

Garments Industry: Export Potential

Continued from page 8
sector are:

This industry has turned hundreds of thousands of unskilled and poverty stricken rural people into productive and skilled manpower by providing them with jobs in the factories.

This industry has for the first time created large scale employment opportunity for the womenfolk who could not so long find any suitable employment.

A large number of ancillary industries grew up for production of garment accessories like cartons, threads, labels, polybags, gumtapes, shirtboards, neckboards etc creating further employment opportunity.

Activities of more than two hundred buyers/buying houses who have opened offices at Dhaka and Chittagong and have hired accommodation/services of local staff and bringing in

foreign exchange to support their expatriate staff.

The enormous amount of business of the hotels, at Dhaka and Chittagong generated as a direct result of the frequent visit by garment buyers.

More than half of foreign exchange business of the banks accrue out of the garment sector. General Insurance Companies have also grown substantially depending on the garment sector.

The manifold increase of shipping business in Bangladesh due to this sector. As a result, the port authorities had to set up a vast container yard and expand their port facilities to handle large containers required to load cargo of the garment sector.

An Inland Container Yard was established at Dhaka by the Bangladesh Railway mainly to cater to the need of the

garment sector. Special container carrying trains have been introduced by Bangladesh Railway to cope with the increased inland transportation activities created by the garment sector.

A large expansion in the cargo handling and storage facilities at the Dhaka International Airport to handle business created by the garment industry.

The increased prosperity of C&F Agency and Stevedoring business with increased shipping business.

Enormous demand for real estate generated by the garment industry to accommodate offices and factories of 1806 garment units. Also manifold increase of the revenue of utility services during the past decade.

The creation of intense economic activities in the road transport business as the lion's share of cargo, moving between Dhaka-Chittagong and Dhaka-Benapole by road, is on account of the garment sector.

An increasing demand for low cost cosmetics, saree, cheap footwear, ready to serve food and other consumer products as a direct result of 800,000 new consumers entering the market.

Backward Linkage Industries

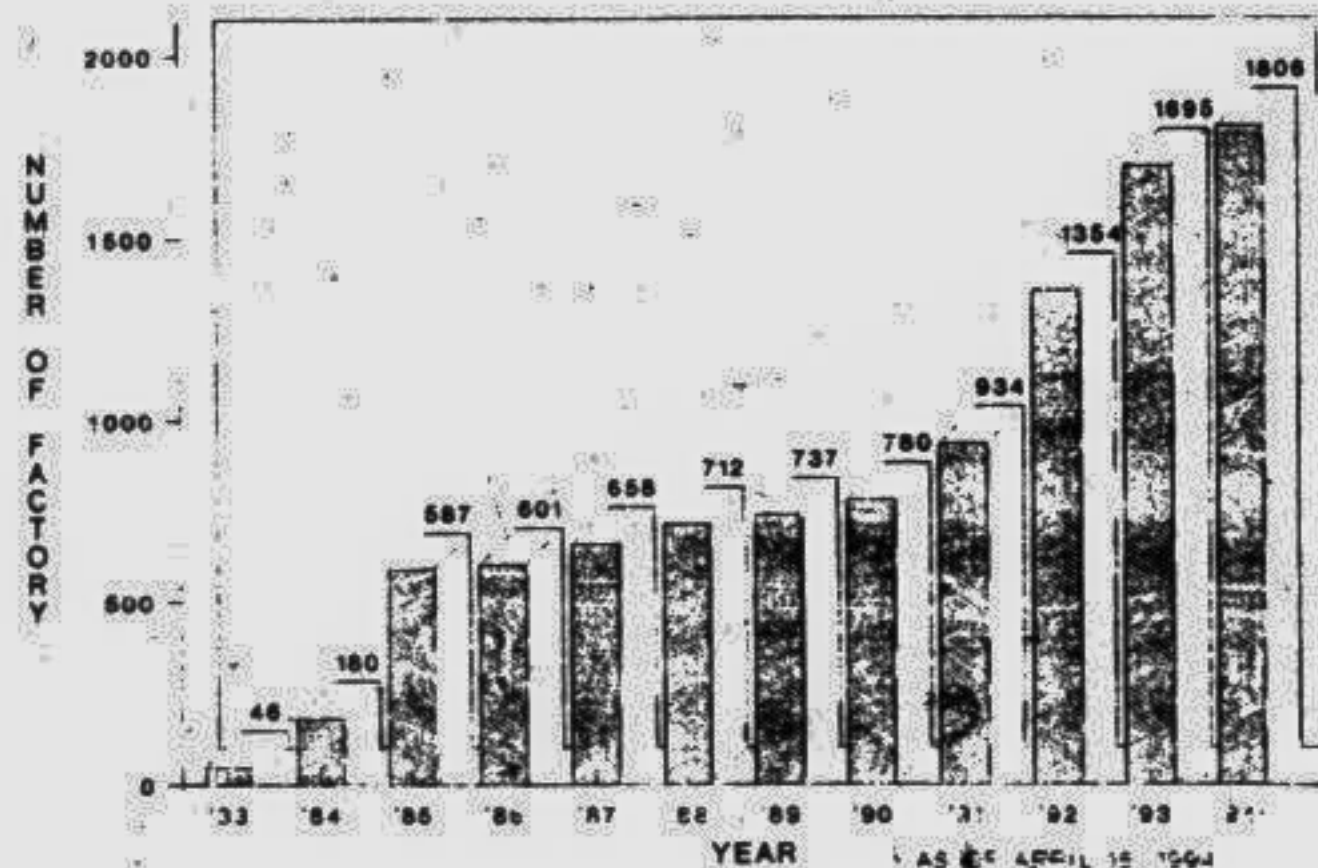
Demand for accessories created by the readymade garment industry prompted the growth of industries like cartons, threads, labels, polybags, gum tapes, shirtboards, neck-boards etc. At present 80 per cent of these accessories are produced locally. Only the



production of local fabric is lagging behind. Garment industries need about 1.63 billion yards of fabric per annum. Out of this only 35 million yards are supplied from the

domestic market while the remaining 1.59 billion yards are yet to be imported spending foreign exchange of Tk 40 billion through back to back

GARMENT FACTORY IN BANGLADESH
BGMEA MEMBERS

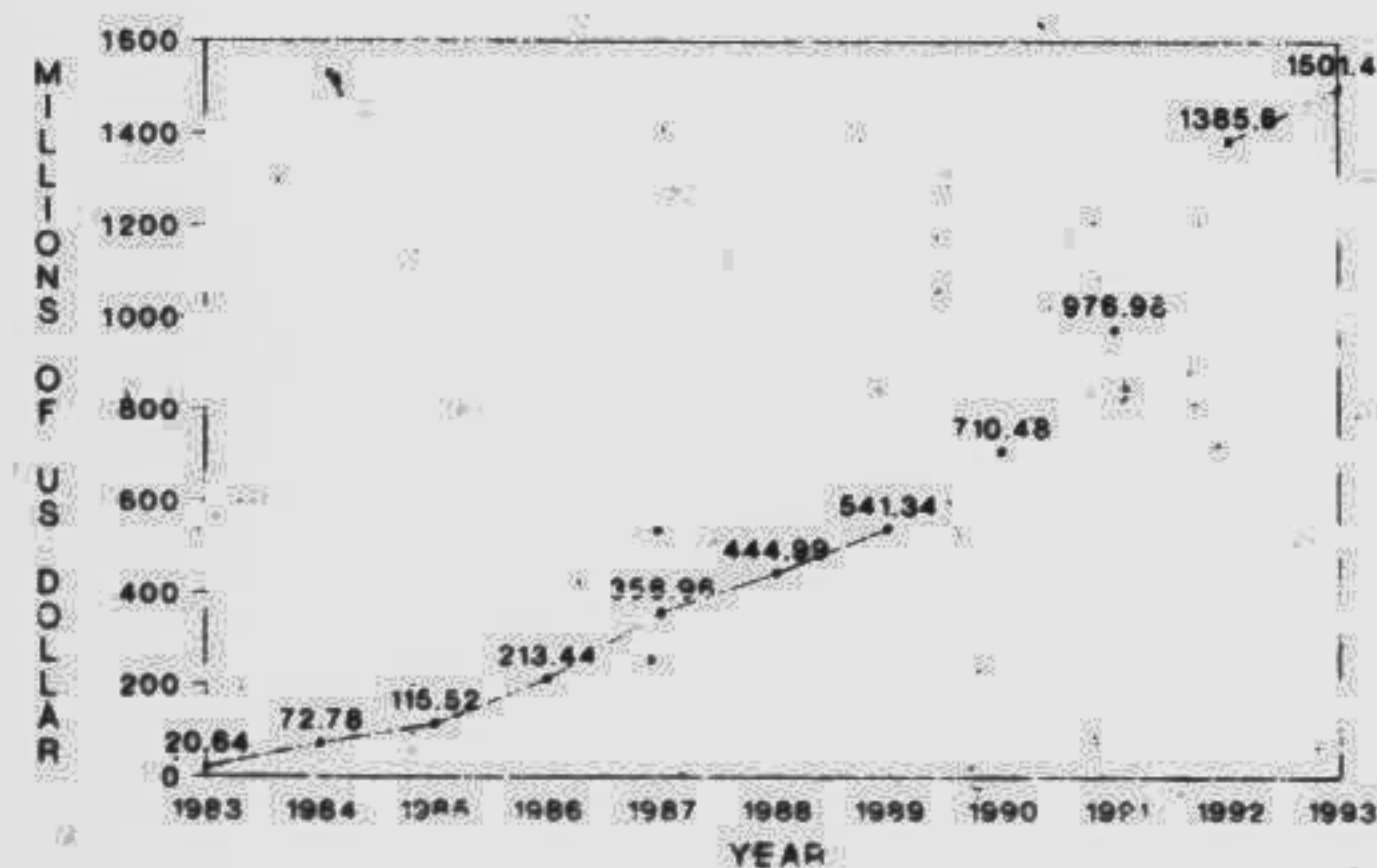


PREPARED BY: RDTI CELL, BGMEA

growing demand of fabrics. The current investment opportunities in Bangladesh would undoubtedly fit for foreign investors for relocation of their

domestic market while the remaining 1.59 billion yards are yet to be imported spending foreign exchange of Tk 40 billion through back to back

BANGLADESH GARMENT EXPORTS
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L/C from countries like China, India, Hong Kong, Singapore, Thailand, Korea, Indonesia, Taiwan.

It may be pointed out that, according to a conservative estimate, 20 composite textile mills can be set up with the money the country spends every year for the import of fabrics for garment units. Setting up of all backward linkage industries with special emphasis on dyeing, finishing and composite textile mills has become more important now with the successful completion of Uruguay Round talks and signing of GATT paving the way for free trade through out the world. Unless we produce our raw materials it would not be possible to cut short the time for complying with an export order and ensure export as desired by the foreign buyers.

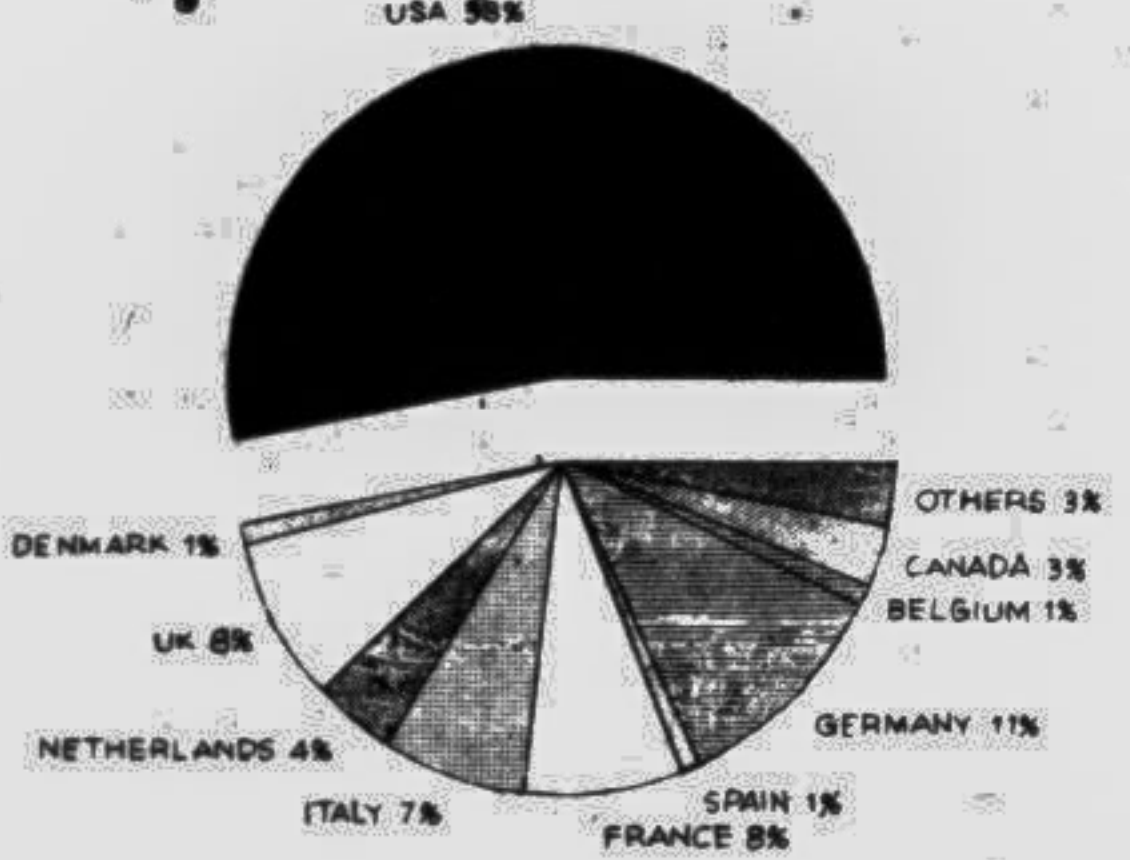
Taking advantage of our deficiency in fabric production the suppliers of fabric of foreign countries have increased the price of yarn and fabric which is liable for increasing the cost of production of the finished garments of Bangladesh making Bangladeshi garments less competitive. Since textile mills cannot

"Sun-Set" industries. It the public and private sectors seize the opportunity to set up textile mills and finishing units, ten the textile sector can perhaps be seen to bring about revolution in country's economy by ensuring higher value addition through development of local fabrics which would lead the country towards "export led growth". The proposed massive five-year Government plan involving Taka 77.60 billion to rehabilitate and promote the textile sector may yield positive results. The Prime Minister had already set up a five-member

back L/C facility for finishing in the local dyeing and finishing mills and necessary policy support should be given to them as was given for the development of the garment industry. This will enhance value addition by about 35 per cent in the industry and will also create sizeable new job opportunities. It will also lead to the establishment of increased number of dyeing, finishing and quality weaving factories.

The writer is an MP and President, Bangladesh Garment Manufacturers and Exporters Association.

WORLD IMPORT OF GARMENTS FROM BANGLADESH
MARKET SHARE IN 1992-93



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