



# BAT'94 EXPO

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## MESSAGE



The past tradition and glory are the most pride aspects of a nation. Bangladesh can claim herself of possessing such tradition and glory. Once Bangladesh was known to the world as a producer of quality textile muslin. Today she again has earned worldwide reputation for producing quality garments. I am extremely happy that our garment products have opened a new horizon in the export domain and have been earning valuable foreign exchanges.

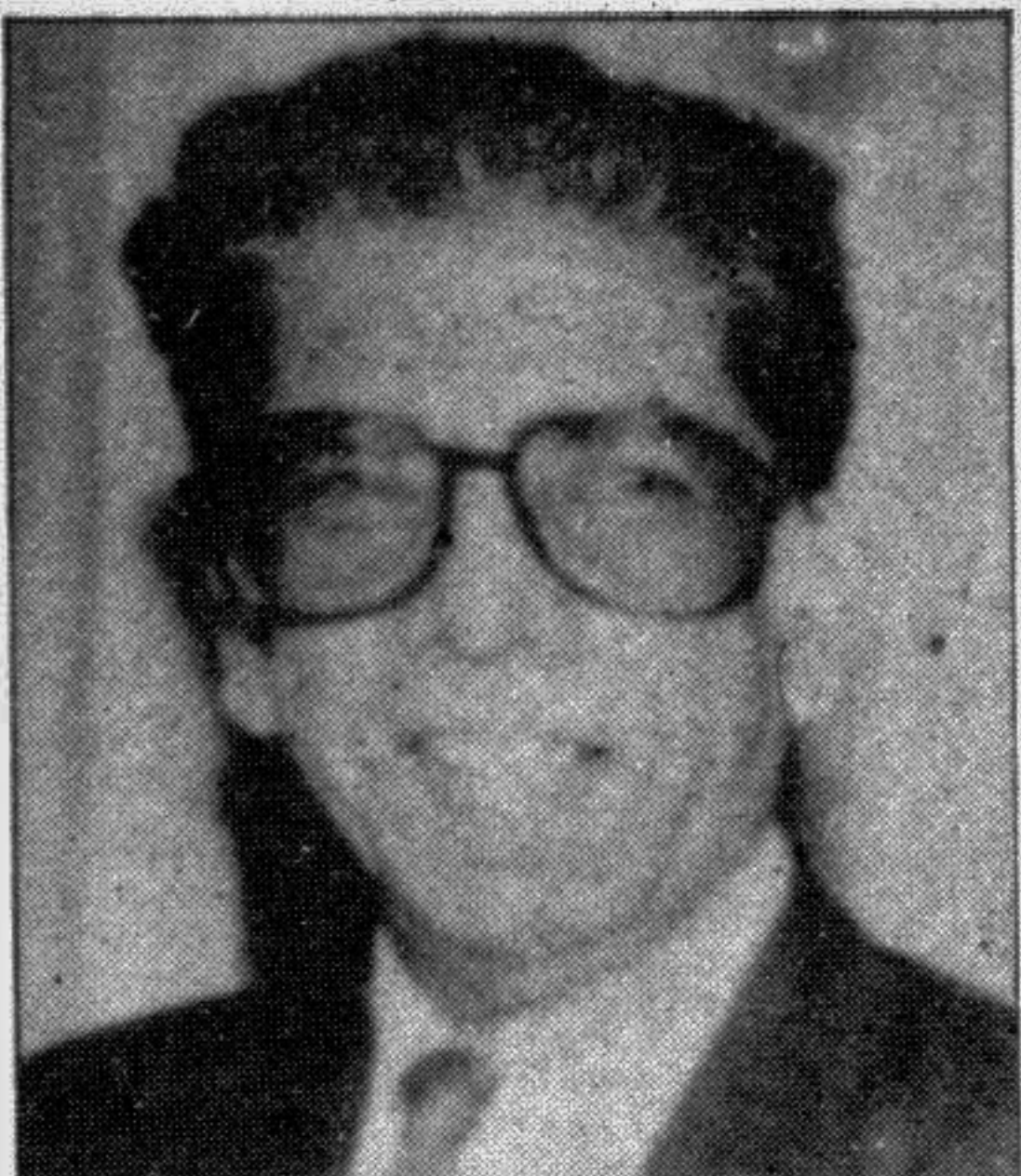
This garment industry has turned into a major source of employment to the womenfolk in the country as the sector emerged as a viable one since mid seventies. This sector contributes substantially to our economic growth. I appreciate the present trend of expansion of garment industry which provides new director towards healthy growth of the sector through exploration of further world markets.

I thank the BGMEA and other allied organisations for organising BATEXPO '94. This grand exposure would ensure new business contacts with the foreign buyers and help attracting more foreign investments in the garment and textile sectors in Bangladesh. I assure you all that the present democratic government will continue to provide necessary incentives for removal of all hindrances in the way of rapid growth of this largest export sector.

I wish the BATEXPO '94 all success.

**Abdur Rahman Biswas**  
President  
People's Republic of Bangladesh

## MESSAGE



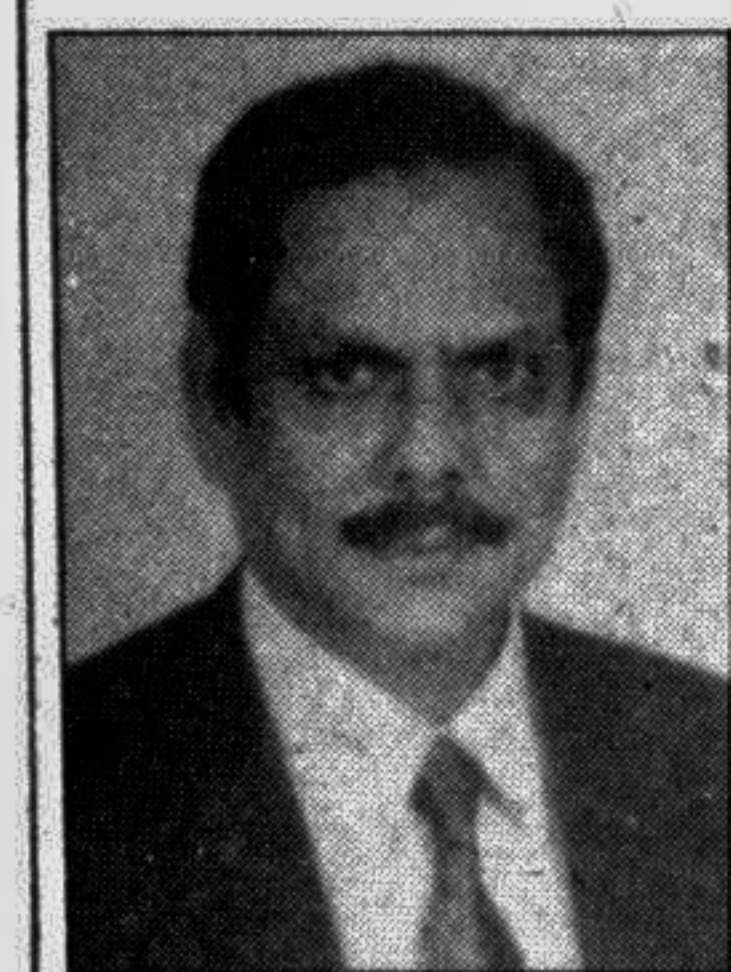
I am happy to learn that Bangladesh Apparel and Textile Expo '94 is going to be held at Dhaka under the auspices of Bangladesh Garments Manufacturers and Exporters Association. This Exposition will have its impact in exploring new markets and expanding the existing markets of our readymade garments and textile.

The role of the garments sector in Socio-Economic development of the country has been gaining increasing importance. The Garments Industry, as one of the major foreign exchange earning sector of Bangladesh, has earned a good reputation in the world market as an exporter of quality goods.

I believe the reformative policies adopted by the present government in the trade and industrial sectors would play positive role towards expansion and growth of our textile sector. It is our earnest expectation that the exchange of views among the buyers, sellers and importers in this Expo will lead to effective trade deals, thus increasing exports.

I wish the BATEXPO '94 a grand success and congratulate the member of the association for organising this Expo.

**M Shamsul Islam**  
Minister for Commerce  
Government of the People's Republic of Bangladesh



## MESSAGE

It is a pleasure to note that Bangladesh Garment Manufacturers & Exporters Association is holding BATEXPO for the 5th year. It is my firm conviction that under the strong and dynamic leadership of the experience rich BGMEA, the BATEXPO this year will be more diversified, colourful and consequently attract more foreign buyers of our products.

Readymade garment is a prime item in our export scenario. This sector contributes about 60% of the export earning of the country. Still then this could not be considered a total success, because, on the

one hand, the product and market base in narrow and, on the other, the value addition content of the product is insignificant. Therefore, there is an urgent need to bring about a change to obtain significant value addition in this sector in the national interest.

I congratulate the organisers of BATEXPO '94 and wish the event all success.

**A H Mofazzal Karim**  
Secretary  
Ministry of Commerce  
Government of the People's Republic of Bangladesh

Turning a cottage industry with rich historical heritage of producing fine clothing into an internationally competitive industrial complex has been an uphill task. Within a short span of a decade we have been able to emerge as a factor in the global apparel market.

We entered a highly competitive field and imprinted the name of Bangladesh on the world economic map through the boldness of our entrepreneurs, courage and hard work of our labour force, far sighted and production oriented policy attitude of the government and the help and

assistance of the international actors in the garment manufacturing sector. Today, this sector employs 1.00 million workers, mostly women, and has opened the door to an enormous opportunity to employ millions more. The growth of backward linkage factories and other consumer oriented production plants and services are the direct or indirect economic effect of the activities of the garment industry.

BATEXPO is an annual international event which is designed to provide a platform for direct interaction between



the buyers and the manufacturers. 1994 is the fifth year of

BATEXPO. We believe that this year we shall achieve more in terms of excellence, number of participants and visitors as well as the variety of products which we expect to be on display. We also hope that BATEXPO '94 is going to provide huge opportunity to the participants in reaching out to new horizons and the visitors to locate greater numbers of quality and competitive manufacturing plants.

I would like to take this opportunity to thank the European Community Countries for keeping their market open for our products. We would like to request the North American Countries to do the same. As a toddler in the field of inter-

national economy, we need all the assist we can get from the developed economies to be an equal trading partners.

Our thanks goes to all the institutions and individuals related to BATEXPO for making it a success.

We wish the visitors a nice and comfortable stay in Bangladesh. We wish every one a world of success and God speed.

**Redwan Ahmed**  
President  
Bangladesh Garment Manufacturers & Exporters Association

## Garments Industry: Export Potential

by Redwan Ahmed

THE glory that was in manufacture and export of the world famous Muslin and Nakshi Kantha will perhaps never come back as such. But it is a matter of no small satisfaction that a new found reputation has replaced some of that faded glory and put Bangladesh convincingly in the industrial map of the world as she emerged in the world market as one of the major exporters of readymade garments. In the teeth of very tough international competition, she commands today a significant portion of the North American and European markets in spite of the belated start. Bangladesh registered an export of equivalent of US\$ 1269 million worth of readymade garments in 1992-93 including some silk and allied products, which was 53.3 per cent of total merchandise exports from Bangladesh that year and was 4.26 times the export of raw jute, jute manufactures and jute specialty products that used to be traditionally the strongest export line of the country.

As a provider of basic needs, food and textile sectors usually have the greatest weightage in manufacturing sector at the early stages of development. The industrial revolution in Europe had started with the spinning jenny and a in Bangladesh also, it should be of no surprise that the largest share of weightage in manufactures go to textile, wearing apparel and leather, accounting for 41.4 per cent of the total industrial weightage. According to the Census of Manufacturing Industries of the Bangladesh Bureau of Statistics, reported by the World Bank, Quantum Index of the garment sectors which was 2,274.8 in 1984-85 (1981/82=100) rose to 10579.4 in 1992-93 registering a fantastic 21.2 per cent compound rate of growth per year. In Europe, USA and Japan their industrial edifices were built on the foundation of textile sector. It is expected that in Bangladesh too, textiles will pave the way for our future industrialisation in which the garments sub-sector is going to play the role of the linchpin. To-day, readymade garments has about the best comparative advantage to lead the way for an export-led growth and future industrialisation of the country.

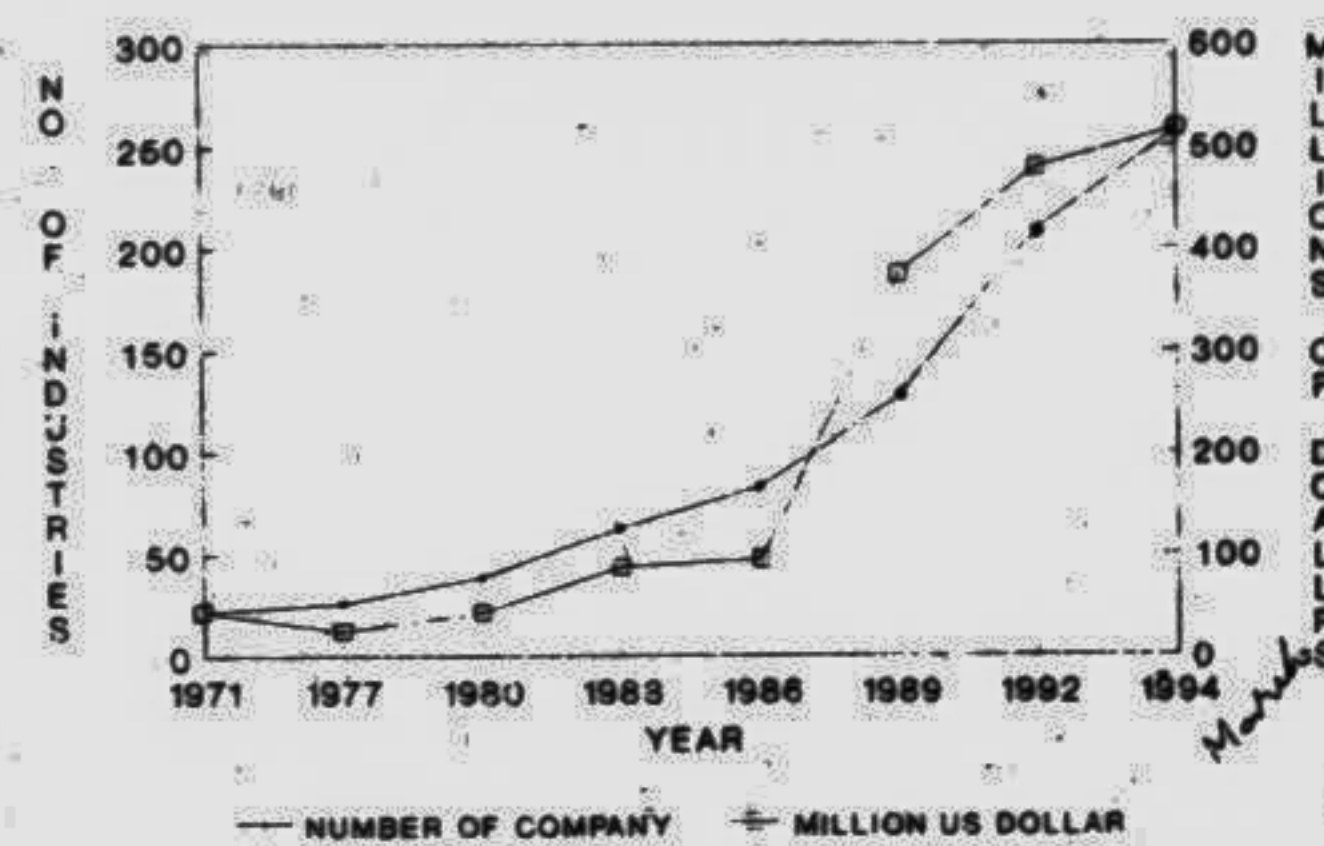
### History of Growth

As traditional items of export did not yield expected re-

sult the Government began to emphasize on development of non-traditional items of export. Among non traditional items of export, garments proved to be most suitable in the socio-economic set up of Bangladesh. Garment industries began to be established

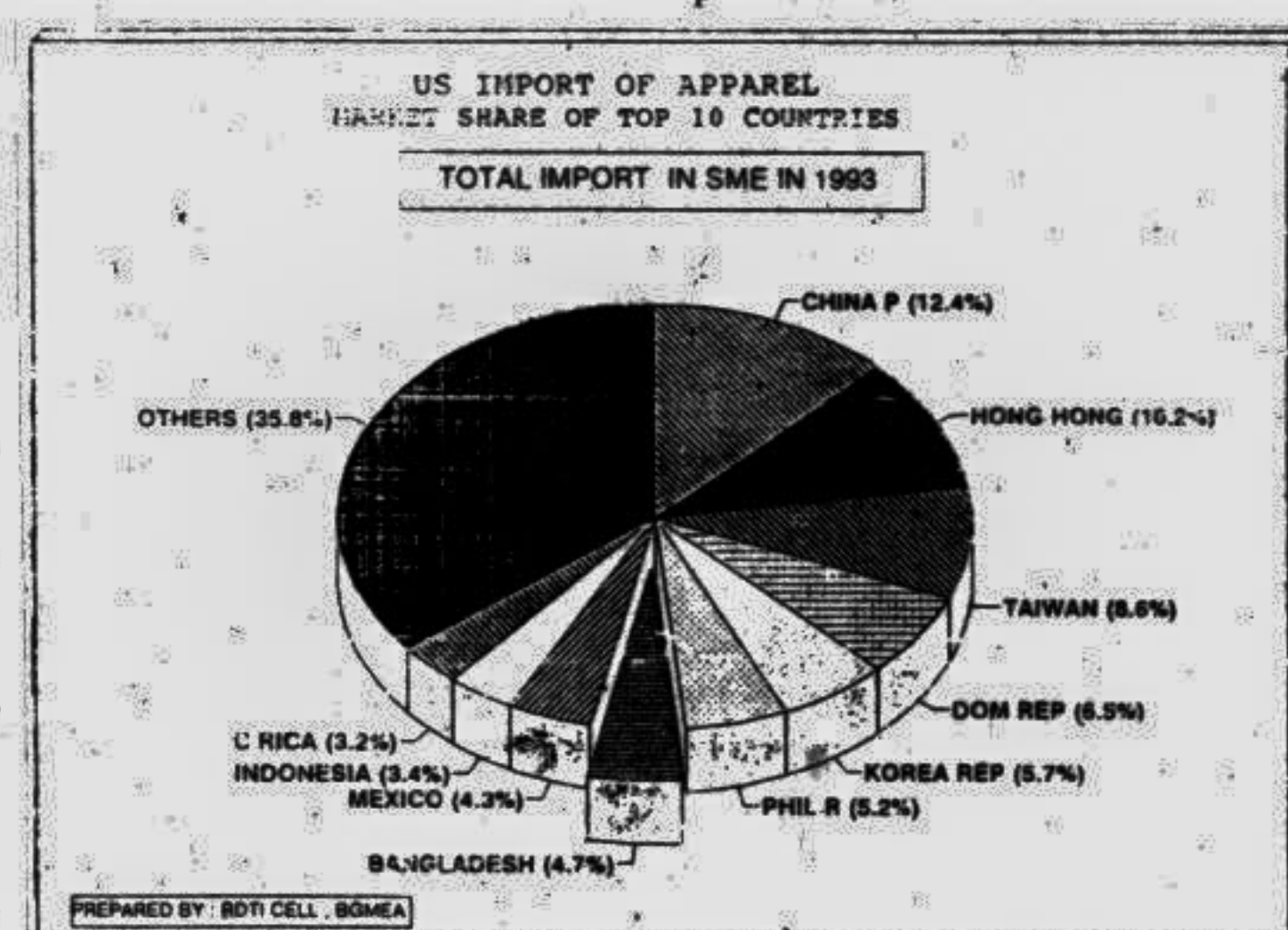
then realized the potential of this non-traditional item of export and took a number of pragmatic steps to streamline import and export formalities. Following timely action by the Government acted as encouraging factor for rapid growth of the industry.

### FOREIGN INVESTMENT IN BANGLADESH YEARWISE CUMULATIVE INVESTMENT



from 1978. Till the end of 1983, there were only 47 garment manufacturing units, some fairly big, others mostly of small to medium size. The level of technical skill in this trade was not very high. The number of skilled personnel in the trade was scanty. Only a few factories employed foreign technicians or had their tech-

nical personnel trained abroad. The main impediment against growth of the industry initially were the innumerable administrative bottlenecks at every stage of import of raw materials and export of finished garments.



The Government had by this system for garment industries.

III. Introduction of utilisation permission. Other important factors which paved the way for fast growth of this industry are:

1. The initial capital requirement was relatively low.

One had only import the sewing machines which used to be installed in rented premises.

2. The gestation period was low as machinery were available at nominal lead time. Installation time required was small and one could go into production within a period of 4 to 6 months.

3. The turnover ratio was high comparatively to the investment.

4. Because of low gestation period and prospect of quick turn over, the commercial banks came forward to finance these enterprises and finance was available quite easily.

5. The industry was a labour intensive one involving least technicalities making it possible for the hitherto unemployed and illiterate rural population to take up the work and they demanded a comparatively low wage.

The garment export really took off in 1984-85 and earned Taka 3 billion during that year. Since 1987 it emerged as a major export sector contributing substantially to country's total export earnings.

From 1989-90 onwards, exports grew up dramatically and doubled in the next two years. In this period the EEC market also opened up. This sector earned 57 per cent in 1991, 60 per cent in 1992 and 63 per cent in 1993 of the total export proceeds. At present 1806 small and medium scale privately owned garment industries spreading over the urban areas of Dhaka, Chittagong, and Khulna manufacture readymade garments of varied specifications as per size and designs stipulated in the contract with the overseas buyers who also choose and dictate the kind of fabric and accessories to be used.

### Importance of Garment Sector

Among the growing exports in the non-traditional sector garments have made significant progress in recent years attaining a phenomenal growth within the last one decade. In addition to earning annually 63 per cent of the country's total foreign exchange it has changed the overall socio-economic condition of the country. A number of other sectors of our economy have grown up significantly depending on the demand created by the people in the garment sector. Some major achievements of this

## MESSAGE



Production of fine raiment goes far back into the history and the cultural heritage of Bangladesh. Emergence of the country as a major producer and exporter of manufactured garments in the global market is a significant step towards building an industrially developed and economically strong nation.

The garments sector has not only imprinted the name of Bangladesh on the world economic map but has also opened the door of opportunity for further expansion in other sectors of the economy. Rapid growth of backward linkage factories is a testimony to that fact. The industry has provided more than a million jobs, mostly to women, setting in motion a social transformation. The government will continue to support the entrepreneurs in the sector in creating a production and investment friendly atmosphere.

I congratulate the BGMEA and other agencies involved in organising BATEXPO '94. This annual international event provides a unique opportunity to the international buyers and Bangladeshi manufacturers to interact directly with each other. I am confident that this event will help expand our reach to new markets on the one hand and let the visitors have a direct opportunity in assessing our ability and potential on the other hand.

I wish BATEXPO '94 all success.

**Khaleda Zia**  
Prime Minister  
Government of the People's Republic of Bangladesh

## MESSAGE

I am very happy to learn that the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is organizing the annual apparel and textile exhibition, BATEXPO '94.

Garment industry has assumed the number one position in the export arena by contributing 60% to total export earnings. In terms of employment of organised labour force, this sector again has been maintaining top position by engaging around 8.0 lakh people. Poor and disadvantaged women constitute 85% of this huge garment workforce. Unlike other industrial subsectors garment industry has been experiencing burgeoning growth during the last decade. Export earnings from this subsector was Tk. 390.00 crore in 1985-86 which increased to Tk. 1494.90 crore in 1988-89 and to Tk. 5269.00 crore in 1992-93. The industry has succeeded to diversify its products as well as market. In this success story of garment industry, the Government of Bangladesh has been providing all out support at various stages.

I assure on behalf of Ministry of Textiles that Government will continue to provide similar policy support to the industry for its future growth. Meanwhile, the Ministry of Textiles has formulated a Master Plan for Textile Industry, widely known as "16-Point Programme" for providing package of Policy supports for ensuring integrated development of all the subsectors of Textile industry particularly of



garment, dyeing/finishing, weaving and spinning for establishing backward linkage. Once this Programme is successfully implemented the local textile industry will be able to meet the growing demand for fabric of export-oriented garment industry after meeting the local demand.

I take this opportunity to extend my warm felicitation to BGMEA for organising such a useful exposition and to the visitors from home and abroad for their participation and encouragement to such a venture. I wish the BATEXPO '94 a grand success.

**Major (Retd.) Abdul Mannan**  
State Minister for Textiles  
Government of the People's Republic of Bangladesh

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