



"Target US\$50 Billion: We Need Your Support to Reach It"



**Marcia Bernicat, US
Ambassador to Bangladesh**

Setting a goal of doubling apparel exports in less than six years is ambitious. But I don't know how you get big results without setting big goals. I appreciate BGMEA for setting this goal. We are committed to helping you to reach the target.

Bangladesh's apparel sector is a major industry leader, and it is growing to be the top producer. It

is not because of cheap labour. Buyers have told me there are countries that have lower wages than Bangladesh. What these industries [in other countries] don't have is skilled workforce that delivers quality products on time. That's what puts this industry on top.

The sector has an opportunity to transform itself by adopting the international standards that are increasingly required of this industry and other industries everywhere. There is no going back on this issue. All manufacturing units in every country had to adopt the same international standards to qualify for the trade preference, like the standards Bangladeshi manufacturers were asked to comply. When we will see that all the factories have done their remediation works, risks no longer exist, workers are not fired for trying to organise union, we will have a discussion about duty free and quota free facilities.



**Siddiqur Rahman,
President, BGMEA**

To reach US\$ 50 billion in 2021, we have to maintain 11 percent growth every year. To ensure that growth we need to address some issues on priority basis. Skill development, productivity enhancement, access to finance to bear the cost of remediation of factory, infrastructure, and uninterrupted gas supply to factories, are some key

areas to focus on. We recommend formation of a taskforce to mitigate the gas crisis which has now become the biggest concern for the industry. Both government and private sector representatives would be members of this taskforce. The RMG industry uses only 5 percent of the total gas supply of the country. The government should actively think about supplying more gas to this booming industry. There should be a serious study on this issue to substantiate our demand.

In the last one year, the price of crude oil has dropped by 50 percent in the international market. Still in our country it has remained the same. We should look into this seriously.

Rana Plaza is not the whole picture of our garment industry. There are many factories in the country that maintain global standards. So far twenty-six garment factories have been LEED certified by the United States Green Building Council (USGBC). And there are hundred more in the pipeline. There are five Platinum rated green garment factories in the country.



**Pierre Mayaudon, Head
of the European
Union mission in
Bangladesh**

To reach the \$50-billion target, Bangladesh would have to fight and win three battles: the battle of technology, international engagement and team spirit.

The battle of technology starts with remediation, and a fund of \$200 million has been put on the table for the companies that need the money to implement the remediation plans.

But things are not moving very fast. So we need to put a mechanism in place so factories that need the fund can take the advantage from the donors. Skilled workers, energy efficient machines and modern machineries are also needed.

Bangladesh also needs to invite a lot of foreign direct investment. It will give more chance to local industries to forge partnership with foreign investors. Please, be more foreign investors-friendly.

Media has a very important role in this comprehensive approach. Media can help you to find which areas you need to improve on.



**Dr. Ahsan Mansur,
Executive
Director, PRI**

We need to invest more than what we have already invested in the last four decades to double our RMG export. Now we need capital

intensive investment. Our average incremental capital output ratio is 4.5. So we need to invest about US \$ 100- 150 billion in this sector. I want to ask BGMEA whether we can arrange this investment without FDI. I do not think it is possible for our local investors only.

Our Dhaka-Chittagong four lane has already become overcrowded. We need to think about making it six or eight lanes highway.



**A. Matin Chowdhury,
Former President,
BTMA**

We need a robust supply chain. In our supply chain the main products are yarn and fabric. We require 990 thousand metric ton of extra yarn

in order to meet our targeted growth demand based on the same quality of yarn now we are supplying. That means we need fifty thousand more spindles in spinning mills and 800 MW of power. It appears to be really difficult to achieve within five years. We need to secure our raw materials from outside. Chinese industries are opening their factories in the USA because America provides the best cotton and the best power and land facilities. We may need to think about investing in a third country where we can get the raw materials more easily. Our current policy does not allow us to invest outside. If we invest in the USA to establish spinning mills we can secure our raw materials supply. The USA also offers duty free facility if you use their raw materials. This is what they are providing to all the Latin American countries. We should seriously think about this option.

We need huge improvement in production capacity and skills. We need to focus on quality, not just quantity. We need to fully utilize our existing training institutions to impart training to our workers. We also need to create new training facilities to meet our increased demand of skilled manpower.

We need to improve our bargaining skills. BGMEA should team up with universities to introduce courses on negotiation skills which is critical for ensuring fair price of products.



**Mohandas Seneviratne,
Program Manager,
PaCT, IFC**

Through the PaCT programme we are establishing common effluent treatment plant. It will save your cost and increase your capacity. The RMG industry should invest more in checking pollution

and wastage. This is not a cost. It is an investment.



**Nazma Akhter,
President,
Sammilita Garment
Sramik Federation**

Achieving US\$50 billion by 2021 is also our dream as workers. To realise this dream, workers are an important partner. Workers are the main infrastructure of this industry.

Their living conditions need to be improved. They need standard living wage, housing and medical facilities. Our competitors pay better wage to their workers. For example Cambodia pays US\$ 120, Myanmar pays US\$ 90 but we pay US\$70. When we talk to garment owners they refuse to accept this wage as cheap labour. Rather they think it is competitive. If it is true then why do our workers get less than the workers from competitor countries?

We need to ensure garment workers' freedom of association and bargaining. Building relations with workers and social dialogue are two important ways to involve the workers in the journey towards US\$50 billion. The owners need to respect workers as a partner.

Another important issue is that the garment factories are reluctant to employ workers aged above 40. How can the garment industry be a sustainable business where a worker has to retire at this early age? We need to improve the working environment of the factories in such a way so that a worker can continue working for a longer period. We need to establish low cost hospitals and other health facilities near the factories.

We need to promote women entrepreneurs as well as women managers and women leadership in the garment industry.



**Daniel Seidel, FTA
Representative
Bangladesh**

We are trying to collaborate and coordinate all the different efforts in the RMG sector. We need institutional support from the government and BGMEA on how to collaborate in the

skill development sector in order to comply with the demand of workers in Bangladesh. There are various training efforts from different stakeholders. We need to harmonize these initiatives.



**Dr. Jochen Weikert,
Program
Coordinator of
PSES, GIZ**

We are talking about substantial growth. To achieve that you need to tackle the limiting factors that restrain you from growing to that substantial figure of US\$ 50 billion. These

factors include physical and natural infrastructure, social inclusion, labour rights, political stability and so on. In this journey, German government and development partners will support your efforts.

You have talked about pricing. You need to raise your voice on the basis of enhanced sustainability performance. Only then you will get positive response from the buyers.



**Professor Mahmuda Khatun,
Dhaka University**

We need to involve local experts with the research programmes on garments factories.

Along with other safety issues, we need to talk about implementing sexual harassment policy in garment

factories.



**Dr. Khondaker Golam Moazzem,
Additional Research
Director, CPD**

BGMEA should provide the government exact figure of their required services. For example, they should clearly mention what amount of power they need for the

next five years. It will give the government a clear picture of what it needs to do for the RMG industry.

Small factories are facing the challenges to maintain both competitiveness and compliance. They need support from the low cost fund to survive. The low cost fund should remain low cost.

The compliance standard should also be enforced in other countries so that the global market remains competitive. Our development partners should consider this issue seriously.

Through TPP, Vietnam is going to get duty free benefits in the US market. It will give them huge

leverage against Bangladesh. We need to find out ways how we can address this unequal competitive pressure.



**Shyamal Dutta,
Editor, The Daily
Bhorer Kagoj**

There are many unresolved issue in the political arena that will come to the fore in the coming years. An election would be held within 2021. Still we are not sure what will be the election

procedures. If we fail to maintain political stability we would not be able achieve the target. We need commitment from our political parties to sustain the expected growth of the RMG industry.



**Md. Zafar Alam,
Member of
Chittagong Port
Authority (CPA)**

Now we are handling 853, 000 TEUs for export-import in RMG. For US\$ 50 billion it would be double, about 1.6 million TEUs. Now, Chittagong Port handles 2 million TEUs. Our

target is to reach 16 million TEUs. Last year we exported 421,000 empty containers because we did not have that much export. These containers can be easily arranged for RMG products. So with our existing set up we can handle 1.3 million TEUs of RMG containers. So the gap is 0.3 million TEUs. We are increasing our capacity. We are going to implement two new terminal projects.

Mahfuz Anam

The US\$ 50 billion export target should be taken seriously. You should stop saying US\$50 billion by 2021. Rather you should say US\$50 billion by five years because that is the time you have. You have a vision. Now you need to clarify the vision. You should translate your vision into concrete targets such as we need X kilometres of roads, we need X megawatt of power and so on. It should be sector wise specific. Then you should galvanize all of us.

BGMEA has enough political clout to talk to the government and say whether we have a ministry or not, whether we have a separate department or not but let us have a high-powered inter-ministerial committee for five years. It will help us to reach the target. May the Honourable Prime Minister can head it by herself. With her blessings you can have an inter-ministerial committee which is empowered to respond to all the needs of BGMEA and the sector to reach the US\$ 50 billion target.

Workers must own this target as much as the owners of factories. And only in that collective ownership you will get the energy and spirit to reach your goal. I assure you the media will be with you all the way.