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BUSINESS

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From baby steps to giant strides

REFAYET ULLAH MIRDHA


It was a small beginning 35 years ago, but today it is a huge success story that brought Bangladesh global fame as a major garment exporter. The country that began a new era of apparel shipments with basic and low-end products has now diversified its export basket with many high-end and specialised garment items.

The examples of diversification are aplenty. Bangladeshi apparel makers now supply uniforms to the British army and French navy and defence personnel of many other nations, which proves the sector is quite mature and strong.

The information might be amazing to many that Bangladeshi factories made uniforms for the Nato military personnel who were deployed in Afghanistan war a few years ago.

The sector's journey spanning three decades and a half has made the country a hub of almost all apparel products -- basic, high-end and specialised items, for both medium and upscale retailers.

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GARMENT EXPORTS

in millions of \$

Analysts say the \$50-billion export target is achievable if Bangladesh reins in the cost of production, ensures compliance and makes high-end products. Deficits in infrastructure, power and gas will have to be addressed. New export markets and orders shifting from China to Bangladesh are some positive factors, they say

MILESTONES

1977
Noorul Quader set up the first exported-oriented apparel factory: Dosh Garments in collaboration with Daewoo

1980
First garment export of 1.2 lakh pieces of boys' shirts, worth \$12,000, to Germany

1982
New industrial policy marked a major shift toward privatisation

1982 to 1985
Takeoff stage for garment exports

Early **1990s**
Growth stage for knitwear

1995
Garment sector declared free from child labour by ILO

2004
Multi-fibre agreement quota eliminated

2008 to 2009
Bangladesh ranked as the fourth largest clothing exporter globally

2012
Ranked as the second largest apparel exporter after China

2014
\$24.49b (FY14) in garment exports

GARMENT: MAINSTAY OF ECONOMY

Accounts for 81.13% of export earnings

Contributes more than 10% to GDP

Employs 4.4 million people directly, 80% of them women

Local spinners can supply 90 percent of raw materials to knitwear sub-sector

Local weavers can meet 40% of demand for fabrics in woven sub-sector

Bangladesh accounts for 5% of \$450 garment trade globally



| Fiscal Year | Exports (millions of \$) |
|-------------|--------------------------|
| FY84 | 32 |
| FY85 | 116 |
| FY86 | 131 |
| FY87 | 299 |
| FY88 | 434 |
| FY89 | 471 |
| FY90 | 624 |
| FY91 | 867 |
| FY92 | 1,183 |
| FY93 | 1,445 |
| FY94 | 1,556 |
| FY95 | 2,228 |
| FY96 | 2,547 |
| FY97 | 3,001 |
| FY98 | 3,782 |
| FY99 | 4,020 |
| FY00 | 4,349 |
| FY01 | 4,860 |
| FY02 | 4,584 |
| FY03 | 4,912 |
| FY04 | 5,686 |
| FY05 | 6,418 |
| FY06 | 7,901 |
| FY07 | 9,211 |
| FY08 | 10,700 |
| FY09 | 12,348 |
| FY10 | 12,497 |
| FY11 | 17,914 |
| FY12 | 19,090 |
| FY13 | 21,516 |
| FY14 | 24,492 |

Selling on Facebook: a boon for startups

ABDULLAH MAMUN

Facebook users now have better options to try. They can market and sell their products through the social networking site, without the need for investing in a showroom.

The concept already dubbed as Facebook-commerce is simple -- post ads on a Facebook page, get orders from customers over phone and sell the products.

Delivery persons or couriers can take the products to the customers and payments can be made through mobile financial services or cash on delivery.

This unique feature has made the model quite popular and opened new business opportunities for startups.

In Bangladesh, there are around 4,000 small entrepreneurs who are doing business using their Facebook pages as a marketplace. Munir Hasan, founder of a group with 33,000 members, said small entrepreneurs cannot always give ads via conventional media outlets as they entail huge costs.

"Facebook is an easy option for them."

He said at least 500 members of their group, which promotes entrepreneurship, started their own business and 50 of them are doing it successfully.



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Shasha Denims set for expansion

SARWAR A CHOWDHURY

Export-oriented Shasha Denims plans to expand its production capacity by 10 lakh yards to 28 lakh yards in the next one and a half years, as it got regulatory approval in October to raise funds from public.

"In line with the expansion, modern machinery will also be installed that will improve the quality of denim fabrics," said Jamal Abdun Naser, director of the leading denim fabric producer based in Dhaka

Export Processing Zone.

The company will raise Tk 175 crore through the IPO, with 88 percent of the fund to be spent on the expansion project.

The denim producer will offload five crore ordinary shares at an offer price of Tk 35, including a premium of Tk 25 for each Tk 10 share.

The IPO subscription will begin on December 14 and end on December 21.

From the raised funds, the company, which started commercial production in 2000, will use Tk

18.23 crore for partial repayment of bank loans and the rest Tk 2.77 crore for bearing the expenses of the IPO proceedings.

Naser said there is a huge demand-supply gap for denim fabrics both at local and international markets. "Being one of the high quality denim fabric producers in the country, we want to exploit the opportunity."

Every month, 25 local makers produce 30 million yards of denim fabrics while the demand is nearly 60 million yards, he said.

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NBR's revenue receipts rise 10pc in Oct

STAR BUSINESS REPORT

Revenue receipts rose about 10 percent year-on-year to Tk 9,785 crore in October, according to the National Board of Revenue. The October growth slowed from a 14.21 percent rise in the same month a year ago, due to a slow-down in income tax receipts and VAT.

Revenue growth slowed in July-October, with the NBR falling short of the target by more than Tk 1,400 crore.

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