The Garments of Recession

The current global recession has affected everyone and everything to have crossed paths with it. From banks in America to sweatshops in China its butterfly effect stretches around the world and has finally made its way down to Bangladesh. Six months ago when the crisis first reared its ugly head, many in Bangladesh assumed it would not hurt our economy as badly as the West. The fact that Bangladesh was not well integrated into the global economy was for once cheered rather than jeered. But seemingly people have slowly come to their senses, with most of the West in economic freefall, Bangladesh's booming garments sector, which amounts to a phenomenal 76% of its total exports has felt the real pinch of the recession. In all likelihood the garments of recession in the West will be made in Bangladesh.

NADER RAHMAN and REFAYET ULLAH MIRDHA
PHOTOS: ZAHEDUL I KHAN

As the largest and most important export, the garment industry is the backbone of Bangladesh's fledgling economy and any shocks to its system could prove fatal for the growth of the nation. The demise of the banking system in Europe and America has left many major chains without suitable credit and in some cases it has led to the speedy path of bankruptcy. Those issues have created huge problems for the Bangladeshi garments industry as foreign customers, withhold and defer payments, cancel orders and in most cases bargain for lower prices. Its collective effect on the garments industry has already been felt by factory owners and workers alike.

Ghulam Faruque, Chairman of the SQ Group, one of the largest sweater exporting factories in Bangladesh says, "local exporters are facing the problem of deferred payment and price cutting from the international buyers due to the global recession." Worryingly, foreign buyers are even negotiating the prices of previously confirmed orders. This could have disastrous effects in the long run

