr>
<td>FDI Inflow (In US$)</td>
<td>$960.50 Million</td>
<td>$2.24 billion</td>
</tr>
<tr>
<td>Per Capita GNI (US$)</td>
<td>$676</td>
<td>$1466</td>
</tr>
<tr>
<td>Poverty rate</td>
<td>40%</td>
<td>22.4%</td>
</tr>
<tr>
<td>Remittance</td>
<td>$9.69 billion</td>
<td>$14.93 billion</td>
</tr>
<tr>
<td>Foreign Exchange reserve</td>
<td>$15.57 billion</td>
<td>$30.14 Billion</td>
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<tr>
<td>Inflation</td>
<td>8.7%</td>
<td>5.92%</td>
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</table>
Geographic Location

FAVORABLE FISCAL & NON-FISCAL POLICIES

DUTY FREE MARKET ACCESS IN ALMOST ALL DEVELOPED COUNTRIES & FEW DEVELOPING COUNTRIES

117 MILLION MOBILE PHONE USERS
33% INTERNET PENETRATION
Thank You !