

The Apparel Story

April-May 2021

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MESSAGE FROM THE PRESIDENT

Unending is the delight and limitless is the pride for us as a nation which rises from a 'basket case' to a 'development surprise' in an eventful journey of 50 years. The year 2021 is remarkable for us as we celebrate the golden jubilee of our independence, while COVID continues to pose serious challenges to our economy and livelihoods.

As the founding father of our nation Bangabandhu Sheikh Mujibur Rahman envisioned a prosperous nation with economic emancipation and social justice, Bangladesh moved a step closer to the dream with being graduated to a middle income country. We are aiming to achieve high income status by 2041 and it would hugely depend on the expansion of manufacturing capacity and industrialization. The RMG industry is playing a crucial role in the socio-economic transformation of Bangladesh over the past few decades. The sector's importance has become far greater than ever before as export-led industrialization will be a key driver in realizing the vision.

The readymade garment industry is the lifeline of Bangladesh economy. The industry has gone through a number of crossroads in the past decades and transformed itself as responsible undertaking, particularly in the area of workplace safety and environmental sustainability. COVID has brought us to an unprecedented situation. It would not be possible to stay on course without the support of the government; we pay our deepest gratitude to Honorable Prime Minister Sheikh Hasina for the incentive and policy support timely and expeditiously. Yet, the resilience of the industry and the entrepreneurs must be applauded without which the re-opening, disciplined operation following health protocols, and the turnaround in exports would not have been possible. However, we have to live with 'new normal', and we cannot take our eyes away from future priorities as far as sustainable growth is concerned. Challenges were, are and will be for Bangladesh but our hope are high that Bangladesh will be able continue to its indomitable march forward where industrial sector will play the role of a key driver.

As we look forward, we must admit the fact that economic up-gradation has not happened in our industry on a par with social and environmental up-gradation. For the next decade we are opting for new business strategies to make ourselves efficient, sustainable, innovative, diversified and technologically upgraded, which will make us more efficient and cost competitive as well. These are the keys to future competitiveness, but for that we need to be prepared from now.

The new Board of BGMEA is committed to take the challenges and put all-out efforts to explore every possible area of opportunity for the industry. We are determined to move forward with realistic optimism in that direction.

The Apparel Story would be a great tool to follow the industry, more importantly it will try bringing fresh air with its new look and approach. We can only make this initiative meaningful and impactful with your support, contribution and suggestion.

We need support and cooperation from all the valued stakeholders to achieve what we aimed for – a safe, sustainable and prosperous RMG industry.

Faruque Hassan
President, BGMEA



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EDITORIAL

As the new board led by Faruque Hassan, Managing Director, Giant group takes over the leadership of BGMEA, going forward the board will work with the vision and mission of making the dream of 'Futuristic BGMEA' comes true. Apparel Story has always been an important tool for BGMEA not only to interconnect the constructive, positive and progressive improvements of industry, but also to shed lights on the impending direction of the industry, and thus aligning the stakeholders with the vision. With that keeping in mind, the new board presents the 1st Apparel Story of its tenure.

The Pandemic of the century, Covid-19 has forced us to witness a war between lives and livelihood with unprecedented dire situation and impact as far as economy and trade concerns. With mass vaccination and western world opening up, Bangladesh RMG has immense opportunities waiting ahead and achieving excellence in product diversification and value addition should be the key primacies.

Over the years, the industry has gone through unprecedented reforms of rules and regulation, occupational safety and the workers' wellbeing. Today, as the recognition of the high standard reached by the Bangladeshi garment factories, Bangladesh ranked 2nd in Ethical Manufacturing. In order to uphold supply chain sustainability and responsible manufacturing, train our work forces on the rationale and application of advanced tools like Higg Index will improve social and environmental performances of the factories

Coupled with the concern for sustainably, by offering multiple functional usage, Non-Cotton apparel will lead the consumer demand in the upcoming days. With only 26% share of total RMG export, Bangladesh RMG has untapped opportunity to carve a niche in this growing market of Non-Cotton.

Bangladesh RMG industry has always been concerned about the well-being of the workers and study report by Asian Centre of Development has further strengthen the claim. Between 2015 and 2020, income of the RMG workers increased by nearly 10% per year and it clearly implies that they were able to increase their standard of living more than that of many other industrial sectors in Bangladesh.

As the western world is healing from COVID with aggressive vaccination program, and demand of clothing is raising, Bangladesh is in well position to keep its leading market share in RMG manufacturing, and ultimately grow its market share. The new BGMEA board is also on their full throttle to lead and take the RMG sector of Bangladesh to new heights.

It would be appreciated if anyone wants to voluntarily contribute to this magazine along with any comments or suggestions.

Wishing you good health and happiness!

Editorial Board
The Apparel Story



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The Apparel Story



CONTENT

Editorial Board

Faruque Hassan
Md. Shahidullah Azim
Miran Ali
Asif Ashraf
Abdullah Hil Rakib
Md. Mohiuddin Rubel
Shovon Islam (Shawn)

Editorial Staff

Nur Mohammad Amin Rasel
Nasim Uddin

Magazine Team

Mohammad Monower Hossain
Fahmida Haq Majumder
Md. Shahriar Rahman
Alma Siddiqua Rothi
Chaity Ghosh
Prokriti Monolina
Sanjida Rahman
AK Tuhin
Samiur Rahman

Designer:

Sk. Yeahhia



BGMEA Head Office:

BGMEA Complex, House # 7/7A,
Sector # 17, Block # H-1, Uttara,
Dhaka - 1230, Bangladesh.
Tel: +880 9638012345

Email: info@bgmea.com.bd

Website: www.bgmea.com.bd

 [bgmea.official](https://www.facebook.com/bgmea.official)  [brandbgmea](https://www.youtube.com/brandbgmea)

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B1F sustainability



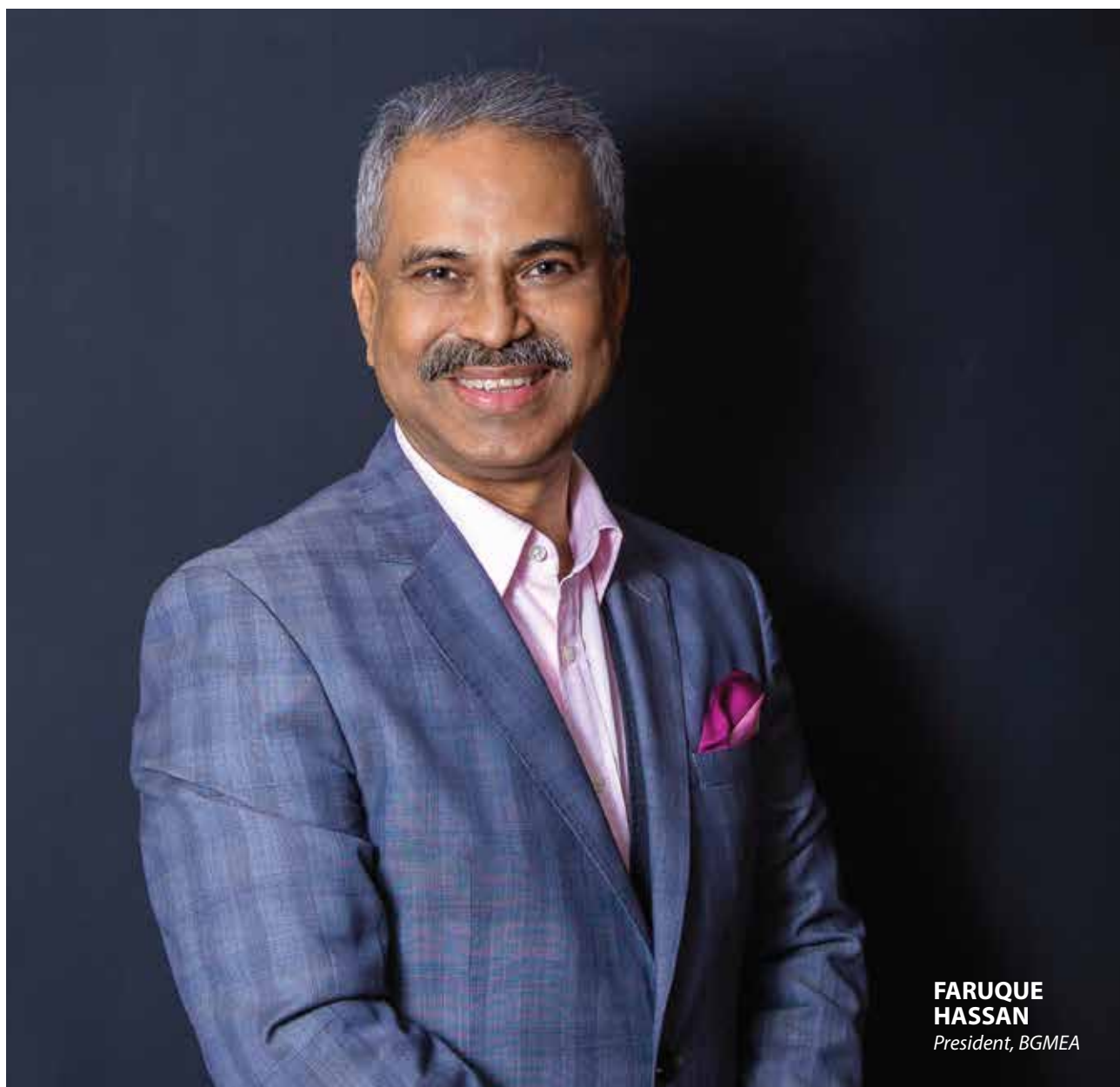
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By Nasim Uddin |

New Beginning for Better Tomorrow



**FARUQUE
HASSAN**
President, BGMEA

Definitions of leadership may differ but no debate is there over the importance of leadership in the success of any organization. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) can be a shining example of how its leadership contributed to turning a small non-traditional sector of export into the mainstay of Bangladesh's economy.

Since its inception BGMEA has been making immense contribution to the growth of readymade garment (RMG) industry in Bangladesh and bringing glory for the country as the second largest apparel exporter in the world. It's the vision, dedication and actions of the leaders of BGMEA that have guided the RMG industry amid myriad challenges over the last four decades and helped to reach the prestigious



The newly elected Office Bearers of BGMEA.

position it holds now.

Recognizing the crucial role of BGMEA in the development of the RMG industry, members of the trade association have always been very meticulous in choosing its leadership through an election held in every two year. This was again reflected in the election held on 4th April 2021 where garment manufactures of Bangladesh voted to choose the leadership of BGMEA who will steer the industry forward for the next two years.

BGMEA is being run by a 35-member elected Board of Directors who are elected for a two-year term. Seven Vice Presidents along with a secretariat of experienced officials assist the President in formulating and executing vital policies and programs of the organization. Registered members who are garment manufacturers and exporters contest from two parties – Sammilita Parishad and Forum in the election. This time Sammilita Parishad led by Faruque Hassan won the biennial election of the apex platform for garment makers securing 24 posts of directors while the other panel, Forum, led by ABM Shamsuddin won 11 posts.

Faruque Hassan has become the new president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) for the term 2021-2023. The new other Office Bearers of BGMEA are Syed Nazrul Islam, First Vice President; S.M. Mannan (Kochi), Senior Vice President; Md. Shahidullah Azim, Vice President; Khandoker Rafiqul Islam, Vice President (Finance); Miran Ali, Vice President; Md. Nasir Uddin, Vice President; and Rakibul Alam Chowdhury, Vice President. Besides, there are 27 elected Directors in the Board. The Newly elected Board officially took charge of the trade association on 13 April 2021.

A staggering 86.56 percent of the total votes were cast in

“Our commitment is to take the garment industry to a new height of glory and we are looking comprehensively to all the possible areas of concern.”



the election. Spontaneous participation of the voters in the election at a time when people tried to avoid most of their travels outside home due to the second wave of the pandemic signifies how important BGMEA and its leadership are especially at the present context when the industry is at crossroads. While the RMG industry is struggling hard to recover from unprecedented crisis created by the Covid pandemic, the second wave hit back making the battle more difficult. On the other hand, the industry needs to get prepared for future challenges especially the ones posed by the 4th Industrial Revolution (4IR).

Faruque Hassan, the new President, is a seasoned leader in the apparel industry of Bangladesh with vast experience of closely working in BGMEA for the sector for more than two decades. Before becoming the President of BGMEA, he served the associations as its Director and Vice President for

several terms. He has made up his team blending experience with youth as he thinks it is of utmost necessary to foster leaders of tomorrow to carry on the legacy built by the first-generation entrepreneurs. While experienced first-generation entrepreneurs have given solid foundation of the RMG industry, time has come for the second-generation entrepreneurs to get ready for leading the industry forward in the coming days.

BGMEA President Faruque Hassan said, "It's a great honor and immense pride for the new Board of BGMEA in serving the RMG industry which has been acting as a catalyst for socio-economic development in Bangladesh. The apparel industry is not only a significant source of forex earnings and huge employment, it's a mean for millions of people to realize their dreams. So steering such an important industry towards prosperity is a huge responsibility which we all are committed to take on. We will work collectively in collaboration with all stakeholders to turn the challenges into opportunities. Our commitment is to take the garment industry to a new height of glory and we are looking comprehensively to all the possible areas of concern."

"Our commitment is to take the garment industry to a new height of glory and we are looking comprehensively to all the possible areas of concern."

As uncertainty in apparel business triggered by the pandemic reigns supreme and business models are evolving, the present BGMEA Board has crafted a vision for the industry and accordingly charted out a clear path to prosperity of the industry. While addressing the immediate is a top priority of the Board, it has also put focus on the important agendas of product diversification, innovation, value addition, sustainability, image development for sustainable growth of the industry.

Covid has dealt a heavy blow to the apparel industry and pushed it into an unprecedented crisis. The industry lost around USD 6 billion in the last financial year. Amid struggle to recover from financial setbacks caused by the pandemic the second wave. Moreover, fall in apparel prices added to the woes. Prices which started falling before the onset of the Covid-19 took an acute turn during the



Office Bearers

Faruque Hassan
President

Syed Nazrul Islam
First Vice President

S.M. Mannan (Kochi)
Senior Vice President

Md. Shahidullah Azim
Vice President

Khandoker Rafiqul Islam
Vice President (Finance)

Miran Ali
Vice President

Md. Nasir Uddin
Vice President

Rakibul Alam Chowdhury
Vice President

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M.A. Rahim (Feroz)

Arshad Jamal (Dipu)

Mahmud Hasan Khan (Babu)

Barrister Shehrin Salam Oishee

Asif Ashraf

Md. Mohiuddin Rubel

Asif Ibrahim

Tanvir Ahmed

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Faisal Samad

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Haroon Ar Rashid

Navidul Huq

Rajiv Chowdhury

Barrister Vidiya Amrit Khan

Inamul Haq Khan (Bablu)

Md. Imranur Rahman

Mijanur Rahman

Md. Sajjadur Rahman Mridha (Shipon)

Directors from Chattagram Region

Md. M. Mohiuddin Chowdhury

Mohammed Abdus Salam

Tanvir Habib

A.M. Shafiul Karim (Khokon)

Md. Hassan (Jacky)

M. Ahsanul Hoq

Mohammed Meraj-E-Mostafa (Kaisar)


→ pandemic. Price decline has been continuing over the last few months. So the topmost priority of the present Board of BGMEA is to protect the industry and livelihoods of millions of workers.

The new BGMEA leadership has pinned its focus into many positive shifts in the industry including more efficient usage of manpower through automation, innovations in process and products, diversification in terms of products, material and markets. They will also look forward to more on design development, innovation and digital manufacturing. Exploring new markets, diversifying products and value addition are their prime agendas. Removing misconceptions about the garment industry of Bangladesh and replacing with the real picture of the sector is also in the list of their priorities. The RMG industry has made remarkable developments in the areas of workplace safety, sustainability, workers' welfare. Much of these developments are often overshadowed and undermined by misconceptions and misinformation about the industry. The present board thinks it necessary to dispel myths about the industry and present the reality before all.

The year 2021 is historic for the nation as Bangladesh has qualified to graduate into a developing nation from a Least Developed Country (LDC). Having achieved the remarkable feat Bangladesh is now moving ahead with new development goals. The RMG industry has a significant role to play in the coming days as much of the Bangladesh development drive will depend on the industrial sector. The new Board of BGMEA has embarked on their riveting journey with a vision for a better tomorrow for the industry and for the country.

At a glance:

Major priorities of the present Board of BGMEA:

- Supporting the industry to ensure the sector survives and moves forward during the tough time created due to the pandemic.
- Increasing market share through product diversification based on MMF
- Enhancing efficiency, embracing innovation and technologies, preparing for 4IR, upskilling of workers
- Image build-up
- Going digital -- 3D design, online approval of sample/styles
- Online sale of products
- R&D, innovation, training, diversification of product categories, sustainability and environment friendly green manufacturing, safety and efficiencies of our vast and dedicated workforce 

The COVID Pandemic: Lessons Learnt, the Paradigm Shifts and Way Forward



The outbreak of COVID-19 has acted as a massive restraint and disruptive blow on the retail market in 2020 and 2021 as sales and supply chains were disrupted due to trade restrictions, store closure and consumption declined due to lockdowns imposed by governments globally. Many global retail clothing brands file for bankruptcies either for complete liquidations of assets and some for restructuring of

business. The brands who managed to stay float also move to faster adoption of selling through on-line channels and closed at least 20-30% of their stores. This resulted in non-payments and delayed payments of garments that had already reached the destination, as well as putting goods hold with manufacturer which have been already produced and massive cancellation of orders. All these completely devastated the RMG manufacturing companies and countries like

Bangladesh where RMG accounts for 80% of the country's exports and provides employment to about 14 million people directly and indirectly.

The impact of the global RMG sales initially declined by more than 20% with the first wave of COVID slowly recovered, and saw a year on year decrease from \$531.25 billion in 2019 to \$485.62 billion in 2020. The negative compound annual growth rate (CAGR) was -8.59% globally. Bangladesh's RMG export fell about 6 Billion USD in 2020 to 27.94 billion from 34.13 billion in 2019 which resulted in a massive decline of 18.12%. The export started to recover a bit during the period of July-Dec 2020 and the decline was not as steep. The Export decline was about -2.9% during this period and export was 15.54 Billion USD from 16 Billion USD in 2019 during the same period of July-Dec. But due to the 2nd wave in the western world, again Bangladesh was faced with challenges of on hold and canceled orders during the Jan-April 2021 time frame. Most of the RMG factories in Bangladesh are operating at 70-80% of their manufacturing capacity currently which increased the cost of production due to fixed overhead costs. On top of this, the prices per garments have become extremely competitive due to this excess capacity across the world where many manufacturers are competing to fill their production capacity. Although the manufacturing cost have gone up due to overhead for unused capacity along with cotton and yarn prices, The price per garments declined almost by 15% for basic category of Garments. So, the actual margin for the manufactures declined sharply and most of the factories in Bangladesh are

The impact of the Global RMG sales initially declined by more than 20% with the first wave of COVID slowly recovered, and saw a year on year decrease from \$531.25 billion in 2019 to \$485.62 billion in 2020. The negative compound annual growth rate (CAGR) of -8.59% globally. Bangladesh's RMG export fall about 6 Billion USD in 2020 to 27.94 billion from 34.13 billion in 2019 which is massive decline of 18.12%.

either running at break-even or at a loss. On top of the financial losses, most of the manufacturers are suffering from tremendous liquidity crisis due to the broken cash flow cycles as the buyers are extending and delaying their payments or holding up orders. But the manufacturers are forced to pay for the raw materials in due time. BGMEA is working with the Ministry of Finance and Bangladesh Bank to extend the worker's Salary loans received by the manufacturer during the first wave of COVID in May-2020 and the working capital loans. Also, fresh liquidity injections are needed by the



manufacturers to sustain the manufacturing until the export returns to some level of normalcy by end of 2021 as the western world is opening up after their aggressive vaccination program. A catastrophic incident like COVID-19 pandemic needs financial restructuring of the impacted industries as follows:

1. Restructuring can be done with the help of the banking policies by extending the loan payments and increasing LC limits and working capital limits of factories with fresh and existing export orders with reputed customer base. Almost 60-70% of the existing factories will need such support.
2. Some factories may need to exit the business as their liabilities got so huge that they may not be able to sustain the loss with future orders and business. In some cases, many of these factories may not have good customer bases to support them or need upgradation of machines and infrastructure. In these cases, BGMEA is working with the government to create an exit policy for these garments factories. Post COVID, this exit policy and regulations needs to be formalized and passed as law for factories to safely and honorably exit the business. Unless the weak and sick industries can safely exit the business, they will impact the overall industrial atmosphere and health of the RMG sector.

As the world opens up and retail sector grows with both in-store and online sales, Bangladesh is well positioned to gain back the losses of export and reach its 2019 export level gradually and it may take up to 2023 to achieve the same export target. The resiliency and innovation capabilities of Bangladesh manufacturers have been proven over and over again in the past as it rose from calamities like Rana Plaza and others by turning challenges into opportunities. Bangladesh has already made significant progress in sustainability, health, safety and ethical manufacturing. The paradigm shift in the area of workplace safety and ethical manufacturing in Bangladesh are acclaimed globally recently. In the report "2020 in Review" by QIMA, one of the world's leading supply chain compliance solution provider, said that "the challenges of the pandemic have strongly exacerbated human rights risks in global supply chains", but Bangladesh manufacturers really proved their mettle in taking the ethical manufacturing standard to a new height. Bangladesh ranked 2nd with a score of 7.7 only behind Taiwan who scored 8.0. Vietnam came in third, followed by Thailand, Pakistan, Turkey, China, India and Brazil. China was seventh on the list behind Pakistan and Turkey, the report said. Also, Bangladesh leads in sustainability initiatives and standard with 144 factories already having been LEED-certified by US Green Building Council (USGBC). 40 out of these got LEED Platinum and more 500 are in the pipeline now. Its noteworthy that 9 out of 10 green factory's position across the globe is currently occupied by Bangladesh. So, the buyers around the world can feel confident in placing orders in Bangladesh as it leads the world in Sustainable and Ethical Manufacturing which is of great importance to global consumers and brands. This gives Bangladesh a huge competitive advantage and BGMEA is working hard in establishing Brand Bangladesh "Made with Pride". The Global prolonged pandemic has changed the

paradigm and buying patterns of the consumers and brands that are catering to the consumers. COVID-19 has changed the RMG industry from the way garments are designed, approval process of samples and styles, materials used to make garments as well as manufacturing models and washes. The digitization impact of RMG due to COVID will remain and we have to adopt to the new way of working with 3D Design tools and fit approvals of styles/samples online, small order quantities for online sales, importance of sustainable wash and materials such as organic dyes and so on are here to stay. Our manufacturers are adapting to the changes, and BGMEA with a strong new elected leadership in place, is helping the manufacturer to make sure Bangladesh remains as one of the largest players in the global RMG manufacturing. The BGMEA is going to launch a Center of Innovation to facilitate knowledge in the industry, particularly in the area of virtual design and sampling, efficiency enhancement, and innovation. This is going to be the nerve center of Bangladesh RMG for fostering design and proliferation of new technologies. The center will be also focusing on R&D, innovation, training for new design innovation and diversification of product categories, new ways for creating

The BGMEA is going to launch a Center of Innovation to facilitate knowledge in the industry, particularly in the area of virtual design and sampling, efficiency enhancement, and innovation.

sustainable product and new manufacturing technologies for increasing efficiencies. This key initiative by BGMEA will certainly help maintain Bangladesh's leading market share position as well as grow the market share. Fiber diversification is one of the key opportunities for growth lying in front of Bangladesh. Currently manmade fiber-based export from Bangladesh accounts for about 30% but the demand for manmade fiber (MMF) based RMG products are globally rising very fast due to the demand for cross functioning products, jackets and athletic wear. One of the key initiatives and focus of BGMEA is to provide training and policy support for investment in manufacturing MMF based products as well as attracting Foreign Direct Investment (FDI) in establishing backward linkage for producing manmade fiber locally. Although EU allows duty free access of manmade synthetic fabrics-based Garments, but USA has imposed higher duties for MMF based RMG. Currently USA imposes a duty of 27-33% for MMF garments from Bangladesh as opposed to 17% duty for cotton-based product. Given the diplomacy expertise of the current BGMEA President Faruque Hassan, the sector is expecting some apparel diplomacy to reduce the duty of MMF garments to USA. Bangladesh can easily increase its



RMG export by 4-6 billion USD annually simply by increasing the export in this category. Another key learning from COVID is the lack of ethical buying practices by the global buyers. Bangladesh manufacturers faced non-payment and unethical practices from buyers like not honoring raw material liabilities payment, canceling or putting orders on hold without considering the consequences the manufacturers and workers will face. BGMEA is determined to improve the overall buying/purchasing environment and practices. By providing International Credit Rating Service assistance for BGMEA members as well as black listing some of the buyers with previous bad practice will be a good place to start. BGMEA is also strongly getting behind and supporting several global initiatives which are already under way such as STAR Alliance's initiative for better buying called "Manufacturer Payment and delivery Term" as well as a German initiative called "German Partnership for Sustainable Textile". Market diversification is one of the successful areas for us as our market share to non-traditional countries increased from 6.87% in Fiscal Year 2008-09 with the export value \$848.87 million to 17.10% with \$4,780.20 million in FY2019-20. There is a special cash incentive program for exporting to new markets/countries, and BGMEA and Bangladesh manufacturers are keen in

developing and expanding export to non-traditional but high growth market like Australia, Japan, Russia, South Korea, India, Brazil, South Africa, Turkey and others. A large part of the RMG export growth will come from tapping into these potential markets. In a nutshell, although COVID created horrific environment, it's still considered a 'black swan' event as the fundamentals of global economy was very strong before the pandemic. Speedy recovery is expected post COVID and world-renowned analyst firm McKinsey which monitors the apparel industry, once again has given bullish report on Bangladesh's growth and leadership in RMG manufacturing. The RMG industry of Bangladesh should use the experiences acquired from dark days of the pandemic and seize the opportunities to grow the market share by using its leadership position in sustainable and ethical manufacturing along with innovation, product diversifications, FDI to build backward lineage of MMF capabilities. All these must be coupled with policy support for better buying practices and financial/banking restructuring to improve the liquidity situation of the manufacturer. With strong BGMEA leadership and immense resilience of the RMG manufacturers and workers, Bangladesh should be able to reach its RMG export goal of 50 Billion USD not far from today. **A**



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From Tragedy to Triumph

Today, Bangladesh's RMG sector is a frontrunner in transparency regarding factory safety and value-chain responsibility, thanks to initiatives launched in the aftermath of the disasters—including the Accord on Fire and Building Safety in Bangladesh, the Alliance for Bangladesh Worker Safety, and the RMG Sustainability Council.



Some sectors are destroyed by tragedy, either natural or manmade, but some others learn from it, become resilient and thrive. The latter is the case for Bangladesh's multibillion dollar ready-made garments (RMG) industry. Eight years ago, after experiencing decades of rapid growth which resulted in frequent shocks from workplace tragedies, the RMG sector was standing at a crossroads – to perish or flourish. But eight years down the line, the country's RMG industry stands tall and strong. Export earnings from this sector have more than doubled – from approximately USD 15 billion in 2010 to around USD 33 billion in 2019, though exports decreased by USD 6 billion in 2020 due to the pandemic situation, and Bangladesh became the world's second largest

garment exporter after China.

So, how did the Bangladesh RMG sector manage to weather the strong headwind and thrive?

“This comes on the back of the sector's rapid growth and modernization over the past decade—as well as the strides it has made in improving conditions for the country's approximately four million garment workers,” according to a recent McKinsey report titled “What's next for Bangladesh's garment industry, after a decade of growth?”

The report further says, “Today, Bangladesh's RMG sector is a frontrunner in transparency regarding factory safety and value-chain responsibility, thanks to initiatives launched in the aftermath of the disasters—including the Accord on Fire and Building Safety in Bangladesh, the Alliance for Bangladesh Worker Safety, and the RMG Sustainability Council. These measures led to the closure of hundreds of unsafe, bottom-tier factories and the scaling-up of remediation activities in many others.”

Overall, the tragedy has transformed the RMG industry, bringing about a sea change in areas like workplace safety, human rights, labour rights, sustainability, transparency and modernity in the industry. The European Union (EU), the United States (US) and the International Labour Organisation (ILO) have collaborated with the Bangladesh government enormously to protect the rights and upgrade safety of the workers in the garment sector. Two international platforms namely Alliance and Accord, consisting of fashion brands and retailers from North America and Europe respectively, inspected all export-oriented garment factories in Bangladesh, which supply apparel to the brands and buyers. They identified safety hazards regarding fire safety, structural safety and electrical safety, and the factories on an average had to spend half a million dollars to fix those issues. In at least 150 factories safety issues were so serious that production at those factories was suspended following the two groups' recommendation.

The government has also taken some important steps in this regard such as amendment to the Labour Law, strengthening of certain aspects of freedom of association, collective bargaining and occupational health and safety, recruitment and training of new factory inspectors, structural safety assessments and posting of online factory safety information. Establishment of a hotline to report labour concerns and setting up of 300 new trade unions in the RMG sector were remarkable achievements.

Following are the landmark steps forward in the last eight years. Safety: After the safety upgrade through Accord and Alliance, RMG Sustainability Council (RSC) has been formed involving equal numbers of representatives of industry body, brands and unions. RSC has been formed to carry forward the significant accomplishments that have been made on workplace safety in Bangladesh. Besides, workers are more aware than ever thanks to safety awareness campaigns and training.

Safety Committee: Safety Committees have been formed in the factories to monitor safety issues. A Safety Committee is composed of management and worker representatives that assists in creating and maintaining a safe workplace. Establishing Safety Committee has been made mandatory in Bangladesh Labour Law 2013. The Safety Committee supports the OSH/Safety Officer and top management to perform several Occupational Safety and Health (OSH) tasks such as regular monitoring of safety conditions and provision of training.





“This comes on the back of the sector’s rapid growth and modernization over the past decade—as well as the strides it has made in improving conditions for the country’s approximately four million garment workers,”



Amendment to Labour Law: The Labour Law was amended twice in the last eight years making it more favourable towards protecting workers’ rights and ensuring their welfare. Under the amended law workers are free to form trade unions without informing the management. Besides, the implementing rules for the labour law were issued providing directions for formation of a safety committee and creation of a welfare fund for workers.

Workers’ Welfare Fund: A Central Fund for the welfare of the workers has been created by the Government where the RMG sector contributed US\$10 million last year. Maintained by the Labour Ministry, the fund receives 0.03% of the export volume of the industries under BGMEA and BKMEA.

Workers in the apparel sector or their children are entitled to receive Tk3 lakh each from it in case of grave injuries or death at their workplace. Also, in case of any injury or death outside the workplace, a worker or their heirs will get Tk2 lakh from the fund, which was solely created to provide financial support to the families of the workers.

Transparency: All safety updates of the inspected factories are available in publicly accessible website, making Bangladesh to take a lead on transparency.

Sustainability: The factories have not only become safer, but

also Bangladesh has now the highest number of Green garment factories in the world. At present, Bangladesh has a total of 144 LEED (Leadership in Energy and Environmental Design) green factories, certified by the US Green Building Council (USGBC), with the highest of 41 Platinum-rated and 89 Gold-rated units. The country had only one platinum-rated factory in 2012, but now 9 among top 10 ranking LEED certified factories around the world are located in Bangladesh. And 500 more factories have registered for certification.

Besides, more and more factories from Bangladesh are joining the Green Button initiative and signing UNFCCC, according to a Sustainability Report by BGMEA.

Using modern technology: Factories are increasingly opting for modern technologies which are efficient and also energy efficient.

Focus on product diversification: the RMG industry is now more focused on high-end products. While individual factories are working on their own to develop and design high-end products for exports, BGMEA with the support of the Commerce Ministry is setting up the Centre of Innovation, Efficiency and OSH for garment factories to enhance competitiveness of the RMG industry of Bangladesh. The center will contribute to industry’s preparedness to keep pace with the changing demands.

Overall, RMG sector’s workplace safety, labour standards, and environmental sustainability have gone through massive transformation in the last eight years, which has made the country one of the most compliant apparel sourcing destinations in the world. However, as far as workers’ safety is concerned, workplace accidents cannot be eliminated because of human error or inescapability of circumstance. But, thanks to zero tolerance approach to issues like human neglect, infrastructural flaws and violation of safety rules, workplace tragedies have become a thing of the past in Bangladesh apparel industry. **A**

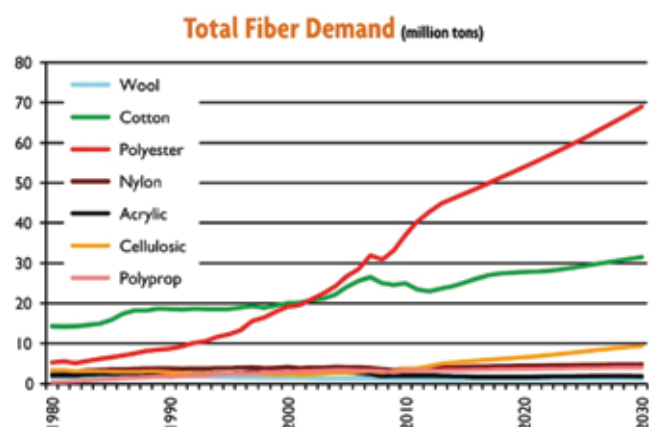
Product and Lifestyle Change

A Contemporary View



In this 20th Century, consumers are very vigilant about their wardrobes. Aligned with the slogan “Going Green”, day by day organic alternatives are becoming more popular among the cognizant netizens. The growing “eco-consciousness” has been playing a vital part in terms of changing fashion trends. In order to keep up with the emergent demand, more brands are putting emphasis on this and manufacturers are also shifting towards sustainable manufacturing. There are many

valid arguments that are being placed in favor of this growing “eco-rennaissance” in the fashion world. Along with the need of updated technology, lacking of awareness, increased individual responsibility; materials used in manufacturing process are being considered as responsible behind the non-organic process that has been followed over the years. In this point of view, even though cotton is easily biodegradable and natural plant fiber, cotton cultivation is considered as one



of the most unsustainable in fashion regime. Being heavily water-intensive, a single cotton t-shirt can take up to 2700 liters of water to be manufactured. Between 1989 and 2014, the Aral Sea almost completely dried up, for which environmentalists held unsustainable cotton production responsible.

Regardless of being one of the most used natural fiber; since the early 2000 cotton is facing a steep decline in global market share. If we look at the history of fiber demand growth over the years, a significant rise will be detected for other Man Made Fiber (MMF) like polyester. In 1980, polyester demand was only 5.2 million tons globally and by 2000, it had reached 19.2 million tons. Between the period of 1980-2014, polyester established continuous dominance with 73.4 percent fiber demand growth out of 55.7 million tons. Going forward, the continued growth is likely to remain same, as per the projection of England based PCI Fibers. The ever growing supremacy of MMF aka synthetic fibers can also be verified from global fiber consumption scenario of the latest 2018.

With 62.50% share, synthetic fiber was the most consumed one in 2018, followed by cotton with 25.30% share. The next in line was wood based cellulosic fiber (6.30%), other natural

fibers (4.80%) and wool (1.10%).

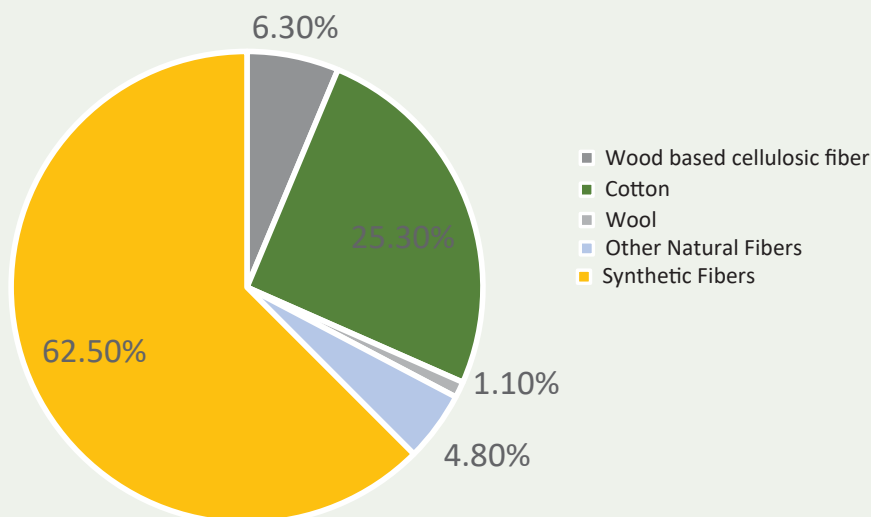
Coupled with the concern for sustainability, lifestyle change is another reason which is propelling the demand of Man Made Fibers. Consumers are now rooting for products which are easy to care, durable and most importantly functional for many occasions. The social stigma of using same clothes for multiple occasions is being faded day by day. Demand for active wear/sportswear is also on the rise because of lifestyle revolution. Devastated by Covid-19, when global trade was shattered by declining growth, active wear appeared as pandemic-proof category with 40% share of all online sales (Source: The NPD, USA).

Unlike cotton made apparels, MMF based sportswear offer various functionality like power to combat germs, odor free, antibacterial, antimicrobial, faster drying capability and last but not the least, the extra comfort and fashionable appearance. Moreover, rather than only being used for athletic purposes, current trends of consumers depict that they prefer gears that can be worn to office and social occasions at the same time. In response to the increased demand and cost competitiveness, manufacturers around the world is focusing shift towards apparels made from MMF.

Global market share ratio of MMF and Cotton has been dominated by MMF since 2011 and cotton has been losing market share since then. Starting in 2011, market share ratio of MMF and Cotton was 70:30, and right now in 2021, the ratio is 73:27 with prevalence of steady growth of MMF.

To keep up with the contemporary trends and demands, manufacturers around the world is focusing towards high end MMF based apparels. Bangladesh's competitor countries like China, Vietnam, Taiwan, Korea etc. are considering MMF manufacturing as a need of the hour. On the other hand, over the 40 years Bangladesh RMG industry's growth has been largely driven by cotton based apparels. In 2017, global trade of MMF based apparel was USD 150 billion, where Bangladesh had 5% share of it

Global Fiber Consumption, 2018



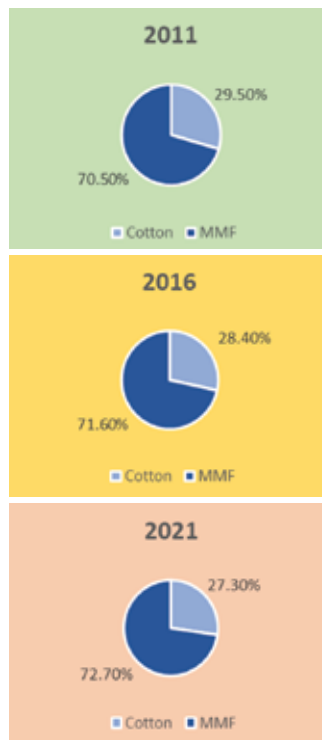
Source: Author's Calculation



whereas Vietnam had 10% share. Out of 2052000 ton fibre import of Bangladesh in 2018, the share of cotton was 93.57%. Only 27 of the 430 spinning mills in Bangladesh are based on synthetic and acrylic fibre, and rest are cotton spinning mills.

In the latest months of FY 2020-21, the share of cotton based low value added and basic commodity items of Bangladesh's total RMG export is 74% whereas non cotton holds only 26% share, despite the increasing popularity of MMF across the world.

One of the main reasons behind Bangladesh's over dependence of cotton based apparel is higher setting up cost of MMF based factories. It requires around \$500 million or more investment for the whole setting up procedure. However, influenced by the higher demand for polyester and viscose-made garment items worldwide, the import of raw materials related to MMF products as well as the



Source: Author's Calculation

investment in this sector is increasing, although in a very sluggish pace. According to the data from the Bangladesh Textile Mills Association (BTMA), local spinners imported 99,345 tons of polyester staple fiber (PSF) in 2020 even during the coronavirus pandemic, which is 3.4 per cent more than the previous year. In 2020, nearly 30 per cent out of \$8 billion investment in the primary textile sector in Bangladesh took place in the MMF segment, which is 20 percent up from three years ago. Foreign Direct Investment or Joint Venture can strengthen this growth to the further edge by enabling the factories with sound technology and shortened lead time. Going forward, sustainability and functionality will be the key to growth in this world of "Fast-fashion". Bangladesh has achieved the status of Middle Income country now, and that demands a dive from labor based economy to a capital based one. Along with govt.'s assistance in terms of policy support i.e. easing the rules of FDI in MMF based textiles, Bangladesh should put more importance on developing its own production capacity for capitalizing the growing demand for MMF based textiles. According to the World Trade Statistics Review (WTSR) 2020, Bangladesh's global share in readymade garment exports is 6.8 percent, which can be increased to 10 percent within just four years, if it taps the potentials of fancy and value-added products made of MMF. ^A

Share of Cotton and Non Cotton of Bangladesh's RMG		
2008-09	69%	31%
2015-16	75%	25%
2017-18	75%	25%
2018-19	74%	26%
2019-20	73%	27%
2020-21 (July-Mar)	74%	26%

Source: EPB

Key Sustainability Standard

HIGG: Demystified



The global business landscape is changing dramatically apart from the economic value of goods its non-economic intrinsic value playing a decisive role. Brands and consumers are increasingly demanding for products made in sustainable manner environmental footprints and complying mandatory social standards. Even financial organization, stock markets are evaluating ESG (Environment, Social and Governance) performances while investing in any project. In this backdrop measuring sustainability and reporting business performance

through the lens of sustainability is significant. To hold competitive position in the global market amidst this change of fashion dynamics, there is no alternative to supply chain sustainability and responsible manufacturing. And the Higg Index is just about the right companion to walk down that path.

The Higg Index is a set of tools for the standardized measurement of value chain sustainability. It was developed in 2012 by the Sustainable Apparel Coalition (SAC), a



As apparel sustainability has become a core global concern now, adopting the Higg Index would be a key strategy for producing sustainable and responsibly made RMG products in Bangladesh. The Higg Index would not only help to identify supply chain sustainability opportunities and risks, but also create leadership in sustainability.

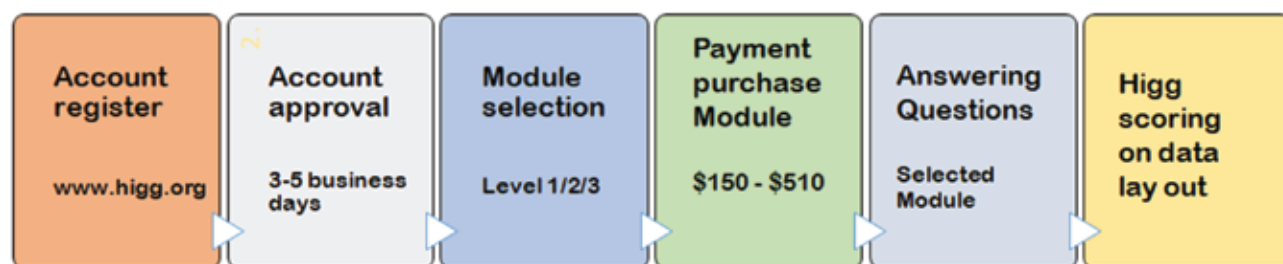


nonprofit organization founded by a group of fashion brands, the US Government's Environmental Protection Agency, and other nonprofit organizations. It comprises of a set of five modules, including the Higg Facility Environmental Module (FEM), Higg Facility Social & Labor Module (FSLM), Higg Brand & Retail Module (BRM), Higg Materials Sustainability Index (MSI), and Higg Product Module (PM), which together measure the social and environmental performance of the value chain and the

environmental impacts of products. Although all modules are significantly important, the Higg FEM is exceptionally vital for Bangladesh's RMG industry as most of its strategic brands are committed to SAC and requires this from its supply chain. It provides factories with a clear picture of their environmental impacts and assists them in identifying and prioritizing opportunities for improved performance. It measures environmental performance against seven parameters such as Environmental Management System (EMS), energy use and greenhouse gas emissions, water use, wastewater, emissions to air, waste management, and chemical management. On the other hand, the Facility Social and Labour Module (FSLM) promotes safe and fair social and labor conditions and helps the factories to identify hotspots and make lasting systematic changes. The Materials Sustainability Index (MSI) and the Product Module (PM) assist to measure the environmental impacts of a product, starting from resource extraction to product finishing, and use these life cycle assessment data (climate change, pollution of water with nitrogen and phosphorus, depletion of fossil-based resources and water scarcity) to make decisions for producing more sustainable apparel. Last but not least, the Brand & Retail Module (BRM) plays a pivotal role in tracking, measuring and sharing the sustainability progress with brands, and consumers.

The concern now comes down to, how one may avail the Higg Index. It is as easy as it can be. At first, we need to register ourselves with a new account on the official Higg website, www.higg.org. Upon completion of account creation, it may take up to 3 to 5 business days for account approval and activation. Once activated, we would have to purchase a package that could range from USD 150 to USD 510, depending on the number of modules included. After successful payment, editing options will appear on our account panel, and we may head straight to starting our desired module by just clicking on it. Later we would have to answer questions on the distinct parameters of the module and based on those answers our Higg Index score would be generated.

The Higg FEM Module has three different performance levels for scoring. Level 1 comprises of questions on compliance and understanding of



Picture: Higg Process flow diagram

sources, systems and benchmark performances. Once Level 1 is completed, we can move to Level 2, which consists of questions on baselines, targets, goals and reduction performances. Upon completion, we can finally get to Level 3, which asks about aspirational and leading practices that have been adopted to achieve sustainable manufacturing. We cannot simply jump to Level 3 without answering questions from the previous levels. Usually, the score is determined by the Level that has been completed. However, in case of factories that do not have Level 1 practices in place but can affirmatively answer the Level 3 questions, would still get a score of Level 3. As apparel sustainability has become a core global concern now, adopting the Higg Index would be a key strategy for producing sustainable and responsibly made RMG products in Bangladesh. The Higg Index would not only help to identify supply chain sustainability opportunities

and risks, but also create leadership in sustainability. Therefore, it is only time befitting to train our forces on the rationale and application of Higg Index, and create a pool of adept work force.

BGMEA has always advocated for transparency and accountability, and encouraged its members to take up sustainable practices in their supply chain. The Higg Index would add a new feather to its sustainability cap and help members meet brand and buyer demands, improve their social and environmental performances and prove Bangladesh RMG industry's competence as a strategic and competitive industry in the global fashion market. **A**

Prokriti Monolina and Sanjida Rahman contributed to make this article.



“The Bangladesh Garments Industry is an Example of How a Problem Can be Turned into an Opportunity.”

Rensje Teerink, Ambassador and Head of Delegation of the European Union to Bangladesh

The European Union is the prime market for Bangladesh’s apparel exports. The EU has long been supporting Bangladesh RMG industry in its journey towards development. In an exclusive interview with the Apparel Story, *Rensje Teerink, Ambassador and Head of Delegation of the European Union to Bangladesh* shares her thoughts on the EU market outlook, the challenges of Bangladesh RMG industry, and its prospects in the EU market.

What is the overall outlook of EU economy after Covid-19 and where is it heading?

No matter how the situation might seem at this moment, EU economy has grown resilient to coronavirus disruptions. Europe has learned to work with the virus. Last year, the outlook of our economy was unpredictable, negative. 2021 is way better; recovery is taking shape in all spheres of the EU economy. We believe that the situation in 2022 will improve even more and that EU GDP will come back to the pre-crisis levels, as assessed by the IMF and the European Central Bank. Europe is looking forward to a full recovery that is fairer, greener, smarter, and more resilient.

In your opinion, what is the scenario of the retail market in EU and how long it may take to stabilize the market?

The EU retail landscape is adapting to the chaos of COVID-19. Brands, suppliers and their customers are trying to keep pace with evolving technology, business models and consumer behaviours. We see that recent trends in Bangladeshi garments exports to the EU market are quite positive and promising. Hopefully, retail outlooks will further stabilise as vaccinations are helping to build back consumer confidence in the EU. Industrial production has returned to pre-pandemic levels. But for obvious reasons, recovery in the services sector is still slow. That is why the EU is pulling all energy together to vaccinate, which is the best economic policy at this time. The real game changer for the EU retail industry is yet to come, which is the Next Generation EU recovery plan. The EU has broken new ground with the creation of a massive €750 billion fiscal spending plan, over the course of next 6 years until 2026. These funds will be deployed to transform the EU economy, through infrastructure investments in green and digital technologies. This will give the EU the necessary firepower to kick-start the economy.

Thanks for the grant assistance for the workers EU has extended, how do you see the EU can stand beside Bangladesh to overcome the challenges?

In the first wave, the EU together with Germany came up with an assistance of 113 million euros - 93 million from the EU and 20 million from Germany - in order to establish a social protection scheme for the unemployed and distressed workers in the RMG, leather goods and footwear industries. The first payment of 80 million euro to the Government of Bangladesh was made in December 2020 and a further 33 million is in the pipeline. These measures are very important to mitigate income losses, but also to boost the resilience of the national social protection system. It is part of a longer-term effort to establish a sustainable social protection mechanism for workers. The ultimate goal is to help Bangladesh

with the establishment of a social security system, which will also be important if the country is to achieve the SDGs and its graduation goals.

Due to Covid-19, suppliers in garment-producing countries have been faced order cancellations, extended payment terms that affect adversely in the livelihoods of millions of garment workers in their supply chains. What kind of support can be expected from EU to make trade more secure so that workers don't become vulnerable?

We have seen some glitches in global supply chains where Bangladesh has suffered along with many other countries. EU lawmakers and the European Commission have looked at the whole question of mandatory due diligence legislation. A common European set of rules on mandatory supply chain due diligence is now on track to be tabled by the European Commission. Once in force, this law will hold companies liable for harm done to human rights and the environment in their supply chains.

In terms of environmental sustainability and green industry, 39 out of top 100 LEED projects of industrial category belong to Bangladesh. How would you assess the improvements Bangladesh RMG's has made in the area of workplace safety and sustainability? What would be your message to the European brands and retailers to source from Bangladesh?

The Bangladesh garments industry is an example of how a problem can be turned into an opportunity. The garment sector has come a long way since the Rana plaza tragedy - not least thanks to the Sustainability Compact which was launched soon after the tragedy in 2013 by the EU, together with Bangladesh, US, Canada and ILO, and to the investments by brands and suppliers under the Accord and Alliance. This achievement needs to be sustained. In our dialogue with EU brands and retailers we always insist on the need to build long-term partnerships in

The EU retail landscape is adapting to the chaos of COVID-19. Brands, suppliers and their customers are trying to keep pace with evolving technology, business models and consumer behaviours. We see that recent trends in Bangladeshi garments exports to the EU market are quite positive and promising.

The EU and its Member States have launched a Team Europe Initiative on Green Energy Transition (TEI GET) for Bangladesh, co-chaired with Germany. Through Team Europe, we aim to support Bangladesh to build a power system that leads to a maximum coverage of the country's energy demands through renewable energy, while reducing GHG emissions and energy consumption through enhanced energy efficiency.

Bangladesh and continue to focus on sustainable sourcing.

In this context it is worth mentioning the EU–Bangladesh business climate dialogue, one of our major bilateral instruments involving EU private sector representatives and brands. We have recently created a subgroup on “green business practices” to discuss the climate and environmental goals embraced by major European businesses and brands, and how Bangladeshi export industries could adapt to that to remain competitive.

In addition, the EU and its Member States have launched a Team Europe Initiative on Green Energy Transition (TEI GET) for Bangladesh, co-chaired with Germany. Through Team Europe, we aim to support Bangladesh to build a power system that leads to a maximum coverage of the country's energy demands through renewable energy, while reducing GHG emissions and energy consumption through enhanced energy efficiency. One of TEI GET pillars also includes an improvement of demand-driven energy efficiency in commercial and industrial consumption. This should contribute towards Bangladesh's RMG sector's competitiveness.

What is your opinion on the need of responsible buying practices and resilient supply-chain management in terms of trade?

Supply chains show how interdependent we are in this

globalised world. The essence of this relationship is trust and commitment to economic development through increased international trade. Companies should manage their supply chains in ways that uphold this commitment and support the objectives of the United Nations 2030 Agenda and Sustainable Development Goals (SDGs).

EU is Bangladesh's Biggest Trade partner, what is your thinking on the ways to continue receiving duty free market access in the post-LDC era?

Bangladesh needs to respect the human rights and ILO conventions. Market access in the EU in the future will require improvements of not only human rights and labour rights, but also environmental rights. It is important that Bangladesh makes progress on labour rights. We are engaging with the GOB on a National Action Plan on labour rights. This process is about ensuring that Bangladesh meets the conditions for receiving the current unilateral trade preferences in the EU. Those conditions are mainly the principles and international standards laid out in different ILO labour rights Conventions, to which Bangladesh is a signatory. The purpose is to address the shortcomings identified by the ILO supervisory bodies in both law and practice. This should pave the way for guaranteeing Bangladesh's future access to EU markets and thereby improve the lives of millions of workers and create a strong foundation for further growth and sustainable development.

Please tell us about your thoughts on Bangladesh being a destination for European FDI, especially in the area of high end apparel and non-cotton textiles, and design center which will upscale the capacity of the country and make it more sustainable?

Bangladesh has a lot of investment potential, which remains largely untapped. We would like to support Bangladesh in many ways, including by encouraging our companies to step up investments. However, we think Bangladesh still needs to do some homework in order to improve its ease of doing business. We are already engaged with the government in the EU–BGD business climate dialogue in order to tackle impediments that prevent EU companies from investing in Bangladesh. I hope this dialogue will contribute to an improved overall business climate in the country.

Anything else you would like to add?

I was happy to have met with the new President of BGMEA, Mr Faruque Hassan. The EU has always had a very cordial relationship with the BGMEA leadership and I am confident that this will continue during his mandate. I warmly congratulate Mr Hassan with his tenure and I wish him all the best in the years ahead. Let me also thank his predecessor, Mrs Rubana Huq, with whom I also had the privilege of working closely and who has done a superb job during these very challenging times.

Thank you for the opportunity to express my views. 

The Other Side of Pandemic



The outbreak of Covid-19 virus is not only causing havoc across the globe, but the pandemic is also changing the habits of human beings which is causing a number of impacts on the global business pattern.

Lock-down, travel restrictions, work-from-home, quarantine are some of the keywords which were profound in our everyday vocabulary and like many other factors these words have changed many of our habits and outfits.

Bangladesh, a major ready-made garment exporting

country is facing an adverse effect of the changes in people's everyday life due to the pandemic situation as sales of clothes take a decline during this period. Century-old retail brand JC Penny filed for bankruptcy, retail shops in the UK has seen worst sales drop in 25 years which affected the companies in Bangladesh manufacturing products for these retailers as they canceled their order in the middle of production.

The collapse of Rana Plaza caused a great disaster and claimed many lives, many compliance watch-dog



The main obstacle to set up some kind of alliance is the nature of a market where too many suppliers fighting over too little business placing downward pressure on prices and the market mechanism is favoring the buyers.

agencies were formed to ensure ethical sourcing but during this pandemic, there is no such body to stand by the manufacturers who demand “ethical buying” practice. It is the manufacturer who takes the risk to complete an order and invest time, money, labor and the organization has to fulfill the order in due time. But a sudden e-mail carrying the cancellation order could damage all the efforts by the manufacturer and put him at great risk.

In a competitive market, the manufacturers are working in a very narrow margin of profits and such cancellation of order could bring them down. Industry insiders, who are in the business for a long period often say that the pandemic has put a mask on our face but showed the real face of some, “In good times, buyers are very cordial and they often say we are one big family and we are in the same boat. But on the rainy days, they will not feel the same”, said an RMG unit owner.

To cut short the bureaucratic process, most of the manufacturing units now work with the buyers in Open Account system which is only the work order from a particular company or entity. There is no letter of credit, no collateral or no clause involved.

This grants some of the buyers the indemnity to cancel the order only a few days before the scheduled shipment date which causes great loss for the manufacturer.

Following the impacts of the pandemic on the global markets, brands and retailers canceled and postponed upward of \$3 billion dollars’ worth of goods in Bangladesh,

causing a chaotic effect for the workers who won’t get paid if their factories don’t because orders aren’t being shipped. And the financial liability of the suppliers extended even beyond the value of canceled orders.

Brands and retailers were also impacted by the pandemic situation as stores across the globe closed down due to lockdown. However, the reality of the suppliers and millions of workers are different. Many brands in the west were looked after by their governments and given access to bailout packages announced by their government. While many brands were calculating their loss of profits, the millions of workers and their families were worried over the loss of their livelihoods, living in a state of sheer uncertainty. The vulnerabilities in the industry, especially contracts between suppliers and buyers exposed by the pandemic require attention and action to address it. The pandemic might be the wake-up call our industry needs to address purchasing practices. This is high time that the industry should sign up to a binding agreement on this issue to ensure a win-win situation for suppliers, buyers and workers.

The main obstacle to set up some kind of alliance is the nature of a market where too many suppliers fighting over too little business placing downward pressure on prices and the market mechanism is favoring the buyers. But there are some rays of hope as well. The main trade bodies of leading textile hubs have established the Manufacturers Payment and Delivery Terms Initiative.



This initiative has been started by the STAR Network—which is supported by GIZ FABRIC—and by the International Apparel Federation (IAF). The German Partnership for Sustainable Textiles has announced that in 2021 its annual topic will be purchasing practices. According to media reports, this industry body acknowledged that responsible purchasing practices enable suppliers to plan their production and working hours effectively, and to pay workers fairly. At the same time, they enable suppliers to invest in improving working conditions. Ethics must be supported by the law to make things functional. To solve problems related to unethical purchases, forming a multi-party charter could be a solution. The charter would have an independent regulator and include signatories from across the board in the industry—brands, suppliers, industry bodies, and unions. It would need to be global so that no one garment sourcing hub is placed at a competitive disadvantage or otherwise. Miran Ali is the representative of Bangladesh in an alliance called Star Network, which was formed in 2016 as a knowledge-sharing platform. Originated as an information-sharing network among the bodies like BGMEA, BKMEA, and their equivalent trade organizations in countries like Pakistan, Myanmar, Vietnam, China, and Cambodia; the STAR NETWORK

is now moving towards becoming an alliance that will ensure better purchase practice. Global bodies like Organization for Economic Co-Operation and Development (OECD), International Apparel Federation (IAF) are patronizing the STAR NETWORK and GIZ is funding the project. Miran told the Apparel Story about how STAR NETWORK can become something more than a business network “Just before the covid-19 pandemic started, I was having a conversation with MATTHIJS CRIETEE, the Secretary General of the IAF. There we shared the idea of making the STAR Network something more than just a business alliance. Then GIZ funded the project and we started developing a purchasing practice guideline. Later on, the initiative was joined by Turkey, Indonesia, and Morocco. These nine countries produce almost 70% of the entire RMG production of the world. From the members from these nine countries and buyers on board, we are trying to develop purchasing practices guidelines that the member nations will distribute among their own members, said Miran Ali. The STAR NETWORK is yet to get its full and final form but the works are being done to create purchase guidelines to ensure ethical buying and hopefully, this will minimize the number of sudden cancelations in near future. **A**

‘In Terms of Product Quality Bangladesh is Capable of Manufacturing Products to Meet AQL’



Shawn De Silva is the Head of Technology at Marks and Spencer (M&S) in Bangladesh. In an exclusive interview with the Apparel Story, he talked about the changes in apparel business trends and dynamics, especially in terms of design, innovation and technological upgrade, and how Bangladesh could prepare in the changing landscape to retain its competitiveness.

The global pandemic has completely changed the landscape of Clothing Retail sector and thereby the RMG manufacturing sector catering the retail sector. How prepare is Bangladesh RMG sector in your option to adapt to these changes (Small Order, Fast Fashion, Faster Lead time, Manufacturer Design and Innovations)?

The RMG sector is one of the least effected industries in Bangladesh due to the pandemic, despite of the initial a few weeks closure, the owners of manufacturing facilities took quick action to control the situation, such as set up temperature checks, wash hands and provide masks, some of the facilities went to the extent of re-organizing the line lay out and provide dividers between workers, these precautions stopped the spreading of the virus.

Bangladesh quickly adopted the digital approval process (virtual approval) and started investing on 3D -CAD, though the learning process is taking time to adopt the 3D -CAD, the owners haven't lost the interest continue to stride their efforts and making investments.

Smaller orders are not an issue provided a healthy mix of small and big buys; a lot of factories are vertical. But the shipping lead would be always a challenge due to the nonavailability of deep seaport. Leadtime is becoming the most important factors to all retailers and hence a deep sea port is extremely important for growing exporting powerhouse like Bangladesh.

In my opinion Bangladesh had done well compared to most of the counties in South Asia and as well as Southeast Asia.

How you rate Bangladesh's product quality and delivery compared to the competing countries like China and Vietnam? In your option, what are the key changes the factories should make in terms of elevating the quality?

In terms of product quality Bangladesh is capable of manufacturing products to meet AQL (acceptable quality level) of 01 and 2.5, and the customer returns are below 0.5%, in my opinion Bangladesh is on par with China and Vietnam. The brand image of the country as RMG manufacturer have moved up.

Order follow up and Deliveries are generally good, but the shipping lead time is the biggest inhibitor for Bangladesh which I have mentioned earlier.

In order to elevate quality standards, Bangladesh should focus on the following aspects,

- Proper calculation of the SMV and setting the realistic production targets.
- Focus on getting the product right first time which is extremely important.
- At least 90- 95% of output meets the standard at the moment but need to increase the goal to 98% to 100%.
- Use work aids and templates maintain shapes.
- Maintain a good balance of skill inventory based on the product.

Global trade environment and policies of some

key nations are also creating some unique opportunity for Bangladesh RMG sector. What is your suggestion in this regard for Bangladesh to take advantage of this favorable environment? As quality and product engineered with quality is extremely important to capture market opportunities, what are your recommendation for the Bangladesh manufacturers?

In my opinion the answer is very simple and straight forward. Bangladesh should focus on more automation and leaner processes, as compared to 10 years back now Bangladesh can produce a sock to a fully tailored suit, leaner processes and automation shall increase production efficiency and right first-time quality, this doesn't mean reduce the number of workers, but the increase the production capacity. The higher percentage of correctly produced goods will reduce the rework cost and increase Cut to ship percentage which results in higher bottom line.

Over last decade, Bangladesh RMG industry has made tremendous progress in terms of sustainability, worker's empowerment and wellbeing, social health and safety and areas of

excellence in business? Do you think that Industry keep pace in the area of quality? If not, how the industry can excel in the area of Quality Management and Process Control?

I do not think the RMG had kept same pace with quality management and process control compare to social health and safety, reason being the cost of quality is still

too high in Bangladesh. If a manufacturer would like to increase this profit margin, they need to keep their cost of quality as low as possible. Each time a product goes back in the line for repair, it's a cost, each time a product needs re-work at the finishing, it's a cost, each time a product needs re-process/re-work at the distribution Centre. It's a cost to the manufacturer and agony to retailers. So, my suggestion is to focus on right first time both at the needle point and as well as the end line check. It is important the RMG sector focus on robust quality management systems and Process control.

The global apparel market is seeing a growth trend in performance and synthetic man-made fiber-based products. Bangladesh's percentage of export for the man-made fiber-based product is still very low? How Bangladesh RMG sector should prepare itself to diversify and increase their export in this category? What are some the technical challenges in

Bangladesh should focus on more automation and leaner processes, as compared to 10 years back now Bangladesh can produce a sock to a fully tailored suit

manufacturing that Bangladesh should prepare for? Please give your suggestions.

I have seen a significant interest in making active and sportswear in Bangladesh, but the expertise is lacking, inappropriate machinery being used, inappropriate sewing techniques being used, there is a lot of expertise in surrounding regions can support Bangladesh. There are major manufacturers who can bring expertise in to the country and Bangladesh has enough work force, just need the technical know-how and the training to up skill the workers. The man-made fiber based exports are increasing from Bangladesh but still remain a huge opportunity for growth.

Bangladesh's export in Women's Apparels and High fashion are still limited and have huge potential for growth. How Bangladesh manufacturing facilities can prepare themselves in the high fashion apparels? What are the key items the factories should focus to be successful in manufacturing Women's Apparels and High Fashion Category?

Bangladesh is already making women's wear and high fashion products, but the aim for the AQL (acceptable quality level) is between 01 and 2.5 at the moment. If Bangladesh wants to make high quality and zero defect, the quality culture and the environment need to change, meaning the high fashion and zero-defect products cannot be produced when you make AQL 01 & 2.5, and should focus on high fashion finishing equivalents too, such as lateral press, shoulder press and collar processes. The rework is almost impossible on high fashion women's Garments and hence pre-production activities have to done very meticulously and precisely.

How you rate Bangladesh factories in maintaining Standard Operation Processes (SOPs) in a sustainable and consistent way? What are some of your suggestions for improvement?

Only a few percent of manufacturers are focusing on maintaining SOP's in their shop floor, compliance to SOP's should be regularly monitored. Each supplier should have a team or a person to monitor the compliance, in the longer run cost of quality shall come down drastically compare to the head count cost of the compliance person for making sure SOPs are strictly maintained.

In a digitized global world where travels and face to face interactions are being limited due to the pandemic, the 3D design technology/systems are gaining momentum. Software based 3D design tools like Optitex and others are becoming very important for design, sample and fit approvals. This is also cutting the lead time for reviewing samples? What is your guidance for RMG industry regarding this?

This is a very good topic I always wanted to talk, I agree the initial cost of a 3D-CAD system is significant in the shorter term, but in the longer term it is not as the payback is huge.


I love Bangladesh and its people. For me it's the best county to work with. Particularly I love people aspect and their spirit and people are hardworking and humble. While I have made progress in my career, I have learned a lot from Bangladesh as well as I have tried to give back as much as I could.

To turn around a 3D-CAD it takes between 3-4 hours, but to turnaround a physical sample it takes between 05 days to 14 days, and there is a cost for it, not always a physical development sample shall turn in to an order. So the speed and agility that a 3D design tool brings is priceless. Over the years Digital platforms have so much evolved and now you can expect a virtual walk of the 3D-CAD, 3D samples are close to physical samples. In my opinion all the initial samples should be 3D and once we have agreed the colors and the silhouettes a physical sample can be made. This will reduce cost and increase speed and agility.

There is a price for maintaining Quality and SOPs. Sometimes the buyers are not willing to pay for the Quality but demand them. How Bangladesh Manufacturer can still make high quality products and still maintain competitive prices? Can good Industrial Engineering practices help?

I think have covered the cost of quality part on the question 04, yes more of automation and robust process control can bring the cost of quality down, and right first time should be the approach,

Given your vast experiences in Garment's manufacturing and process/quality Control, we are honored to have your interview in Apparel Story. Please feel free to make any general or inspirational comments that you may have.

I have been visiting Bangladesh since 2001, compare 20 years back Bangladesh had made real good progress. Since 2009, I am based out of Bangladesh, I love Bangladesh and its people. For me it's the best county to work with. Particularly I love people aspect and their spirit and people are hardworking and humble. While I have made progress in my career, I have learned a lot from Bangladesh as well as I have tried to give back as much as I could. Bangladesh has got a lot of good textile schools, and the student coming out of them are hardworking, energetic and brilliant. But Bangladesh has an opportunity to come up with one or two good industrial engineering and technical schools/universities specialized for the vast RMG sector of the country. 

Unleashing Heritage



The Finest Fabric of Bengal

The amusing history of Indian Subcontinent's drapery heritage dates back all the way to 1st Century AD. Over the years, the people of Bengal has embedded and expressed their passion and emotion through its heritage and culture. During 16th and 17th century, one of the finest fabric of Bengal, Muslin was sought after by royalty across the globe and international trade of Muslin generated massive amount of revenue. Famous Chinese traveler Yuan Chwang, being mesmerized, commented about Muslin while he was visiting Indian subcontinent in 629—645 CT, "The cloth is like the light vapors of dawn". Muslin is now documented as a Geographical Indication (GI) product of Bangladesh, sharing the stage with Jamdani. It was handwoven from uncommonly delicate handspun yarn in villages Jangalbaree, Shonagragon, Teetbari, Dhamrai, Bajitpur area near Dhaka, Bangladesh. Later, one of the finest varieties of Muslin and the most artistic creation of Bangladeshi weavers flourished as Dhakai Jamdani/ Dhakai industry. Woven on the barcode loom, the ultra-fine fabric of original Jamdani comes in light texture as smooth as a feather. The traditional art of weaving Jamdani was declared a UNESCO Intangible Cultural Heritage of Humanity in 2013. Considered as one of the most labor intensive and time consuming form of weaving, the humid weather of Shitalakkya river has played a significant role behind Narayanganj, Dhaka to become the hub of Bangladeshi Jamdani. Excellent craftsmanship of brilliant artisans has also thrived other handloom sharees like Bangladeshi Taant, Khadi, Motka, Muga, Tassar, Manipuri etc which has developed an iconic image of Bangladeshi culture and tradition across the globe. ^A

*Modern Day Muslin
Collection by Rina Latif, A
famous Bangladeshi
Designer*



Tribal Khadi Weaving (Khadi is a hand woven natural fibre cloth)



Jamdani in Western Fashion



Traditional jamdani Weaving



The Legend of the Loom Muslin in Modern Wear (Credit Drik Bengal Muslin)



A typical Bangladeshi girl wear inspired by local tradition



Traditional jamdani



Traditional jamdani Weaving



First Empress of the French and the first wife of Napoleon Bonaparte wearing Muslin

Garment Workers in Bangladesh

*Who are they?
How do they live?*

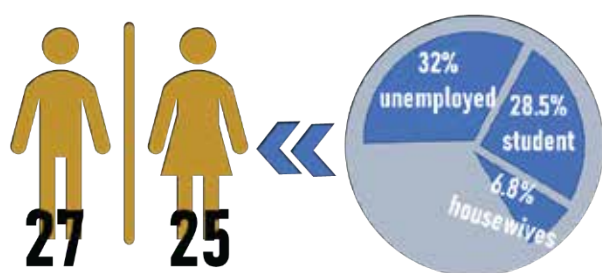


Dr. A.K. Enamul Haque
Professor of Economics, East West University
and Executive Director, Asian Center for Development

Ready Made Garments industry in Bangladesh is a pride for Bangladesh. It contributes to nearly 84% of the export earnings of Bangladesh. However, one of the main contributions of this industry is that it has brought the rural Bangladeshi women into the workforce. Most of them, had no chance of coming out of their home and participate in the work force. In an agricultural economy, where agriculture was powered by bulls for ploughing, women could not take part in the mainstream agricultural activities except for some post-harvest processing and in small-scale homestead gardening activities. In the 80s, rural women in were mainly working in their backyards under a strict purdah or they were mainly working as housemaids.

It was the garment industry that pulled them out of these informal activities and brought them into the mainstream labor force. As such, it has completely changed the labor market. According to the ILO statistics, in India nearly 20.7% of the women joined the labor force, it is 21.7% in Pakistan, and 36.4% in Bangladesh. This shows a startling difference between Bangladesh with India and Pakistan. For this amazing success, readymade garment industry in Bangladesh is definitely a major player. However, how are the workers in this sector doing in terms of their pay, living standard and also access to basic human rights? This is a question, that must have been hovering around the minds of many in Bangladesh and across the world. Often, in absence of a clear statistics, the industry is haunted by micro-events which does not reflect the overall state of workers. It is precisely, for this reason, the Asian Center for Development initiated a survey on the Garment workers in 2015 and followed up in 2020. The objectives were to understand the status of workers using various indicators in the industry. In this article, I summarize a few of the major findings on the workers in the garment sector in Bangladesh.

The survey finds that the average age of workers in the RMG industry is about 27 for male and 25 for female. For 65% of the workers, their spouse are also employed in the RMG



industry. Thereby, the sector provides jobs and income for two persons in the same family for 65% if their workers. This tells us that the industry, is supporting nearly 2.7 million families with income for two persons, for about 1.5 million families with income for one bread earner. If you want to know from where these workers have come to join the industry? The answer is pretty amazing. About 32% of the workers were unemployed prior to joining the sector. Another 29% were students before joining the sector and

about 7% were stay-at-home spouses. This means, for 68% of the workers began their first job in this sector – meaning it is the RMG sector that gave them a formal job for the first time – a hope for a new life.

Nearly 82% of the factories are direct exporters of their products. As such, unlike others, the industry has many watchdogs. They include, the buyers, the government regulators, trade unions from both at home and abroad as well as international organizations like ILO. Their stakes in this industry made the RMG sector a highly regulated sector compared to other manufacturing sectors in Bangladesh. Consequently, the survey considered various aspects of the workers' life to understand the implications of such a regulatory regime on the income, expenditure and living standards of the workers. The survey reveals an interesting set of results.

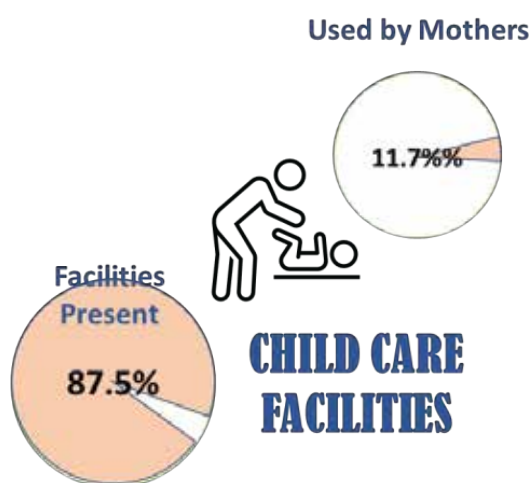
Between 2015 and 2020, income of the workers inside the garment industry increased by nearly 10% per year while their average family income rose by 9.1%. Let us not forget, nearly 65% of them are totally dependent on this sector for their family income. This income rise is above the average rate of inflation in Bangladesh between these period implying that workers in the RMG sector were able to increase their standard of living more than that of many other industrial sectors in Bangladesh. This is reflected in the analysis of family expenditures. The survey shows that between 2015 and 2020, food and housing expenditure of the workers did not grow much, it was only 4% and 2% respectively but their expenses other on many non-food items increased significantly.

If you are wondering about where they are spending more, the most interesting part is education of their children. It increased by 12% per annum – a clear sign of increasing affluence in their living standard. With higher income from the RMG sector, workers probably understood the value of education – many of them left their education early to support their families. They are now investing more on the education of their children. This is a net social gain resulting from the increased earnings from the RMG sector. At the same time, average family expenditure on purchase of cosmetics increased by 12% per annum. This is also a reflection on their higher standard of living beyond food. For many of the female workers, it is an important item in their daily expenditure that improves their dignity at work. It is a reflection of an inner strength and attitude and improvement in their self-esteem. This is a major contribution of the RMG sector which enabled the female workers to be confident at their work place. Mind it that many of these workers probably could not afford to use cosmetics at such as scale before joining the sector. Health and recreation were a few of the other expenditure items which got momentum in the monthly family expenditure. The days that women were shy to go out to a park, or for shopping, or to watch a movie, or to participate in a festival are gone. They began spending on this, an indication of enjoying family life together with their spouse and friends outside the workplace. The most interesting expenditure item in their family is their expenditure for using internet. Nearly 40% of all workers now use mobile data and they do it

for three reasons: first, they use IMO and Facebook Messengers to talk to family members and then nearly 32% of them watch videos on Youtube and nearly 87% of them buy monthly internet packages on their mobile. These illustrate a major shift in their living standard, and it is an indicator that workers in the sector have been able to improve their standard of living beyond their basic needs.

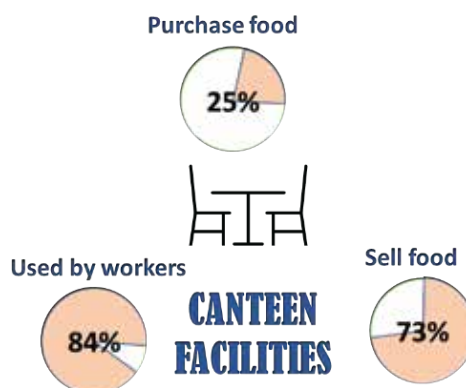
In terms of food habit, more than 60% of the workers are now taking food made of wheat. As such, these workers were able to diversify their carbohydrate source – an indicator of switching out of only rice based carbohydrate in their food. However, more importantly, nearly 67% of the workers had fish in their daily meal, 25% had eggs, 22% had chicken, 11% had beef, and 74% had vegetables in their average daily meals – implying that more than two of these items are in their daily food intake. Fruits – a luxury item – are also in their daily meals for nearly 38% of families and milk for 27% of the families. All these indicate that workers were able to increase their food diversity and are able to move towards a more balanced diet that includes more protein.

Nearly 85% of the workers walk from home to their workplace and it takes about 20 minutes or so. This implies that workers live within 1 to 2 kms from their factory locations. This has implications for the factory management. Nearly 88% of the factories maintained baby-care facilities in their premises but only 11% of the mothers use it. This means that the expenditure to maintain the day-care facilities at the

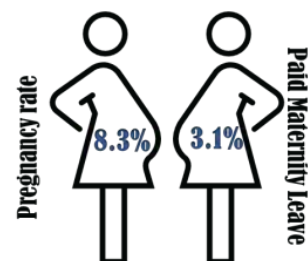


factory premise remains under-used. The reason is also clear. Young mothers, who walk to their factories, are unlikely to carry their children (infants and toddlers) from home for a distance of 1-2 kilometers. As such, despite the fact that a day-care facility is available for them, they do not use it. These facilities were largely pushed as a compliance item from foreign buyers. While the intent is great, the strategy seems to be less useful. It is important to understand the socio-economic realities of Bangladesh. The survey concludes that if such facilities are managed near their residences, it would have been very useful for the workers. Mothers could leave their child behind in these facilities and walked to the factories. Since workers live in clusters, the day-care facilities could have been managed jointly by a

cluster of factories located nearby and the facilities could be placed near their residences. This will be both effective and less costly for the owners. Association like BGMEA can also develop strategies to build such facilities near the cluster of factories and it will help building a better relationship between workers and the owners and will reduce conflicts. The Survey also revealed that nearly 84% of the workers use their canteens on a regular basis. It is a place where they seat together, gossip, and also discuss issues related to work and socialize themselves. However, only 25% of the workers buy food from the canteens. This is despite the fact that nearly 73% of the canteens sell food. This shows that the design of



the canteen needs to be revisited with a target to facilitate small group discussions where they can bring food from home and eat – a real place for socialization. The canteens are like open spaces for them to seat during the breaks rather than a restaurant where they eat their own food. Majority of these canteens are not expected to sell food to workers. Finally, nearly 8.3% of the female workers are found to have delivered a child in the past 12 months. The RMG being a majority female worker based industry, it is an important part of life for workers who are young and began their family life recently. This means nearly 8.3% of the female workers will need paid maternity leave. However, the current rules and regulations does not allow all workers to get paid leave. There is a minimum period of work in a factory for them to be eligible for paid maternity leave. The survey shows that only 3.1% of the workers get paid maternity leave for nearly 3 months. The rest - 5.3% of the female workers – remains uncovered due to this rule. While these uncovered workers did not fulfill the requirements at the factory where they are now working, they, most likely, were working in a nearby factory prior to this job. In other words, they have switched to this new factory. As such, BGMEA should give some thoughts on developing strategies to cover all workers under a group maternity insurance scheme. This, they can negotiate with the insurance companies in Bangladesh and it will be more kind approach to their workers. I expect BGMEA to lead this strategy for their workers. **A**



Beacon of Hope and a Life Changing Story



With eyes full of hope and wonder a young enthusiastic woman entered the Industry. She is different, confident and bold, supervises a line of 70 workers. Her name is Mst. Amena Akter a 21-year-old woman, working in the industry for several years. Starting her career as a helper, she has come a long way and becomes the line supervisor of sampling section.

Being the 4th child among 6 siblings it was really challenging for Amena to continue the study. Due to poverty, her parents denied to bear the expenses of her education, but she was determined to study further. After her secondary certificate exam financial crisis led her to look for earnings and support the family. With the help of one of her aunts she

came all the way from a small village Debiganj in Panchagarh to Dhaka and joined a factory based in Gazipur. Alongside working as a helper, she managed to continue her study and successfully completed the higher secondary education. The turning point of her career flourished through the enrollment of a program named “GEAR: Gender Equality and Returns” supported by International Labour →



→ Organization (ILO) and International Finance corporation (IFC) at BRAC CDM center, Rajendrapur. Mst. Amena Akter was selected as a participant and successfully completed the 10 days training program. Before being appointed as supervisor, she has also accomplished the requirements of being selected as supervisor. She has worked for six months as a trainee supervisor.

To increase the women participation in the supervisory role ILO and IFC initiated the pilot project titled “GEAR-Gender Equality and Returns”. Through this project the women workers in the RMG factories are improving their confidence, leadership and communication skills. Thereby making female worker’s contribution in Production line-level activities and along with that, also promoting gender balances at management level.

This training offers the selected female workers to attend a 10-day program which includes 4 day soft skill training and 6 day technical skill development training to make them confident and capable for the line supervisor position. The selected trainee must be a Secondary School Certificate holder who already has the primary knowledge of sewing machine operation.

Besides providing trainings to the female workers, this project also taught and trained the managers on the techniques of recruitment as how to select, promote and support female workers.

As a successful supervisor, Amena dreams to go further through hard work and dedication. She feels financially

independent and wants the other women of her surroundings to become economically independent. She bears all the expenses of her younger sister and one of her nephew’s education.

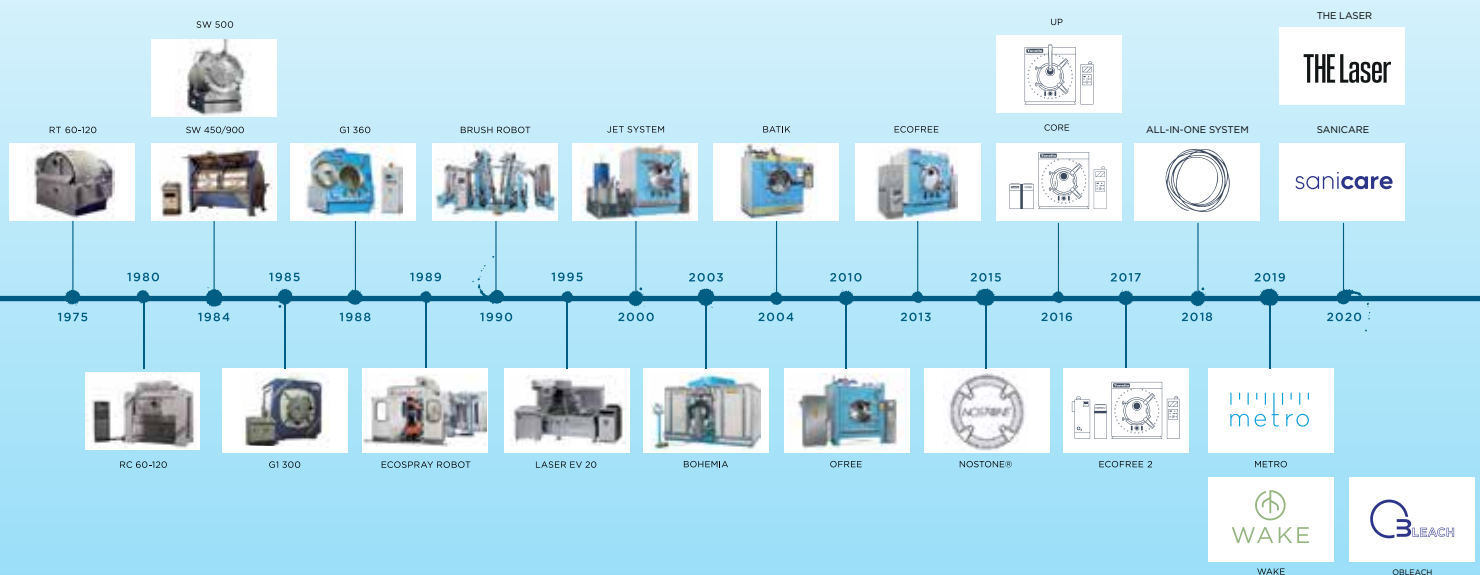
“Among my friends, I am financially in a better condition and my family values my opinion in different matters. And I am really thankful to the factory management to select me as a participant of “GEAR” project. This skill development training enhanced my leadership skill, I have received training on Swing operation, the process of check on the samples and provide inputs according to the requirements throughout the production. As part of self-control mechanism there was a psychiatric who trained us to handle critical situations without getting angry. I have enjoyed and learned a lot from this training.”

The Covid-19 created an unrepresented situation in the whole industry. Amena’s factory reopened and started the production activities by strictly maintaining the health protocols. The workers also received their payments on time. “The factory management is very supportive, even in the time of lockdown I have received my full salary and still now getting full payments of my work, same goes for my line workers as well.”

One needs to dream big and act accordingly within their capability to make it a reality. Like Amena Akter in this RMG sector many more young, educated female employees are receiving different kinds of trainings to flourish their capabilities. **A**

THANK YOU FOR THESE INSPIRING 40 YEARS TOGETHER

*-SINCE 1981-
(AND EVEN BEFORE)*



An important anniversary that celebrates continuous evolution, innovation,
but also responsibility and people. And among people, there are **you**:
a fundamental player for our growth and enrichment
in know-how and experience.

Thank you for believing in our capabilities and in our responsible technologies,
and for continuing to choose us. **Since 1981 and beyond!**

Photo Story





Balance Between Lives and Livelihoods

Discovering a balance between protecting lives and opening up the economy to sustain livelihood is crucial. COVID taught this labor-intensive manufacturing sector how to keep balancing between lives and livelihoods. From the beginning of the pandemic, a comprehensive COVID-19 mitigation effort and the precautionary protocols and barriers are underway at the RMG factories to keep the workforce safe. Based on the guidance of World Health Organization (WHO), Ministry of Health and International Labor Organization (ILO), a safety protocol set by BGMEA, includes face coverings, temperature checks, social distancing, and enhanced sanitation and hygiene measures. Employers encourage workers to avoid crowded places, wash hands and maintain social distance inside and outside of the factories to prevent exposure, infection, and spreading. As a result of all these efforts, the industry has been able to contain the infection rate at 0.03%. ^A









The BGMEA Board led by its President Faruque Hassan paid tributes to Father of the nation, Bangabandhu Sheikh Mujibur Rahman by placing wreaths at the portrait of the great leader in front of Bangabandhu Memorial Museum at the capital's Dhanmondi.

Ambassador of the European Union to Bangladesh Rensje Teerink made a courtesy call on BGMEA President Faruque Hassan at BGMEA office. They had discussion on trade issues including sustainability, ways to strengthen EU-Bangladesh partnership, and further cooperation between Bangladesh and the EU. Khandoker Rafiqul Islam, BGMEA Vice President (Finance), Md. Nasir Uddin, Vice President, and Jeremy Opritesco, Deputy Head of Mission, Delegation of the European Union were present on the occasion.



A delegation of the ILO led by its Country Director Tuomo Poutiainen met with BGMEA President at the latter's office in Dhaka to discuss the progress of the ongoing projects jointly implemented by ILO and BGMEA and possible areas of collaboration between ILO and BGMEA for the betterment of the RMG industry. BGMEA Vice President Miran Ali, Directors Barrister Shehrin Salam Oishee and Asif Ashraf also attended the meeting



A MoU was signed between the Ministry of Commerce and BGMEA to establish a centre for innovation, efficiency, and OSH. Tipu Munshi, MP, Honorable Minister, the Ministry of Commerce and Dr. Md. Jafar Uddin, Senior Secretary, the Ministry of Commerce were present at the agreement signing ceremony held at the ministry's conference room. Faruque Hassan, President, BGMEA, and Md. Hafizur Rahman, Project Director, Export Diversification and Competitiveness Development Project (Tier-II) and DG, WTO Cell, Ministry of Commerce signed the agreement on behalf of their respective sides.

German Ambassador Peter Fahrenholtz paid courtesy visit to BGMEA President Faruque Hassan at BGMEA office in Dhaka to discuss the progress of current projects and further collaboration between BGMEA and German development agency GIZ for the development of the apparel industry.



Delegation of the EU to Bangladesh led by Deputy Head of the Mission Jeremy Opriteco visited the BGMEA office in Dhaka to discuss various trade issues. BGMEA President Faruque Hassan, Vice President Miran Ali, and Director of BKMEA Fazlee Shamim Ehsan attended the meeting.



BGMEA leaders led by its President Faruque Hassan made a courtesy call on the newly elected President of FBCCI Md. Jashim Uddin at Federation building. BGMEA Senior Vice President S. M. Mannan (Kochi), Vice President Md. Shahidullah Azim, Vice President (Finance) Khandoker Rafiqul Islam, Vice President Miran Ali, and Vice President Md. Nasir Uddin were present on the occasion.

A delegation of BGMEA led by President Faruque Hassan met with Paban Chowdhury, Executive Chairman of the Bangladesh Economic Zones Authority (BEZA) in the BEZA office to discuss the progress of constructing the garment village at Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN).



Renowned French sports clothing brand 'Decathlon', the Giant Group and Turag (Urmi Group) donated face masks to Dhaka North City Corporation (DNCC) for distribution among the public to contain the spread of Covid-19. They handed over the face masks to DNCC Mayor Md. Atiqul Islam at the DNCC office in Dhaka. **A**

Faruque Hassan elected as Board Member of International Apparel Federation

Faruque Hassan, President of BGMEA, has been elected as a Board Member of the International Apparel Federation (IAF) at the General Assembly of IAF members on 19 May 2021. He was the first Board Member from BGMEA joining the IAF in 2013.

The General Assembly of IAF members also unanimously chose Cem Altan to become the next President of IAF. During the 36th IAF Convention, to be held on November 6 to 9, 2021 in Antwerp, Belgium, the current IAF President Han Bekke will hand over the IAF presidency to Cem Altan after a tenure of 4 years extended by an additional year due to the COVID pandemic.

IAF is a global federation that represents the interests of apparel companies in different stages of the supply chain, including brands, retailers and manufacturers.

IAF's membership now includes apparel manufacturing associations as well as brands. The body has membership from more than 40 countries.

IAF, which is based in the Netherlands, brings its members together to jointly create stronger, smarter and more sustainable supply chains. It provides its members with valuable information and guidance and it represents its members on several international platforms working incessantly on more industry standardization, harmonisation, industry collaboration and inclusiveness of global solutions.

BGMEA is the member of the International Apparel Federation since 2013.

At the request of BGMEA, the IAF World Fashion Convention in November 2022 will be held in Dhaka, Bangladesh, which will be jointly organized by BGMEA.

Bangladesh ranks 2nd in Ethical Manufacturing

Bangladesh ranked 2nd in Ethical Manufacturing, thanks to the high standard reached by the Bangladeshi garment factories.

The ranking was published in a report titled "Q1 2021 BAROMETER 2020 in Review: Global Trade Covid Disruption Reveals Changes in Consumption Habits and Rampant Ethical Risks, as China Sourcing Beats the Odds". A Hong Kong-based supply chain compliance solutions provider, QIMA, recently published the report.

With a whopping score of 7.7 Bangladesh has been rated only behind Taiwan who scored 8.0. Vietnam came in third, followed by Thailand, Pakistan, Turkey, China, India and Brazil.

The QIMA barometer is a quarterly synopsis on global supply chains' quality, compliance and trade trends published since 2012.

The ethical auditing report covered a vast horizon of compliance and ethical manufacturing i.e. Hygiene, health and safety, Waste management, Child and young labor, Labor practices, including forced labor, worker representation, disciplinary practices and discrimination, Working hours and wages etc.

So, the high ethical manufacturing standard of Bangladeshi factories are well recognized by the brands and consumers around the world today.

Sales surge at UK clothing retailers

UK retail sales volumes grew sharply in April 2021 with a monthly increase of 9.2%, reflecting the effect of the easing of coronavirus (COVID-19) restrictions including the re-opening of all non-essential retail from 12 April in England and Wales and from 26 April in Scotland.

Non-food stores provided the largest contribution to the monthly growth in April 2021 sales volumes, aided by strong increases of 69.4% and 25.3% in clothing stores and other non-food stores respectively, according to the latest data released on 21 May by the Office for National Statistics (ONS)

Retail sales volumes were 42.4% higher than in April 2020, which was affected by the first national lockdown when the tightest restrictions were in place; however, these growth rates are distorted by base effects and are not a reliable guide; sales volumes were 10.6% higher than February 2020, before the impact of the coronavirus pandemic.

All retail sectors reported a fall in their proportions of online sales as physical stores re-opened during the month; as a consequence, the total proportion of sales online decreased to 30.0% in April 2021, down from 34.7% in March 2021.

In the three months to April 2021, the volume of sales increased by 2.6% when compared with the previous three months, with strong growth in department stores and automotive fuel retailers of 9.9% and 8.9% respectively.



Fashion for Good launches Sorting of Circularity project

Fashion for Good has announced the Sorting of Circularity project, which aims to use technology to drive fiber recycling. This initiative uses improved near-infrared technology to perform comprehensive textile waste analysis and also maps the capabilities of textile recyclers. The project aims to ultimately lead to the creation of an open digital platform for matching textile waste from sorters with recyclers.

“The purpose of the 18-month project is to

create a greater connection between textile sorters and textile recyclers. It stimulates the recycling market for unwanted textiles, which has the potential to generate new sources of revenue for sorters. “Fashion for Good’s managing director, Katrin Ley, said in the release.

“Traditionally, the sorting industry generates income through the sale of reusable textiles, the rest being downcycled, incinerated, or landfilled. “Achieving a circulation system requires a new end market for non-reusable textiles with infrastructure and digital matching systems that can support the activities of sorters and recyclers.” The Sorting of Circularity project is facilitated by brands such as Adidas, Bestseller and Zalando, along with Inditex as an external partner. Meanwhile, Fashion for Good partners Arvind Limited, Birla Cellulose, Levi Strauss & Co., Otto and PVH Corp are part of a broader working group.

The findings of the initiative will be available on a digital platform for matching textile waste from sorters with recyclers, leading to a more sustainable foundation for future circulation.

SAC and Higg launch new transparency program

The Sustainable Apparel Coalition (SAC), a global multi-stakeholder nonprofit alliance for the consumer goods industry, along with its technology partner Higg, launched the first phase of a transparency program for publicly sharing data on a product’s environmental impact, starting with its materials content. The program provides a consistent way for brands, retailers, and manufacturers to share sustainability information on apparel and footwear products, across impact categories such as water use, greenhouse gas emissions, and use of fossil fuels.

Built on a decade’s worth of tool development, consumer testing, and contributed environmental impact data, this first phase of the Higg Index transparency program is an important step toward a unified approach for industry-wide transparency – in order to provide shoppers with unprecedented visibility into a product’s real impact.

The main components of the program are the Higg Index Sustainability Profile and the Higg Index Materials seal, both of which are based on independent and externally reviewed environmental impact data from the Higg Materials Sustainability Index (MSI). SAC members Amazon, Boozt, C&A, Calvin Klein and Tommy Hilfiger (owned by PVH Corp.), Columbia Sportswear, H&M, Helly Hansen, JustWears, Lenzing AG, Norrona, PUMA, Salomon, and Zalando announced their commitment to implement the first phase of the program on a wide selection of products available in the U.S. and Europe, ranging from tops and skirts, to backpacks and purses. At launch, the program will focus on the environmental impact of a product’s materials, and will expand over the next two years to incorporate additional data including manufacturing and corporate responsibility. **A**

Bangladesh's RMG export to world

Value in Million USD

Month	2018/19	2019/20	2020/21	2018-19 VS 2020-21
July	3017.74	3310.48	3244.94	7.53%
August	2717.42	2406.01	2468.02	-9.18%
September	2456.51	2341.07	2413.42	-1.75%
October	3141.42	2519.82	2323.72	-26.03%
November	2853.11	2511.31	2444.59	-14.32%
December	2898.71	2935.33	2650.87	-8.55%
January	3132.57	3039.22	2862.16	-8.63%
February	2908.87	2784.28	2625.29	-9.75%
March	2825.07	2256.20	2454.91	-13.10%
April	2539.28	374.67	2516.98	-0.88%
May	3243.18	1230.54	2556.95	-21.16%
July-May	31733.88	25708.93	28561.85	-10.00%

Source: EPB

Knitwear

Value in Million USD

Month	2018/19	2019/20	2020/21	2018-19 VS 2020-21
July	1527.12	1678.16	1750.28	14.61%
August	1385.75	1242.69	1364.50	-1.53%
September	1293.98	1249.37	1348.88	4.24%
October	1668.41	1368.13	1338.22	-19.79%
November	1430.80	1271.28	1334.47	-6.73%
December	1346.54	1396.17	1389.82	3.21%
January	1487.98	1414.22	1462.94	-1.68%
February	1352.46	1278.70	1352.64	0.01%
March	1307.83	1055.83	1312.43	0.35%
April	1284.07	180.12	1341.77	4.49%
May	1597.51	608.38	1366.37	-14.47%
July-May	15682.45	12743.05	15362.32	-2.04%

Source: EPB

Wovenwear

Value in Million USD

Month	2018/19	2019/20	2020/21	2018-19 VS 2020-21
July	1490.62	1632.32	1494.66	0.27%
August	1331.67	1163.32	1103.52	-17.13%
September	1162.53	1091.70	1064.54	-8.43%
October	1473.01	1151.69	985.50	-33.10%
November	1422.31	1240.03	1110.12	-21.95%
December	1552.17	1539.16	1261.05	-18.76%
January	1644.59	1625.00	1399.22	-14.92%
February	1556.41	1505.58	1272.65	-18.23%
March	1517.24	1200.37	1142.48	-24.70%
April	1255.21	194.55	1175.21	-6.37%
May	1645.67	622.16	1190.58	-27.65%
July-May	16051.43	12965.88	13199.53	-17.77%

Source: EPB



ব্যাংক বা মাস্টারকার্ড ও
ভিসা ডেবিট কার্ড থেকে
নিজের বা অন্যের বিকাশ একাউন্টে
অ্যাড মানি করুন, কোনো চার্জ ছাড়াই*



কিভাবে অ্যাড মানি করবেন?



বিকাশ অ্যাপে অ্যাড মানি
সিলেক্ট করুন



ব্যাংক টু বিকাশ বা কার্ড টু বিকাশ
সিলেক্ট করুন



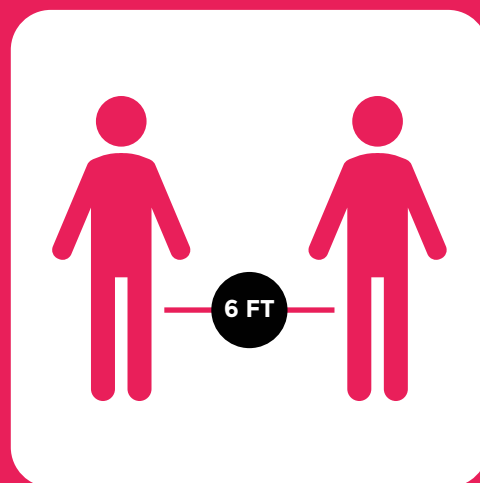
প্রয়োজনীয় তথ্য
টাকার অ্যামাউন্ট ও OTP দিন

BE AWARE, BE SAFE



WEAR MASK

*Face covering
are required on
factory at all
times.*



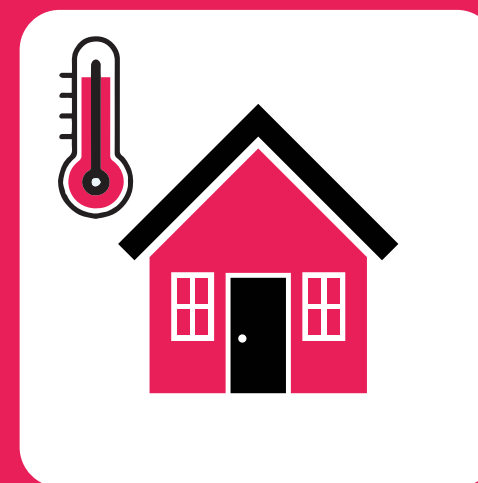
PHYSICAL DISTANCE

*Maintain
minimum 6
feet between
yourself and
others.*



WASH YOUR HANDS

*Thoroughly scrub
with soap and
water for at least
20 seconds and
avoid touching
your face.*



FEEL SICK? STAY HOME!

*If you experience
flu-like symptoms
or fell unwell, stay
home and contact
your health care
provider.*



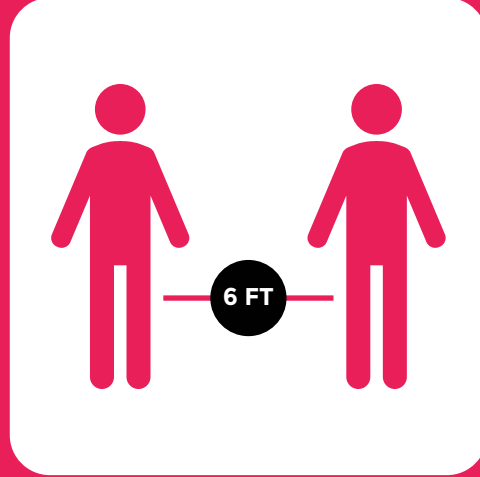
**BANGLADESH GARMENT MANUFACTURERS
AND EXPORTERS ASSOCIATION (BGMEA)**

জানুন, মেনে চলুন সুস্থ্য থাকুন



মাস্ক পরিধান

কারখানায় সব
সময় মাস্ক পরিধান
করুন।



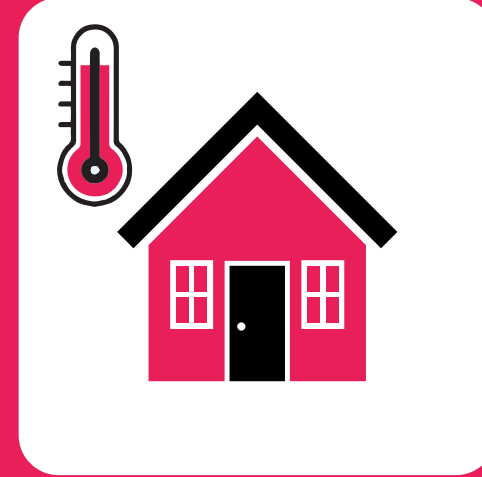
সামাজিক দূরত্ব

অন্যদের থেকে
ন্যূনতম ৬ ফিট
দূরত্ব বজায়
রাখুন।



হাত ধোয়া

নিয়মিত সাবান দিয়ে
কমপক্ষে ২০ সেকেন্ড
হাত ধৌত করুন। হাত
ধোয়া ব্যতীত মুখমন্ডল
স্পর্শ করবেন না।



অসুস্থ্য বোধ করছেন? বাসায় থাকুন

যদি আপনার ঠাণ্ডা, সর্দি,
জ্বর এর মতো উপসর্গ
থাকে, তাহলে বাসায়
থাকুন এবং নিকটস্থ স্বাস্থ্য
কেন্দ্রে যোগাযোগ করুন।



বাংলাদেশ পোশাক প্রস্তুতকারক ও
রপ্তানিকারক সমিতি (বিজিএমইএ)



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100%
recycled premium
sewing thread

100%
performance.

What some people call eco-fashion we call
a great idea. Making things that matter.
And helping you achieve your
environmental mission with
EcoVerde - our sustainable
line of 100% recycled
premium sewing threads.

**"Don't look
back you're
not going
that way."**



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OUTLETS

MIRPUR OUTLET :

Plot - 10, Block - Ka, Road - 01,
Section - 06, Mirpur, Dhaka - 1216.

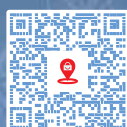
BASHUNDHARA CITY OUTLET :

Level - 1, Block - A, Shop No - 40, 54 & 55
Bashundhara City Shopping Complex,
Dhaka - 1215.

MOHAMMADPUR OUTLET :

House - 19B / 4C & 19B / 4D, Block - F,
Ring Road, Mohammadpur, Dhaka - 1207.

SCAN US



Location



Facebook



Website

UTTARA OUTLET :

House - 22, Sector - 09, Sonargaon Jonopoth Road,
Uttara, Dhaka - 1230.

BARIDHARA J BLOCK OUTLET :

House - 34 & 07, Road - 07, J Block, Pragati Sarani,
Baridhara, Dhaka - 1212.

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-  [+8801885 998899](tel:+8801885998899)