



Confederation of Indian Industry's President Sanjiv Bajaj presents a crest to Prime Minister Sheikh Hasina at an event of Indian and Bangladeshi industrialists and businesspeople at the Hotel ITC Maurya Sheraton in New Delhi yesterday. Bangladesh's Commerce Minister Tipu Munshi is also seen.

PHOTO: PMO BANGLADESH

TARGET \$100B EXPORT BY 2030

BGMEA focuses on Asia, non-cotton items

REFAYET ULLAH MIRDHA

Bangladesh's garment manufacturers are pinning their hopes on the burgeoning Asian markets and the growing use of non-cotton apparel items to elevate their export earnings to \$100 billion by 2030.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is drawing up a roadmap to hit the target, in association with an international lender and an international research firm.

"I hope we can complete the preparation of the roadmap within three months," said Faruque Hassan, president of the BGMEA. He declined to disclose the names of the international lender and the firm.

Garment shipment clocked 35.47 per cent year-on-year growth in the fiscal year of 2021-22, netting \$42.61 billion.

the last fiscal year.

The sales to India surged 69.58 per cent to \$715.41 million and to South Korea by 36.43 per cent to \$439.75 million, data from the Export Promotion Bureau showed.

Despite the ongoing war and supply disruptions, the exports to Russia rose to \$583.78 million in FY22 from \$593.66 million in the previous year.

In total, receipts from garment shipment in the non-traditional markets were estimated at \$6.37 billion, an increase of more than 25 per cent to \$5.08 billion in FY21.

Among the Middle Eastern countries, Saudi Arabia, the UAE, Qatar, Bahrain, Kuwait and Oman are promising markets for Bangladesh, according to Hassan. Under the roadmap, local suppliers will focus on the diversification of goods within the apparel industry since 80 per cent of external earnings for the sector come from only five items: trousers, woven shirts, T-shirts, pullovers, and undergarments.

Besides, more diversified garment items are expected to be made from man-made fibres (MMFs) such as viscose, tencel, staple and plastic as they fetch higher prices than cotton-made items.

For instance, if the price of a cotton-made T-shirt is \$5, the same apparel item produced from MMF would bring \$10.

Currently, of the total garment items shipped from Bangladesh, 74 per cent are made cotton fibre whereas 78 per cent of apparel products sold globally are manufactured using non-cotton items. As a

Indeed, the time is ripe for the Indian business community to focus more on Bangladesh and take advantage of its economic growth, cheaper cost and huge consumer base



Sheikh Hasina
Prime Minister

STOCKS	
DSEX ▲	CASPI ▲
1.18%	1.09%
6,547.46	19,196.52

COMMODITIES	
Gold ▼	Oil ▲
\$1,702.47 (per ounce)	\$87.41 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.28%	▼ 0.71%	▼ 0.41%	▲ 0.08%
59,028.91	27,430.30	3,210.83	3,246.29

BY THE NUMBERS



Target of garment export by 2030: \$100b



Export earnings from RMG last fiscal year: \$42.61b



Apparel export target for current fiscal year: \$46.8b



73pc of all garment is exported to 9 countries



Earnings from RMG are concentrated in 5 products



Some 74pc garment is made from cotton fibre

AT A GLANCE

- BGMEA targets promising Asian markets like Japan, China, India, Middle East
- Preparation of the roadmap on target to be completed in 3 months
- Diversification of MMF is also a major target

GLOBAL MARKET

- About 78pc garment is made from man-made fibre
- Market size of technical textile was \$179.2b in 2020
- Technical textile market will rise to \$224b by 2025



MAJOR CHALLENGES

LDC graduation, gas crisis, poor infrastructure, dearth of skilled workers

The BGMEA's roadmap is aimed at diversifying markets and products and spreading risks, if any.

Due to a lack of market diversification, 73 per cent of Bangladesh's garment exports are limited to nine countries – the US, Germany, the UK, Spain, France, Italy, the Netherlands, Canada, and Belgium.

Under the initial assessment, the BGMEA and the two partners are looking at the Asian markets as a major destination alongside the existing top three destinations, namely the European Union, the US, and Canada.

Asia's apparel market is projected to be \$613.70 billion in 2022, with the market expected to grow annually by 5.35 per cent from 2022 to 2026, according to German market and consumer data provider Statista.

Among the Asian countries, garment shipment from Bangladesh to Japan has already moved past the \$1 billion mark. It rose 16.27 per cent to \$1.09 billion in

result, Bangladesh is being deprived of better prices.

The roadmap will also put an emphasis on the \$224.4 billion global technical textile market, which includes products like personal protection equipment, hospital bed sheets, uniforms of nurses, and isolation sheets.

Hassan has termed the erosion of the LDC-linked duty preference in the EU, the largest trade bloc for Bangladesh, following the nation's graduation from the group of the least-developed countries in 2026 as one of the major challenges that could stand in the way of the \$100 billion export target.

"We know we will lose our duty privilege in our main export destinations. We are making preparations so that we are not affected too much because of the graduation," he said.

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PM urges Indian firms to invest in Bangladesh

OUR CORRESPONDENT, New Delhi

Prime Minister Sheikh Hasina yesterday urged Indian investors to consider investing in the infrastructure, manufacturing, energy and transport sectors of Bangladesh and suggested they set up industries under buy-back arrangements to cut time and costs.

She said Bangladesh-India cooperation should go beyond trade and include investment, finance, services, and technology transfer and be placed in the context of regional cooperation in order to achieve larger gains.

She lamented the lack of adequate investment from India.

In the fiscal year of 2021-22, foreign direct investment to Bangladesh totalled \$1.37 billion, with India accounting for only \$15.7 million, or 1.15 per cent.

"So definitely, there is a real need for more collaboration between the two countries by way of involving business communities and trade bodies," she said at a summit of Indian and Bangladeshi industrialists and businessmen at the Hotel ITC Maurya Sheraton in New Delhi yesterday.

According to the prime minister, Bangladesh has the most liberal investment regime in the region with a

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