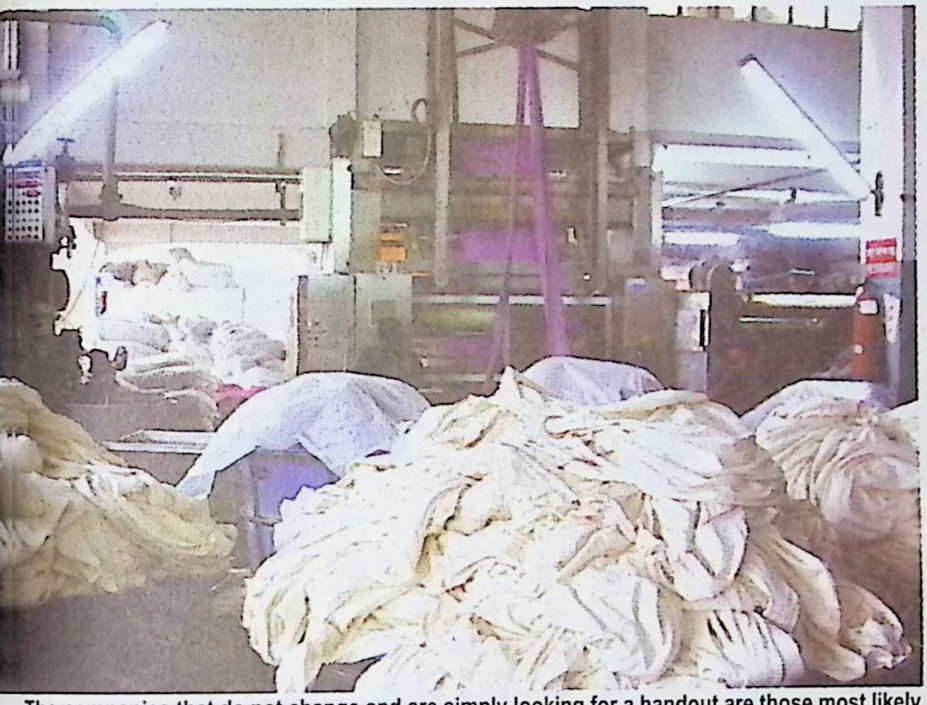


The companies that do not change and are simply looking for a handout are those most likely to be left behind by this recession.

lished, most estimates say it will be yet another double digit negative showing. Things are headed in the wrong direction but is there anything that can be done to stop this negative trend? Murshedy says, "Aside from the current crisis there is a lot that can be done to help our sector flourish. We are in a bad condition with regard to our gas and electricity supplies. If only we could get regular supplies of amenities then we could reduce our prices and be more competitive internationally." Other problems that afflict the sector include repeated labour trouble, and a lack of efficiency, which currently stands at less than 50%.

But while people look to the future many are suffering now. In the past year numerous major international chains have filed for bankruptcy and when the 100-year-old Woolworths finally closed its doors in early 2009 many businessmen in Bangladesh were fuming at the way its bankruptcy and move into administration were handled. Over a dozen Bangladeshi garments manufacturers lost millions of dollars as Woolworths crashed, with Shanin Group reportedly losing a sum in excess of 30 crores. While the losses have yet to be totalled, the final figure should be in the region of 20 million dollars for Bangladeshi garments manufacturers. It is difficult for these companies to look to the future after they have suffered losses of such massive proportions. Compared to this scenario many in Bangladesh must be happy just to reduce their orders and the price, at least it won't be a million dollar loss.

Nazrul Islam Swapan, Managing Director of Nassa Group, an industrial conglomerate with 34 units, says he has abundant export orders up to June, but after this

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period he may face the challenge as fresh orders are declining sharply. He said many small and medium garment factories are already in trouble, as they are not getting orders from big factories under the sub-contract basis. "I can hardly choose the buyers, as I have to run my factories with nearly 40,000 workers. Now, I am receiving orders from any buyer. But, I am hopeful the orders will rebound sharply in Bangladesh after the recession," Swapan says.

Badius-Salam, Executive Director of Ananta Garment Limited, suggests the small and medium garment entrepreneurs form a consortium to sustain the recession. He says, "Many small and medium units have already started suffering from the recession." During such periods international buyers become very choosy, as a result, the small and medium exporters can hardly make any profit. "So, a consortium may work better during this period," he says.

In the end all is not lost and a happy balance can be struck between the garments manufacturers and the government. The assistance could be channelled to those companies who lost entire orders such as Shanin Group and Inter Stoss after the bankruptcy of Woolworths. In the long run gas and electricity supplies must be improved so that majority of our factories which are running at less than 50% efficiency can somehow compete on a global stage. An across the board bailout for industry does not seem fully warranted, yet the fact that the garments sector makes up over three-quarters of all Bangladeshi exports does call for some sort of protection during the crisis period. What form that protection will take and how much it will be is still a matter of much contention, the businessmen must realise that the government is firmly behind them and cannot let the sector fail, it is too large and too important to fail. The owners also have to face the truth, simply asking for a government handout is not the way forward. They have to learn to adapt to such market changes and realise, that in a way business much like the natural world, it is all about the survival of the fittest. ■