

# The Apparel Story

July-August 2015

*Cover Story*

## Two Years of Apparel Story

*Interview of the month*

Gerben de Jong

*Feature of the Month*

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While we are very fortunate to have an industry like RMG that has been acting as a catalyst for development of Bangladesh, we are a bit unfortunate that much of the story of this sector is not known to people both at home and abroad. Even, in many cases the industry was portrayed in such a way that developed misconception among people.

How many of us do know that we have a number of state-of-the-art garment factories in Bangladesh? How many of us do know that Bangladeshi garment factories achieved prestigious LEED certificate from US Green Building Council (USGBC) for modern green practices? How many of us do know that physically challenged people are employed in some of our garment factories? How many of us do know many of garment factories provide free medical services and medicine to their workers, run schools for workers' children for free, have fair price shops for workers?

It is true that most of us may not know this. Why? One of the reasons is there was no magazine that exclusively focuses on Bangladesh RMG industry. Dearth of such magazines is the reason behind the birth of *The Apparel Story*. Since then the magazine published by Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has been telling its readers the true stories of our apparel industry.

We are very happy that *The Apparel Story* is celebrating its second anniversary with this July-August issue. On this occasion, the compendium comes to readers with a new look in terms contents. The cover story of this issue is a trip down memory lane with focus on the two years of *The Apparel Story*. What RMG factories in Bangladesh look like in 2030? A special story based on interviews of visionary entrepreneurs of the sector tries to delve deep into this question. Besides, a feature on how renowned actors and actresses feel about 'Made in Bangladesh' will be enjoyable to read. We hope our readers find all the special articles in the magazine along with regular ones interesting and worthwhile.

On the occasion of the second anniversary of *The Apparel Story*, we would like to convey our sincere thanks to RMG entrepreneurs, workers, readers, and advertisers whose support is true inspiration for our way forward.



**Md. Shahidullah AZim**  
Vice President, BGMEA

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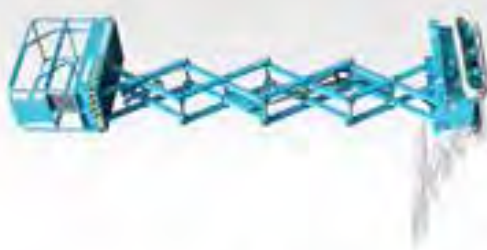
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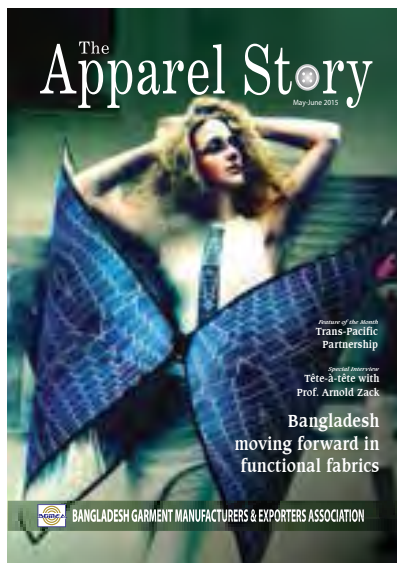
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# Two Years of Apparel story

By Apparel Story Desk



**Though a lot of us could not be there but we surely did not miss anything as the Apparel Story crew member was there to capture everything.**

They say that children grow up faster than you think. For which The Apparel Story, the magazine which is also the brand child of BGMEA President and Vice-President, has turned 2 and we do not even know how time flew so fast! Just last year we were elatedly preparing for the 1st anniversary issue and here we are already stepping on our third year. They say publishing a magazine is a lot of work, which it is given the tiny details that you have to take into consideration, but it is actually more than that. It is an overwhelming experience where you try to bring everything and everyone together in one magazine of few pages. We have got acquainted with many and have

reached many more with our work. The comments that we get from national and international experts related directly or indirectly to our sector warm our hearts. To highlight one from our Honorable State Minister for Labor and Employment, Mr. Md. Mujibul Haque Chunnu, who has always been a keen supporter of our sector, he said, "The monthly magazine provides useful insights into the RMG sector to all stakeholders in the industry, including government and policymakers. It really helps us to take important decisions on the industry. I appreciate the BGMEA initiative to publish such an informative magazine".

So what has changed since last time? Well if you do not know that then most probably you have not been a very regular reader since last anniversary, because the answer is "What hasn't changed?" There have been so many new features that were added to the content. For example the "Career" section that has been focusing on the students and bringing their attention to what this huge RMG industry has to offer to them. From jobs to trainings, the potential of students to explore this sector is tremendous. Though this is not the only section for the young adults! The "Fashion & Style" section can give any of the fashion magazines a tough competition on what's trending. May those not apply to the Bangladesh context, but they are at least keeping

Trade related articles have been one of the most integral parts of The Apparel Story. But when we talk about these trade issues, we realized that there might be some jargons that may not be known to the general readers. So we tried focusing on that too. For example, we have always commented on how Vietnam should not get TPP and if they do how we will suffer. To someone who does not know what TPP is, it is nothing but a big pile of words with a lot of TPPs.



the young fashionistas aware of 'what's in' around the world. Also we must admit that it somehow added a much needed touch of beauty to the magazine.

Another section that can be seen is the "Tech Knowledge" which pretty much serves everyone in every sector. When we were students, google was a simple search engine but with time we started using it for emails. But today, that's not the only thing that it does. There are so many usages like using it for storage, translation, currency convertor, photo viewer and many more. But you can know about all these in details if you go through Apparel story. And no! We are not a tech magazine. Just helping people around!

If you have a progressive mind then you must check out the new Research and Innovation series that talks about the importance of R&D for proper development of this sector. It has published examples of world-changing innovations and also about developments on textile industry in terms of fabrics and technologies. Our aim was not only to inform people, but to encourage

people to get involved more and more in the advancement of the sector. This is what Dr. Fahmida Khatun, Research Director and Head of Research of Center for Policy Dialogue (CPD) has to say, "The magazine accommodates articles on every contemporary issues related to the apparel industry of Bangladesh. It is also a very valuable source of information for academicians and researchers. Buyers also get to know about the nitty-gritty of the apparel industry of Bangladesh through this magazine."

One of the sections that were much emphasized upon was about women empowerment. We got to know about women who are known by their own identity as the likes Shirin Khurshid Jahan (Managing Director of Titash Garments Int. Ltd), Rubana Huq (Managing Director of Mohammadi Group), Vidiya Amrit Khan (Director of Desh Group and BGMEA) who were celebrated for their success and for their being in the International Women's Day. They not only represent the sector but also they represent three different generations that they have made it through. There was also news about women who are not as privileged but things are improving for them too. In the Apparel Story you may have read about the study of The National Bureau of Economic Research in the US which found that the arrival of garment factories has positively affected school enrollment, employment, marriage and childbearing decisions for Bangladeshi women. According to a study by Rachel Heath, University of Washington and A. Mushfiq Mobarak, Yale School of Management, 27% more young girls are going to school than what was before the rise of garment industry in Bangladesh. Fertility has dropped from 5.9 children per woman in 1983 to 2.3 births per woman in 2009 (World Development Indicators), and woman's average age at marriage had risen from 14.6 for marriages between 1980 and 1985 to 17.0 for marriages between 2005 and 2009 (Demographic and Health Survey). Women exposed to the prospects of working in the RMG sector have a changed perception about marriage and childbearing. The emphasis on women empowerment was meant to promote and respect the women of this industry and our country.

Trade related articles have been one of the most integral parts of the Apparel Story. But when we talk about these trade issues, we realized that there



might be some jargons that may not be known to the general readers. So we tried focusing on that too. For example, we have always commented on how Vietnam should not get TPP and if they do how we will suffer. To someone who does not know what TPP is, it is nothing but a big pile of words with a lot of TPPs. This shows how we have been trying to accommodate each one of our readers to help them understand the message that we are trying to relay.

We have always been very quick to write about issues that nag the RMG industry. For example, Budget 2015-16 FY. Though the budget for 2015-16 FY does have a number of business-friendly steps, some proposals have raised concern in the RMG sector. Among them the proposal for increasing source tax to 1 percent from 0.3 percent was instantly written about in our magazine. We delineated the impacts of such decision on the RMG sector. The government later reduced the source tax to 0.6 percent. So this is what we do. We always try to keep our readers up-to-date on the happenings in the apparel industry. For example till 2013 BATEXPO used to take place in our country but last

year BGMEA brought 51 garment manufacturing units from Bangladesh at the doorstep of Paris, the fashion city of Europe, where the BATEXPO 2014 took place. Though a lot of us could not be there but we surely did not miss anything as *The Apparel Story* crew member was there to capture everything. And how can we forget about Dhaka Apparel Summit, the event that made history by bringing together 85+ foreign and local speakers all around the world in one venue to talk about one sector and that is Bangladesh RMG. A lot of thanks goes to the magazine for building up a hype which did not allow most people to sit during the seminars as each seminar had 500+ audiences. Also the appreciation that came from foreign experts, not only about this sector but also about the country, was picturesquely portrayed in the Apparel Story BGMEA President Md. Atiqul Islam believes that The Apparel Story has captured many important things, for example many stories, many events, but most importantly it has captured the beautiful turning around of this sector. He believes that it has magnificently captivated those

hardships and struggles that the industry faced. He mentioned, "Someday when we will reach our goal of \$50 Billion and more, when we will be one of the biggest players, we can look back through Apparel Story and cherish our journey from the rubble to the top".

To end it with a comment from the Editor, Md. Shahidullah Azim, "The journey with The Apparel Story has been a wonderful journey. The magazine with its content and all the information has not only helped people but also us in connecting with people. This one magazine makes its visit every month or two to the Ministries and Embassies, to development partners and buyers and to various places to enlighten everyone. We have started it and brought it so far and though our tenure is almost at its end, but I am positive that the next Board will take care of this little gem of a magazine and will keep distributing it among our stake holders so that everyone, within and beyond this sector, can know about this RMG sector that has brought so much glories to our country Bangladesh."

On the occasion of stepping into second year of publication *The Apparel Story* team approached to some valued readers for their comments on the magazine.

# 2<sup>nd</sup> year of The Apparel Story



I am delighted to find *The Apparel Story* an attractive and worth reading magazine as a development thinker as well as an entrepreneur. There are a few reasons behind my admission. Firstly, the structure in which the magazine reaches to the stakeholders is well knit and end-based. Secondly, there are a few sections like "Trade and Business"; "Career"; "Emerging Sector" and "Environment" which are, I believe the new horizons to be focused at present fast growing economy of Bangladesh. Thirdly, the design and approach of the magazine are of high standard and possess the quality to be preserved. Personally I prefer most the section "Trade and Business" and "Environment". Firstly, I like the section "Trade and Business" because it widens the readers' mindset to expand the trade and business in new horizons with the spirit of open market economy as an effective impact of neo-liberal economy of the present world order. Market is the most important target of the productive trade like RMG. This section always focuses on the new market prospects. For the emerging entrepreneurs the new market is important and it is addressed by the magazine. Thanks to them.

Secondly, I prefer the section "Environment" because modern world is growing towards an environment friendly industrial development. To compete to the environment friendly future world industrialization, parallel to the neighboring countries, we have to go with the wind. This section obviously enriches the RMG sector updated with the environment demands.

For the last three decades the most successful RMG sector is trying to build its own brand. In the present world it is not a matter of question whether Bangladesh could succeed or not but a fact that Bangladesh "CAN". After the GSP withdrawal so many misconceptions aroused about the sustainability of the sector. But the RMG proved to be more rising after that unfortunate withdrawal. Here is the success of the branding.

The magazine is rightly performing this responsibility to focus on so many positive issues of the RMG sector worldwide inviting investments from international community that ultimately enriches our economy. The magazine is playing the role of "spokesman" of the total RMG sector that is obviously an important incentive to the struggle of the stakeholders in the sector. Besides, The Ministry of Foreign Affairs is regularly dispatching the copies of the Magazine with update of the industries to Bangladeshi Missions abroad regularly which is helping our Diplomats in pursuing our economic diplomacy.

### Md. Shahriar Alam, MP

State Minister, Ministry of Foreign Affairs  
Government of the People's Republic of  
Bangladesh



I find *The Apparel Story* worth reading because there is lots of useful information and comprehensive background knowledge sharing. It is the combination of all contents that makes the magazine interesting. It is not always the same section that is most interesting. I think what would be adding value is to include views from other stakeholders -- brands, ILO, NGO's and even unions -- that would lead to a 360 degree view on the industry.

### Roger Hubert

Regional Head  
Bangladesh and Pakistan, H&M



I would to thank *The Apparel Story* for highlighting the ready-made garment sector which is the highest exporting earning and employment generation sector in Bangladesh. The magazine deserves appreciation for telling us the success stories of the sector and also its problems and prospects. We are happy to have been with *The Apparel Story* since its journey two years ago as an advertiser in the publication. It is true that our company gets a widespread publicity through advertisement in the magazine since it is circulated both at home and abroad. But it is not only the business purpose for which we place advertisement. Rather people are coming across the stories of our RMG industry through *The Apparel Story* and we are glad to be a part of that. And we will continue to be with the magazine in the future.

### Mofizur Rahman

Managing Director  
NOVOAIR



I would like to congratulate *The Apparel Story* for completion of two successful years. The publication, the content and the get-up is immaculate and it is definitely worth reading. As a whole most parts of the magazine is informative and knowing about what our fellow members in the industry are doing is very interesting; but my personal favorite is the research and innovation section. It is always great pleasure to learn about new technologies coming into the market.

**Asif Ashraf**  
Managing Director  
URMI Group



To me *The Apparel Story* is really worth reading as the magazine contains the latest data and information on manufacturing sector which is one of my research areas. I find its contents, especially statistics very useful since up-to-date data on the RMG industry is not always readily available in other sources. Also the cover story of this magazine is very interesting. However, sometimes I would like to see some small research based stories in this magazine which I think would add value to the compendium.

**Dr. Nazneen Ahmed**  
Senior Research Fellow  
Bangladesh Institute of Development Studies (BIDS)



I am a regular reader of *The Apparel Story*. I like the magazine for a number of reasons. Firstly, the magazine highlights the problems and prospects of such an industry which is very crucial to our economy. The publication is rich in its contents that include an array of diverse topics. Success stories and exemplary practices in the industry is vividly sketched here. Since this magazine reaches all the member factories, I think more positive stories of the industry should come out so that others feel encouraged to follow them.

**Shyamal Dutta**  
Editor  
The Daily Bhorer Kagoj



We feel proud for the success of our RMG industry which has gradually captured a rising share of the world market. This industry is not only become one of the major economic lifelines of the country but also contributed to social and cultural transformation at large. A rural girl at 16, once was prepared only to get married but this industry now dare them to be a part of national workforce, inspire them to be an actor of economic development of the country. As a workers' rights activist, I need to be updated about the trade and its insight story and also the rules of international trade which I get from *The Apparel Story*. This magazine undoubtedly, contributes a lot to update myself. Its contribution, design, photography altogether makes it is a unique publication which further project the

development of the country also. A decent and productive work environment ensuring fair share for all is the key for the success of the industry. Hope and believe that under the leadership of the present Editor, "Apparel story" will contribute towards that.

**Syed Sultan Uddin Ahmmed**  
Assistant Executive Director  
Bangladesh Institute of Labour Studies (BILS)



*The Apparel Story* projects a very good sectoral perspective, trying to bring in the best of Bangladesh's textile and garment industry by providing its audience quality information on current developments and advancements in the textile industry. A striking feature of the magazine is its varied contents and visuals. The sections featuring cross-boundary partnerships and leading initiatives by factories can particularly act as sources of textile best practices, helping companies identify current markets and demands, and eventually build their products.

Water sustainability is a key challenge for the long-term viability and growth of Bangladesh's textile sector. The Bangladesh Water PaCT: Partnership for Cleaner Textile addresses this burning issue by supporting factories in reducing the environmental and related social impacts that result from prevailing practices in textile wet processing.

Since the beginning of this endeavor, BGMEA has played a strong role in the PaCT Program. In partnership with BGMEA, PaCT has launched the first ever Textile Technology Business Center (TTBC), which provides access to technical and business case information on resource efficiency, and facilitates B2B linkages with vendors. *The Apparel Story* is an excellent platform for showcasing such works from the textile and garment industry, thus raising awareness of the audience on the benefits of energy and water efficient technologies.

**Naureen Chowdhury**  
Operations Officer  
Bangladesh Water PaCT, IFC



*Commerce Minister Tofail Ahmed, MP, is seen cutting the ribbon of the Bangladesh Apparel and Safety Expo, Chittagong 2015.*



# BANGLADESH APPAREL & SAFETY EXPO Chittagong 2015



**A unique engagement of stakeholders to promote RMG**

By Nabila Jamal Rusha



Speakers are seen at the seminar on "Branding Bangladesh".



Discussants are seen at the seminar titled "Training & Developing skills for Sustainable & Balanced growth".

Last December the industry saw the emergence of a new trend. An event that went beyond expositions and fairs and brought people, from within country and abroad, together to discuss the pressing matters of the time. The event was called Dhaka Apparel Summit. The expo and the 9 seminars in the event were swamped with 6000 plus audience, who were eager to listen to the 80 plus local and foreign speakers. After seeing the success of the event, BGMEA realized the need to take the next step. The next step was to arrange another event in the port city of Bangladesh, i.e. Chittagong, as it is the economic nerve-center of the country. Chittagong Port functions today as the prime maritime gateway for Bangladesh as it is the only port that still survives the ravages of time. It handles 92 percent of the country's total export and import cargos.

**T**

The event was embraced wholeheartedly by the local and everyone who flew from various corners of the country and the world to attend the expo. The mega expo showcased locally developed apparel products and was an opportunity for the global retailers to meet

experienced clothing manufacturers of Bangladesh. The safety pavilion of the Expo acquainted local apparel manufacturers with wide range of safety equipment and service providers. The section had 73 stalls comprising RMG, fabrics, garment accessories, machinery, fire equipment, service providers which showcased the sector's strength. The main attraction was the dialogue that took place among stakeholders in the four informative seminars in which they came out with possible ways for Bangladesh to pursue its US\$50 billion vision and become a premium brand worldwide by 2021.

Commerce Minister Tofail Ahmed, MP inaugurated the exposition at Radisson Blu Chittagong Bay View. Housing and Public Works Minister Engineer Mosharraf Hossain, MEP and Chair of the Trade Monitoring Group of South Asia Sajjad Karim, European Union Ambassador in Dhaka Pierre Mayaudon, US Ambassador Marcia Stephens Bloom Bernicat, Canadian High Commissioner Benoit-Pierre Laramée, Chittagong City Corporation May AJM Nasir Uddin were also present at the inaugural session.

In the inaugural ceremony, Commerce Minister Tofail Ahmed promised to build a garment village in Chittagong with the aim to increase apparel exports so that it can reach US\$ 50 billion by 2021. The minister also urged retailers to pay better prices for apparel items sourced from Bangladesh as they receive some of the lowest price offers from them. The discussions were lively during the seminars among national and international experts with flawless moderation from likes of Md. Atiqul Islam, President, BGMEA; Reaz-Bin-Mahmood, Vice-President (Finance), BGMEA; Mamun Rashid, Chairman, Financial Excellence Ltd. and Rubana Huq, Managing Director, Mohammadi Group.

The four seminars that engaged various experts in an enlightening dialogue were titled – (I) "Branding Bangladesh" with the chief guest being Tofail Ahmed, MP, Minister, Ministry of Commerce and special guest being Amir Khasru Mahmud Chowdhury, former Commerce Minister, (II) "Training and Developing Skills for Strong, Sustainable & Balanced Growth" with chief guest being Mikail Shipar, Secretary, Ministry of Labor and Employment, (III) "Financing Apparel Growth" with chief guest being AHM



Speakers are seen at the seminar on “Capacity Building of port, customs, power & infrastructure to reach 50 billion USD in 2021”.

**Labor is our main resource and they must be properly trained to get the best output in an efficient manner.**



Speakers are seen at the seminar on “Financing Apparel Growth”.

### At a Glance: Bangladesh Apparel & Safety Expo, Chittagong 2015

- 3-day event at the Radisson Blu Chittagong Bay View from 6th-8th August 2015
- 25 safety stalls, 18 machineries stalls and 21 apparel stalls with some accessories
- 4 seminars titled:
  - Branding Bangladesh
  - Training and Developing Skills for Strong, Sustainable & Balanced Growth
  - Financing Apparel Growth
  - Capacity Building of port, customs, power & infrastructure to reach 50 billion USD in 2021

Mustafa Kamal, MP, Minister, Ministry of Planning and special guest being Nazrul Islam Khan, Secretary, Ministry of Education, and (VI) “Capacity Building of port, customs, power & infrastructure to reach 50 billion USD in 2021” with chief guest being Mr. Shahjahan Khan, MP, Honorable Minister, Ministry of Shipping. Representatives from renowned organizations from different countries participated in the dialogue. Ambassadors and Charge D’ Affairs of different countries including the United States, the United Kingdom, European Union, Denmark and the Netherlands participated in the seminars. Local and foreign experts and government representatives of partner countries, international agencies, and private entrepreneurs, workers representatives, civil society representatives, brand buyers, academics and media personalities were also there.

In the first seminar on branding, Former Commerce Minister Amir Khasru Mahmud Chowdhury mentioned that Bangladesh needs to come out of the concept of cheap labour and cheap prices. He said, “We are not the cheapest, but we are the best. Retailers always put pressure for ethical sourcing of garment items, but what about ethical buying practices?” In the second seminar on “Skills Development” the chief guest Mr. Mikail Shipar, Secretary, Ministry of Labor and Employment, said that labor is our main resource and they must be properly trained to get the best output in an efficient manner. In the 3rd seminar on “Financing Apparel Growth” industrial experts emphasized on the need of the hour which is easy access to finance for the medium and small factories. On the 4th seminar of capacity building, where Planning Minister, AHM Mustafa Kamal and Shipping Minister, Shahjahan Khan were present, both promised better infrastructure that is very much with the growth and development the RMG industry.

Then seminars ran for the first two days, i.e. 6th and 7th August but the whole event ended with the expo that continued till 8th August.

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# Beauty of Rains

Bangladesh is a land of natural beauty where six seasons come one after another with their distinct features, giving the country different looks in each season. Here rainy season arrives with cooling showers to soothe life exhausted by scorching heat of summer. Though mid-August marks the official end of rainy season in Bangladesh, its influence and beauty are still felt. Colourful flowers, clouds flying in the sky, rivers filled to the brim etc are a sight for sore eyes.

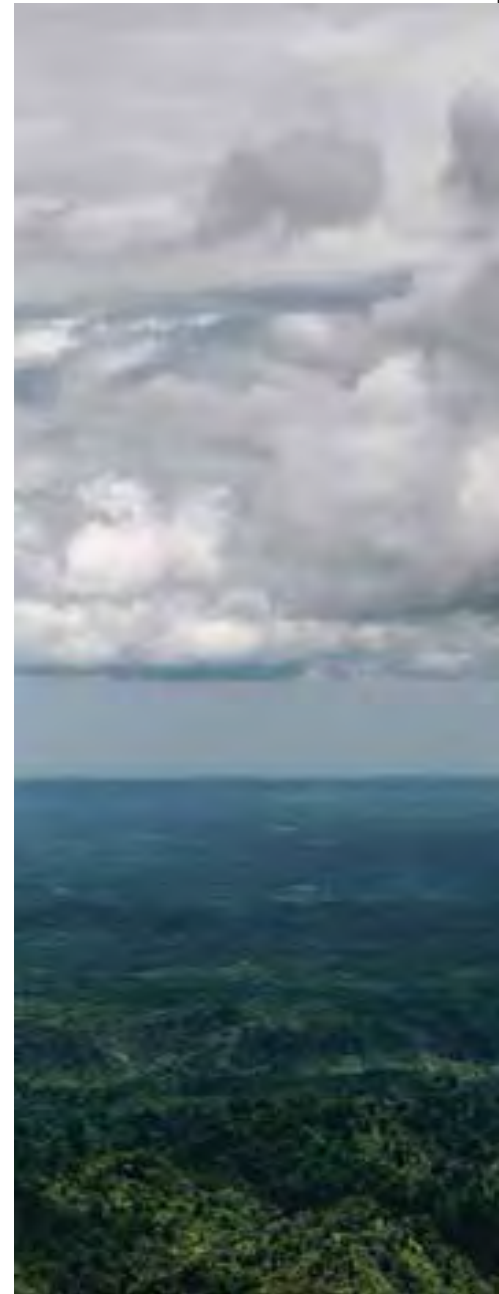






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Let me start with a quote from William Shakespeare, "If you steal my wallet, you steal trash, it was mine, now is yours, you can have it. But, if you steal my good name, you steal, which I can never replace...and without it I'm inestimably poorer".

Brand is this good name, that if stolen cannot be replaced and very importantly, is the DNA that results in maximizing equity, the ultimate objective of all firms and even Nations. Nation brand refers to this good name, which is in reality: perception, mental imagery, value judgment and reputation that people associate with a country. This association accrues from various factors- tangible and intangible; ranging from the likes of investment climate, population demography, cultural disposition, political frontier, infrastructure to governance. All of these help establish a distinct image of the country, which in turn determines its state of play in the global frontier. Also; a nation brand, just like any brand, is a promise.

However, it is just not about making a promise; the strength of a nation brand is contingent on the effective delivery and fulfillment of that promise.

Every nation has a positive or negative brand image; which may or may not be sustainable with or without pursuing a nation branding strategy; thus, it is important to develop a positive image by identifying the unique characteristic of a nation that cannot be easily taken away; however, it becomes very difficult if the negatives override the unique feature or even worse if the promise made are not met. Success stories of nation branding indicates that every country that have made inroads through nation branding exercise have focused on some unique trait. Malaysia focused on tourism; Singapore created her brand surrounding health and logistics; UAE is focusing on global air connectivity and presently on education; USA, Germany and UK are emphasizing on knowledge; Korea and Japan on technology; etc.

The above symbolizes the present status of the Apparel sector of Bangladesh and also portrays the contribution of the sector that has resulted in the creation of Brand Bangladesh, as one of the most attractive global hubs for Apparel sourcing. At the same time, we must also understand that if our unique strength is stolen, brand Bangladesh will lose her brand equity and thus the economy and

## Helping Build Brand:

# The Apparel Sector of Bangladesh

By Syed Ferhat Anwar

the social fabric is likely to fall on her face. It is extremely important to comprehend that the sector is sitting at the brink of either becoming the China plus one destination or losing it to the major Afro-Asian competition.

Thus the BIG question is: How can we sustain our competitive advantage and continue to strengthen the equity of brand Bangladesh, by means of the Apparel Sector?

To answer to the above question, one may take various routes. Today's discussion will focus specifically on the concept of brand building. The rationale being, in this era of globalization, global stakeholders assess various factors of a nation. However, in a highly competitive market of global trade, the brand value of products linked with the image associated with the country of origin results in global perception. Let there be no doubt that brand creation to ensure sustainability has become synonymous. I am not touching technology, infrastructure, and global political

presence, which are considered extremely important in nation branding. However, for Bangladesh, it is important to understand and strategies focusing at global political presence. I will limit my presentation to eight brand building framework valid for the apparel sector of Bangladesh. This I call the 'Octagon Brand Building Model'.

### First: Positioning -

For any brand building exercise, the most important aspect that must be identified is the unique trait. It is well accepted that the major strength of Bangladesh lies in her cost of production. This, in most cases it is attributed to her low cost of labor. I call it, the mistaken identity. The issue of

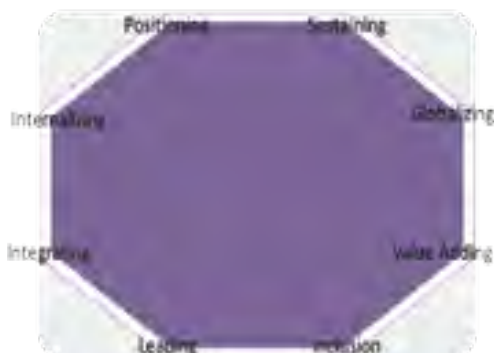
ever declining price of apparel and the trajectory of MNCs to move around the world for everyday cheaper price is a major obstacle for sustainability. The overall costs related to both wages of workers as well as salary of the management staff is highly competitive in Bangladesh. Furthermore, one must also recognize the fast learning curve of the production workforce in general, as a major factor contributing towards cost efficiency. This implies, Bangladesh has an advantage in the entire supply chain because of her overall low cost and short learning time of the workforce. This alone can enhance the brand by transforming large population into efficient human capital. Moreover, Bangladesh has made substantial improvement within the workplace which further proves that she is capable of overcoming challenges.

Thus, the focus on training of production workforce across the value chain is essential to ensure higher productivity of workforce and resulting in further enhancing price advantage for the finished goods. This may include the entire backward linkage along with accessories production. Also, the productivity of Bangladesh workforce is below par compare to the major competition, thus, any effort towards improving productivity is likely to strengthen the competitive advantage that Bangladesh enjoys.

Workplace Environment in the Apparel Sector of Bangladesh  
(study of 1200 workers)

Items	Average	Min	Max
Acceptable ambient environment	99.5%	43%	100%
Adequate lighting	99.7%	80%	100%
Existence of emergency exits	98.0%	0%	100%
Locked emergency exits	8.2%	0%	100%
Barriers at the emergency exit	17.3%	0%	100%
Training of emergency exits	94.0%	0%	100%
Existence of fire extinguishers	99.1%	0%	100%
Training to use fire extinguisher	92.0%	0%	100%
Supply of drinking water	97.2%	0%	100%
Food cafeteria at the factory	86.3%	0%	100%
Use of cafeteria by workers	51.3%	0%	100%
Existence of childcare facilities	81.2%	0%	100%
Use of childcare facilities by working parents	14.0%	0%	140%

Source: ACD Garment Workers Survey, 2014



## Second: Sustaining -

Bangladesh is recognized as a global growth leader in development that is reflected in her human capital index and vulnerability index. Bangladesh houses not only the largest development organization of the world, but is also the largest contributor to development effort through the manifestations of BRAC, Micro Credit, and the Peace Keeping Forces. This is further reflected in the apparel sector where the country made concerted and planned effort to fight poverty through empowering the large women population. In fact, the apparel sector has a big influence in not just empowering women but mothers to make a better home. The list below shows some of major areas where the Apparel sector has contributed (Source – ACD Garments sector Survey, 2014).

- Workers children/siblings are in schools, some are also in universities.
- While parents are living in tin-shed houses, most of them are living in brick buildings.
- There is clear improvement in water supply, electricity, and toilets facilities.
- Average income of a poor household in Bangladesh is Tk. 8,900 of the workers in the garment industry is Tk. 15,720.
- Average monthly family expenditure is around 11,299 taka.
- Asset ownership, 86% have mobile phone, 68% have television, 84% have electric fan, 75% have own home and 28% have gold ornaments.
- Top 10 family decisions where women workers always have a say are:
  - decisions with regard to children's education, health and marriage; job, clothing, cosmetics, family planning and even on husband's choice of job.
- 98% of the workers perceive their job has enabled them to be self-reliant.
- About 93% perceive job has given them a voice in family decisions.
- All families have completed the 9 doses of vaccination for children; 55% married families have at least one child, 16.4% at least 2, 3.5% at least three, and only 2 families out of 715 families have more than 3 children.

This unique effort is not just a case study for the development partners, but is also an opportunity for them to expand their horizon of development through investment made in this sector. Let us be very clear, we do not need any aid, also, the aid dependence has declined significantly over the last few decades. Rather, we need support from donor countries to develop capacity for enhanced trade. Such capacity development may include infrastructure, energy, productivity enhancement and workers-management relationship improvement. This sector could further benefit if the value chain partners such as the financial sector and foreign brands strategically allocate their CSR funds to ensure better living standards of the workforce and also apportion these funds to attain cost efficiency. The CSR activities targeted at apparel

sector should be recognized and encouraged under a separate mechanism by the Bangladesh Bank.

## Third: Globalizing -

Focus of the branding effort could be through extending the production centers beyond the Bangladesh boarder. This is a typical second phase of global business strategy of taking a step beyond exports using joint venture or partnership arrangements. Since Bangladesh has excelled in manufacturing, brands and various buying agencies may utilize the unique advantage associated with the cost of production through investing in off-shore production centers, where Bangladesh may deploy its 35 years knowledge and skills of RMG manufacturing.

MNCs and development partners may tie-up with Bangladesh entrepreneurs

to invest in countries using strategic alliance with these apparel units, focusing on both development of the host country as well as competitiveness such socio-economic status of the workforce, market access, cost of finance and cost of fixed assets in particular.

## Fourth: Value Adding -

Focus for enhancement of the RMG

brand can be achieved through strengthening some selected value added services in the global RMG value chain. I would like to focus on three specific areas, fabric design, merchandizing, and promotion. At present, most of these services are not offered by Bangladesh service providers. Figure below depicts the global apparel value chain.

The merchandizing and promotion services offered by various buying house adds to the cost, that is both unreasonable and results in competitive disadvantage, since these at times are controlled by the major competition. Statistics indicates that Bangladesh is the fifth largest remittance earning source for India, primarily in the garments and a total of half a million are employed. This implies that developed countries should not always point their fingers at us on sub-contracting issues, but they should also take efforts to regulate the sourcing practices of brands, particularly sourcing through agents and importers rather than direct sourcing.

Bangladesh is at present putting emphasis on strengthening of IT based services which could include all categories of design. The service could be an integrated to cater for a cluster of production enterprises. In addition, the government along with the development partners and various academic institutions could undertake initiatives to develop professional training programs focusing on design, merchandizing, promotion, and marketing. Moreover, global fashion retailers should invest more in developing value-added skills in Bangladesh, rather than exploiting the so called low-cost labor force. The table depicts the skills distribution at the three levels of skills. This further shows that Bangladesh needs to work in this area.



	Grades of pay	Percent of worker		Average Age
		Male	Female	Male
<b>Skilled</b>	Grade 1	0.91	0.08	32.09
	Grade 2	1.74	0.25	30.38
	Grade 3	9.05	10.30	26.67
<b>Semi-skilled</b>	Grade 4	8.80	13.12	25.43
	Grade 5	6.64	12.62	23.90
<b>Unskilled</b>	Grade 6	3.90	10.96	23.19
	Grade 7	8.31	11.46	21.57
<b>All workers</b>		40.08	59.92	24.83

Source: ACD Garment Workers Survey, 2014

### Fifth: Inclusion -

One of the major compliance issues facing the RMG sector is centering on the small manufacturers. They are important in the value chain to attain cost advantage but cannot meet the requirement set under the prevailing circumstances. At the same time, the promise of women empowerment will be seriously jeopardized if we fail to save these small enterprises.

Bangladesh Bank has placed importance on supporting the SMEs in general. In fact a number of donor agencies have been placing importance on SME financing as well. It is high time that strategic action plan based on the cluster model be developed to help share costs and make these enterprises sustainable. In addition, such strategic alliance amongst small enterprises can also help them to handle larger orders and share costs for attaining compliant standards. The government of Bangladesh should bring the small and medium factories under a special SME umbrella.

### Sixth: Leading -

Any brand building exercise requires entrepreneurs to lead from the front with creative and out of the box initiatives. Also brands are built over time not overnight. This requires that the entrepreneurs have a positive mindset, with a proactive stance and are willing to provide the best to their customers. The majority of the entrepreneurs belonging to the Apparel sector as a whole are not only first generation entrepreneurs but are largely followers looking at short term gains.

The above necessitates that the

association members share their thoughts and learn from the success of each other. There are a number of successful enterprises who have created global standards. The followers need to learn from the success stories. The mindset of our entrepreneurs should be to adopt changes to encompass broader vision and fulfill global expectations. We need to endorse ourselves from apparel manufacturers to entrepreneurs. Thus, global programs should be designed for the entrepreneurs using case studies and interactive knowledge sharing techniques as tools for learning.

### Seventh: Integrating -

An integrated approach is the only way forward to develop a unique positioning strategy that will aid in creation of Brands. The sector must understand that the common goal for all is to ensure the best facility having unique cost cutting and productive strategy. Thus, price wars will endanger their survival and at the same time will incur high operating costs; that will sway the buyers to competition. The industry must stand as a single unit representing one single production center. The branding should follow a sector approach rather than enterprise approach.

Therefore, efficiency can only be attained if the entrepreneurs start to work on the areas of sharing costs and strategically defining and segmenting clients. For example, the smaller firms can focus on basic and low end products while the larger firms can move towards value added products. In addition, the larger firms

need to take themselves at the next level, i.e. operating from multi nation destinations. The smaller ones can continue to operate from home. Furthermore, these smaller firms may also start working for the above mentioned, home grown multinationals, once they start to operate.

### Eighth: Internalizing -

One of the major rules of brand development suggests that global brands succeed only if they are recognized as a brand internally. This is extremely important for everyone in Bangladesh to understand and act upon. Most of the time, we hear negative propaganda orchestrated against the apparel sector. This best serves the competition. This does not imply that weaknesses be ignored. This primarily suggests that positive criticism having a strategic connotation be used.

This requires a very strong link between the academia, civil society, media, research organizations, policy makers, etc. who should play a supportive role and work as an integrated unit with an aim to strengthen the brand and guide the industry forward.

In conclusion, it can be stated the apparel sector of Bangladesh should position itself as a production house, at a global level, with an integrated backward and some level of forward integration, having various tiers of production units classified according to the economic pyramid, take initiatives that are development focused, with a view to improve the living standards of all the stakeholders working as a single unit.

Bangladesh apparel sector has taken great strides against many internal and external challenges. There is no doubt in my mind that if we work together as a single unit with a focused strategic intent, we can continue to build the brand equity of the sector. I have no doubt in my mind that if we follow the ethos of brand building, the target of \$50 billion on our 50th birthday will not be a concern. Let me end with a quote from Michelangelo, "The greatest danger for most of us is not that our aim is too high and we miss it, but that it is too low and we reach it".

*Syed Ferhat Anwar is a Professor of Institute of Business Administration, University of Dhaka.*



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**Gerben de Jong**, former Ambassador of the Netherlands to Bangladesh, has deeply been involved with the development in the RMG sector. As the highest representative of his country in Dhaka, he worked with different stakeholders for the development of the apparel sector in Bangladesh. In an exclusive interview with *The Apparel Story* he shares his observations and thoughts on the RMG.

**The number of factories that have already been inspected this year is a notable achievement for starters. Of course when you start at A and then go to B there are always many more challenges that come up on the way and now there is a rise in the challenge of remediation. But we see that organizations look for possibilities to assist factories and owners to invest in the factories.**



**How was your experience here in Bangladesh?**

For me it has been a very rich experience working with an excellent embassy team on very important subjects like the long-term water management program of the country, all the challenges of the rivers and the climate change. We have been working on the issues of the transformation of the RMG sector in the context of the Bangladeshi people who are one of the most hospitable people I have ever come across.

**During your stay have you seen any progress or development in the RMG sector of Bangladesh?**

I believe that seeing Tazrin and Rana Plaza, they did really understand that continuing in the old ways will not be possible anymore. French, Bangladesh, the United Kingdom, Canada, the Netherlands and many others are supporting programs and working with Bangladesh, BGMEA and individual factories in order to improve the situation of the security and building and fire safety and all such issues. We have seen that with the contribution of the Accord and Alliance and ILO, now many factories have already been inspected.

The number of factories that have already been inspected this year is a notable achievement for starters. Of course when you start at A and then go to B there are always many more challenges that come up on the way and now there is a rise in the challenge of remediation. But we see that organizations look for possibilities to assist factories and owners to invest in the factories. Another issue that I would like to mention is that we believe it is so important that there is a good relationship between the factory owners and the workers. It can be through trade unions or specially formed committees. But in the long run I think that the RMG sector of

Bangladesh will benefit from positive and constructive labor relationship. This is not an easy matter and it will take time. But again I still see the two groups coming together and learning to gel. They will figure out how best they can work together because this will only lead to bigger and higher and better profits and as a result lessen misunderstandings.

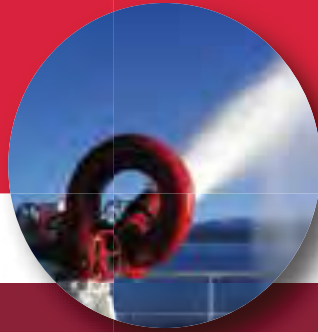
**What do you think is the biggest strength of Bangladesh garment industry?**

I think the strength lies first within the resilience of the people; both the employers and the workforce. Then of course there is the hard working and committed people of the nation. When an order is placed Bangladesh is expected to live up to a certain standard. I think Bangladesh is doing relatively well in that regard but again there are so many challenges. To increase the productivity the factory environment issues need to be addressed.

**When you return to the Netherlands what would you tell your people about this country and its booming RMG sector?**

I would say that first of all Bangladesh is a beautiful country. It is a country of hard working people and it has a positive image in the garment sector of the world that it always lives up to. I will always speak in favor of Bangladesh. I will tell the people about all the achievements of what the country has been doing. Regarding the RMG sector all I will be saying is that till today you have been buying your clothes from an Indian shop but from now on you will proudly be buying products made in Bangladesh because there is a lot of resilience in Bangladesh to prove themselves and give you the best products available. So go to a mall and buy products made in Bangladesh!

**Thank you very much.**  
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# Bangladesh Garments in Future

By Omar Gias



Emerging as a non-traditional industry in Bangladesh in 1978, within three decades the garment became the lifeblood of the economy of the country and the largest sector of employment. Bangladesh is now the second biggest readymade garment (RMG) exporter of the world. The industry has so far gone through different phases of transformation and successfully faced numerous

challenges. Experts are of the opinion that the future of Bangladesh garment industry is also glittering. *The Apparel Story* talked with four successful and a couple of promising young entrepreneurs of the country to know where the garment industry of Bangladesh is heading to and how the factories will look like in 2030. The Managing Director of DBL Group, Md. Abdul Jabbar



**Md. Abdul Jabbar**  
Managing Director of DBL Group



**David Hasanat**  
Chairman of the Viyellatex Group



**Reazuddin Al Mamun**  
Managing Director of Epyllion Group

thinks that by 2030 the garment industry of Bangladesh will be globally recognized as the benchmark of safety and environmental standards for other countries. “Currently all the top garment factories of Bangladesh are exercising good social and environmental practices; in the coming years other factories will also follow these practices. So, by 2030 there will be significant improvement as regards to sustainability”, he added. Md. Abdul Jabbar also thinks that the current shortage of skilled human resource in the middle management of the factories will be mitigated to a large extent by 2030 which will be instrumental in boosting the apparel growth of the country.

Chairman of the Viyellatex Group David Hasanat opines that the workers of Bangladesh are excellent and the weakpoint of the garment factories of Bangladesh is their middle managements. He like the DBL Managing Director also believes that the skills of the middle management

will be improved in the coming years. On another area, he foresees significant change will come by 2030 – that is environmental standards of the factories. “If you think about 10 years back, at that time only Viyellatex used to talk about the eco-friendly business, but now there are many garment factories which have commendable initiatives in this field”, said Mr. David Hasanat. However, to him, infrastructure of a factory is the secondary issue. “Primarily we have to improve the quality of our services to sustain the garment business in Bangladesh and enhance its global market share,” he added.

According to Reazuddin Al Mamun, Managing Director of Epyllion Group, there will be no non-compliant garment factory in Bangladesh in 2030. “Already some of our factories are using renewable energy and they are reusing energy. Majority of the factories by 2030 will be energy-efficient and eco-friendly”, he said. “Another important change we will observe in the future factories that they will have strong IE and R&D departments”, Mr. Reazuddin Al Mamun added. “Our garment factories will be more advanced in automation and using modern technology by 2030”, he further added.

Lutfu M. Ayub, Chairman of Rabab Group, is certain that in the 2030 only those factories will remain who will win the confidence and trust of the buyers, and which will have strong supply chain. Only the factories with improved productivity and efficiency will survive. “I think garment is not going from

**The Apparel Story talked with four successful and a couple of promising young entrepreneurs of the country to know where the garment industry of Bangladesh is heading to and how the factories will look like in 2030.**



**Lutfe M. Ayub**  
Chairman of Rabab Group



**Irfan Azim**  
Director of Classic Group



**Rumana Rashid**  
Director of East West Industrial Park Ltd

Bangladesh in near future, however, we need to prepare ourselves in the best possible ways to retain our competitive edge. The government should provide with adequate infrastructure and uninterrupted power supply for the sustained growth of the industry”, he added.

While *The Apparel Story* asked the young entrepreneur Irfan Azim, a director at Classic Group, about the change they the second generation businesspersons are expected to bring in the garment industry of Bangladesh, he said that the second generation will obviously bring a qualitative change as there is a

difference between the mindsets of the two. He explains his position by saying that the first generation garment entrepreneurs in Bangladesh used to do 1 lac pieces of order of a single style. But now they do orders say 30 thousand pieces of 30 styles. “I myself show different styles to my buyers while I negotiate orders. Because when the buyers will choose your developed styles and impressions, the buyers have little scope to bargain, rather you bargain”, he said. He sought the support of the government and said that if the entrepreneurs get gas, electricity and infrastructure, the garment industry

of Bangladesh would achieve the feat that we might not even dream of now. Another young entrepreneur Rumana Rashid, a Director of East West Industrial Park Ltd, thinks that the garment factories of Bangladesh will be more organized by 2030. Rumana Rashid who looks after the Merchandising and Finance of the group believes that the factories will be improved a lot in product innovation and product designing in the coming years. “I firmly believe that all the factories will be safe and secured for workers by 2030 as already we have been doing a lot of work on the issues”, she added.





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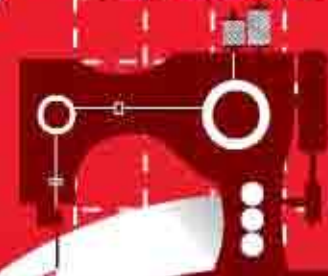
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# STARS' MADE IN



## Ananta prefers to be known as RMG entrepreneur

Ananta Jalil is a well-known actor in Bangladesh. Apart from being a film star, he is a successful young RMG entrepreneur. "I like both of my identities, but first of all, I prefer my identity as an entrepreneur and then a film star. The reason is that I started my career as a RMG entrepreneur then came to film industry."

Mr. Ananta takes pride in the fact that Bangladesh is the second largest garment exporter in the world. He himself runs RMG business. "I do work with the best renowned buyers in the world as US Polo, Kappa, Tokyo Laundry, etc." He loves to wear the dress produced by his own company and by other foreign branded clothes. He believes that Bangalasses are very much fashion conscious by nature. We prefer to wear dress which is comfortable and fashionable as well, he adds. He says the attires which he uses in his film are completely different from those worn by other film stars because of his involvement in fashion business and knowledge in that area.

## Momo takes pride in Bangladeshi apparel

Zakia Bari Momo, a famous actress and model, has to wear different types of clothes due to demand of her profession but it is sari and western attires that attract her most. Her feelings run high when she finds her western dresses made by her own country. "When I go abroad and visit shopping stores and see clothes with "Made in Bangladesh" tag, I really feel very proud. "There was time when we only used things made in other countries. But now we have world-class apparel that, we proudly say, made in Bangladesh."

Momo has great respect for the garment industry because the sector not only has made Bangladesh well known to the world, but also has been making significant contribution to our economy. I really feels good when I see our apparel industry empowering millions women, accelerating the wheel of our economy and making our country known all over the world." She wants to see our made in Bangladesh garment reaching every corner of the world.



# LOVE FOR BANGLADESH



## Noble believes Bangladesh one day will export fashion & design

Actor and model Adil Hossain Noble is very happy about RMG industry bringing glory for Bangladesh by making the country known all over the world. "It's really a matter of great pleasure that apparel made in Bangladesh is worn by people across the world." He feels proud to model Bangladesh garment.

Noble is very much optimistic about the future of Bangladesh apparel industry. "The industry will become bigger, thus creating employment for more people and bringing more foreign currency for the country." He believes that one day Bangladesh will export fashion and design. "Brisbane-based eveningwear label designed by Bangladeshi fashion designer Nadia Khan will walk the ramp for the Fashion Palette New York Fashion Week show in New York. So it shows that we have talents and potentials to export fashion and design in future."

## Mim Senses Pride in Bangladeshi Garment

Bidya Sinha Saha Mim, popular actress and model, is fond of 'Made in Bangladesh' apparel. She feels a sense of pride when she sees Bangladeshi garment in foreign clothing stores. "Once I went to a store in the US where I found a lot of Bangladeshi made apparel items. It really feels good when we find our products in foreign countries." However, Mim would be happier if these products have been found in Bangladesh. "Those products of special quality may be produced only for them. It would better if such quality apparels are found in our country and foreign land."



## Barsha loves to buy dress made in Bangladesh

Afia Nusrat Barsha, famous film actress, prefers to wear the dress which is most comfortable. She is involved with garment business. "It's with my husband superstar Ananta Jalil. I try to help my husband in his every work. We manufacture clothes for the most renowned brand in the world which is the best in quality. Sometimes I wear the dress of AJI Group."

When she travels abroad for shooting purpose and goes for shopping there, she loves to buy dress of foreign brands and also clothes 'Made in Bangladesh' for herself and her near and dear ones.

Travelling around the world with her husband, watching movie, reading books and listening to music are her favorite pastime.



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**The rise of the garment industry can help explain the declining fertility, increasing age at marriage, and rapid increase in girls' educational attainment during this period**

Rachel Heath is an Assistant Professor in the Department of Economics at the University of Washington. Her research focuses on increased labor market opportunities for women in developing countries, how these new job opportunities are changing women's lives, and the factors that influence women's decisions to join the labor force. In an exclusive interview with *The Apparel Story* Prof. Heath shares her research findings on the RMG industry of Bangladesh.

**◀ Rachel Heath**

**Access to the factory jobs makes women to choose not to have children at their early age. They choose to support their family financially. According to our research, access to factory jobs significantly lowers the risk of early marriage and childbirth for girls in Bangladesh, and this is due to both the girls postponing marriage to work in factories, and the girls staying in school at earlier ages.**



**You have carried out a research on impacts of emergence and development of the apparel industry on the lives of women in Bangladesh. What are the major findings of your research?**

In our research, we found that the more females are getting into the garments jobs, it reflects the decreasing rate of child labor, early marriage, and child bearing. Our results suggested that the rise of the garment industry can help explain the declining fertility, increasing age at marriage, and rapid increase in girls' educational attainment during this period, both in absolute terms and relative to boys.

**Why have you felt interested in research on the apparel industry of Bangladesh?**

There are many mates of mine who are in Bangladesh. So when, I have visited garments factories with them, I found interest to have a research on the RMG industry of Bangladesh.

**How does factory jobs helps to stop early marriage?**

Access to the factory jobs makes women to choose not to have children at their early age. They choose to support their family financially. According to our research, access to factory jobs significantly lowers the risk of early marriage and childbirth for girls in Bangladesh, and this is due to both the girls postponing marriage to work in factories, and the girls staying in school at earlier ages. Thus, our estimates suggested that the rapid expansion of the garment sector has been a much more important reason for the decreases in earlier marriages and fertility and the closing of the gender enrollment gap in Bangladesh.

**Should the government invest more in female education?**

I think the government already invested a lot in the female education and there are many programs going on to encourage female education. But at the same time, now they should give priority to the infrastructure development which is highly important for the smooth growth of any industry.

**Women are used to drop out from regular education to access factory jobs. Did you find any evidence from your research?**

Well, there are very smaller evidence. As I said some girls are coming to the factory jobs to support their family financially, in that case, there is always a chance of drop out. But as higher education provides better opportunities, dropout rate is relatively low.

**What are the key strengths of RMG in Bangladesh?**

I think it is the workforce that you have rigorously. Labor is available with low cost. So overall production cost is low compare to other countries. Therefore labor is an asset. And if they are properly trained, factory will be more productive.

**Bangladesh has set a vision to reach \$50 billion in RMG exports in 2021.**

**What factors do you think we should focus on for achieving this mission sustainably?**

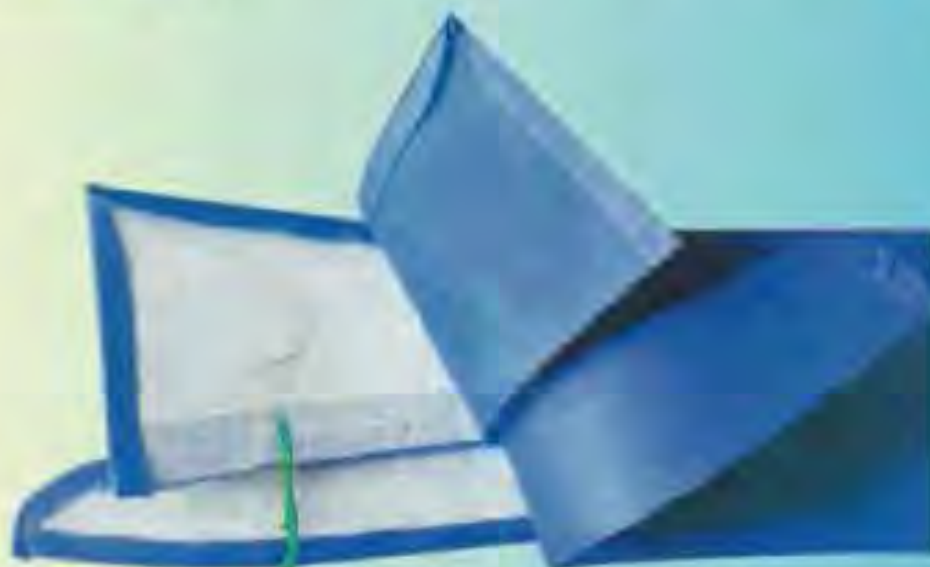
Bangladesh has a very capable workforce. I think right now the country should focus on infrastructure and labor issues to attain the vision. Since safety is highly associated with strong infrastructure, both infrastructure and labor issues are important to meet the target.

**Thank you so much for your time.**

Thank you.



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## Cleaner Production Case Study

### Metering Resource Usage

This series provides examples of PaCT's advisory work with clients to implement Cleaner Production solutions in the Bangladesh textile wet processing sector.

#### Improving Factory Efficiency

Many textile factories realize the embedded costs of water, energy and other resources in the production process. For instance, water is free, but pumping, treating, heating, cooling and/or discharging it incur real costs to a factory owner. Efficient use of resources and identification of potential opportunities can save factories money. But how does a factory identify opportunities that result in high savings?

#### Meter Your Inputs

The best way to identify and reduce the cost of resources is by metering the amount of raw materials used to manufacture the product. Accuracy and reliability of data play an integral role in efficient management of a factory. Reliable data help the factory management team to get an overall picture of how efficiently the factory is operating and identify scopes for improvement.

#### How Does Metering Help?

- Allows factories to calculate the true cost of a resource by following its use through the production line
- Enables factories to complete water and energy balance
- Helps factories to benchmark their performance against competitors and measure subsequent improvements
- Assists factories to allocate resources effectively by identifying high priority, high return areas for improvement
- Better efficiency in the use of resources leads to savings in the cost of raw materials
- Allows factories to identify leaks in buried water pipes

**Cleaner Production (CP)** is an integrated strategy to maximize profits by making more efficient use of inputs (such as energy, water, raw materials), while maintaining or increasing production and minimizing waste and pollution at source.



**The Bangladesh Water PaCT: Partnership for Cleaner Textile** is a holistic program that supports textile wet processing factories in adopting cleaner production, and that engages with brands, government, communities, financial institutions, and other stakeholders to bring about systemic, positive environmental change for the Bangladesh textile wet processing sector, its workers, and surrounding communities, and to contribute to the sector's long-term competitiveness.

#### Implementing a Metering Project

Implementing a comprehensive metering system is straightforward, but requires dedication and focused effort by the factory management team.

- **Prepare** diagrams showing energy and water flows through the factory. Select the best locations for meters.
- **Prioritize** flows and parameters to measure and record – i.e., boiler efficiency, total raw water or cooling water return rate.
- **Determine** data requirements – i.e., calculating boiler efficiency will require measuring flow rate and pressure of both gas and steam, as well as volume and temperature of makeup water.
- **Analyze** degrees of freedom to determine number of flow meters needed for a department, section or factory.
- **Select** appropriate meters for measuring water, steam, gas and energy. Good quality meters from reliable manufacturers offer the best investment as they are durable and provide dependable data.
- **Install** meters as per manufacturer's instructions.
- **Maintain** and periodically calibrate meters to ensure consistently reliable readings.
- **Record** metered data consistently. Data need to be checked for ensuring reliability.
- **Use** the data. Simply installing meters will not bring changes. How effectively factory management uses the information determines the factory's efficiency.



Metering helps recording reliable data.

See how Aboni Textiles Ltd. managed to reduce resource consumption

### Client Spotlight: Aboni Textiles Ltd.

Aboni Textiles Ltd. (ATL) produces an average of 12 tons of finished fabric per day. ATL kept knowledge in energy conservation and general process efficiency before working with the CP team.

### Challenge

Inadequate data was impeding ATL's strategic planning for future reduction, reuse and recycling efforts. The factory had poor monitoring on generator loading, boiler efficiency and dye-house soft water consumption only. The data recorded were unreliable and kept the factory from prioritizing improvement opportunities and potential savings.

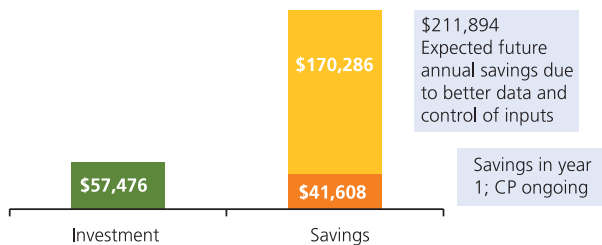
### Metering - The First Step for Benchmarking

PaCT experts advised a comprehensive meter installation strategy to measure ATL's energy and water consumption. By following the recommendations, ATL's management was able to obtain reliable data and use them to establish benchmarks. The strategy further enabled ATL to identify resource savings opportunities throughout the factory and set the platform for continuous improvement.

### Saving Resources, Seeing Results

ATL invested approximately US \$57,000 to implement the recommendations, of which about US \$23,000 was invested in meters. Within the first year, the company saved over US \$41,000. The payback period was approximately 18 months. With the benefit of reliable data and a scope for continuous identification of improvement opportunities, ATL's savings is expected to increase every year afterwards.

### Aboni's investment versus savings from CP



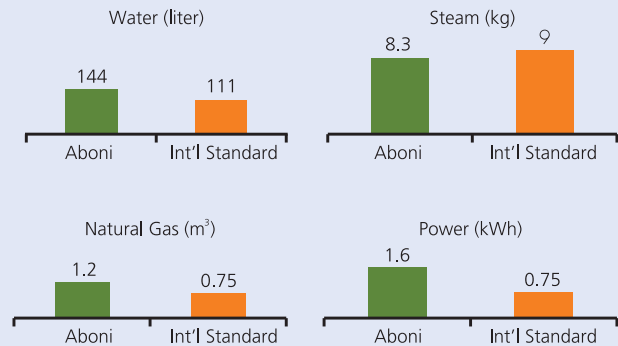
### A Mindset for Success

Commitment is an important per-requisite for the successful implementation of a cleaner production program. This commitment was reflected in ATL's interest in making investments in installing meters.

### Key Efficiency Measures

- Installed 7 new gas flow meters
- Installed 2 new steam flow meters
- Installed 10 new water flow meters
- Installed 8 new electricity meters

### Aboni's resource use per kg of finished fabric versus international standards



### Client Results

The metering strategy enabled ATL to

- Reduce soft water consumption
- Perform production analyses
- Effluent Treatment Plant (ETP) inlet and outlet water quality analyses
- Perform boiler efficiency, loading and performance analyses
- Perform generator efficiency, loading and performance analyses
- Perform gas consumption analysis throughout the factory
- Conduct steam production analyses
- Water balance
- Energy footprint

### Director

Aboni Textiles Ltd.

*"By implementing CP suggestions, we got good economic, environmental and social benefits."*

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Speakers are seen at a dialogue on "Capacity Building and Employment of Persons with Autism in the RMG Industry".

# Vow to create opportunities for autistic people in RMG

By Omar Gias

Writer, linguist, educator and also coined as "1 of the 100 living geniuses in the world today," Daniel Tammet claimed national attention in 2006 after writing a New York Times bestselling book titled *Born On A Blue Day*. It is a chronicle of Daniel's life as an autistic savant. Over half a million copies of the book

was sold worldwide as well as an award-winning documentary film produced about Daniel Tammet called *Brainman*. Tammet has appeared on countless television shows from *Good Morning America* to 60 minutes and has set the European record in 2004 for reciting by memory the famous mathematical constant Pi (3.141...) to 22,514 decimal places in 5 hours and 9 minutes. Because of his autistic savant skills in regards to memory, math and linguistics, Daniel has been studied by many of the world's leading neuroscientists.

Daniel Tammet is not alone, since the first diagnosis of autism in 1943, a number of autistic celebrities, artists, authors, scientists and musically-gifted prodigies have met global attention. About 1 in 10 of individuals with autism has specific skills in which they excel, far beyond the average population. Some autistic persons show exceptional talents despite functional disability



in general. Some children with autism may have special talents, such as artistic abilities (exceptional drawing), musical abilities (play instruments), and rote memory (numerical calculations).

With the vow to include autistic people in the mainstream economic activities, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) arranged a dialogue on 'Capacity Building and Employment of Persons with Autism in RMG Industry' at the Noorul Quader Auditorium of BGMEA Complex on August 20. BGMEA organized the event bringing together factory owners, parents of the children with autism, and government officials to raise awareness about the employment of people with autism.

Saima Wazed Hossain, Chairperson of National Advisory Committee on Autism and NDDs, the Prime Minister's daughter, who spearheads disability campaign in Bangladesh,

attended the event as the Chief Guest and presented a roadmap on how to employ those "honest, dedicated and loyal" children.

Md. Atiqul Islam, President of BGMEA, promised in the event to recruit people with autism in the clothing industries in a move to create job opportunities for them.

"We'll give them work, they'll give return. This is not charity", said the BGMEA President. "Let's start working together," he told the parents who train up their kids with autism with a particular skill of their choice. BGMEA's announcement delighted the parents as clothing is the largest export sector of Bangladesh.

Saima Wazed Hossain said that a roadmap would be needed to employ them properly. "It's not giving one or two jobs," she said, adding that the clothing industry's slogan "made in Bangladesh with pride" would be a reality when there would be no one left behind, everyone is included."



Senior Secretary of the Ministry of Commerce Hedayetullah Al Mamun, ndc, Labour Secretary Mikail Shipar, Foreign Secretary Md. Shahidul Haque, Second Vice President of BGMEA SM Mannan (Kochi), Vice President Md. Shahidullah Azim, Vice President (Finance) of BGMEA, Reaz Bin Mahmood, and Sajida Rahman Danny, President of the Parents Forum for Differently Able, among others, were present on the occasion.

# ‘VALUE YOUR WASTE’

Circular economy based approach to  
supply chain management

By Somnath Bhattacharjee & Ritu Bharadwaj





Textile sector contributes 15% of Bangladesh's GDP, constitutes 80% of exports and provides direct employment to 4 million people. Bangladesh also stands second in terms of global textile exports after China. While the textile sector is the backbone of Bangladesh's economy, it is also faced with significant challenges for survival and growth due to its' high resource (energy, water and chemical use) footprint and its consequent environmental impacts, threatening the livelihoods of millions dependent on it.

Bangladesh textile industry uses 2-3 times more water than the global benchmark. Many textile dyeing industries in Bangladesh do not have Effluent Treatment Plant (ETP) and discharge untreated effluent to the nearby area and water body. The units having treatment facilities uses coagulants and chemicals, which results in large amounts of sludge being generated, which is hazardous in nature and creates major disposal issues causing soil and water pollution.

The recent push for sustainability by leading international textile brands such as H&M, IKEA, Levi etc., have forced many textile SMEs in Bangladesh to go in for cleaner technologies. This has helped them in reducing their input costs related to energy, water, chemicals etc., enhancing profitability as well as product quality. However the issues related to waste management, particularly effluent and sludge disposal still remains a major challenge. Bangladesh government has recently issued the Zero Liquid Discharge Regulation to deal with the problem of effluent, mandating all textile mills to have compulsory installation of zero liquid discharge effluent treatment plant (ZLD-ETP) systems. However, its practical implementation is fraught with challenges as there are many unresolved issues like disposal of large quantities of solid waste/ sludge that would be generated as a result of treatment, managing water and soil pollution from washing of the sludge by rain water if the sludge is stored in the open. Other practical challenges include lack of land availability, problems related to retrofitting existing plants with ZLD facility etc. All these issues have serious implications on the technical and financial viability of such measures and are major barriers in large scale compliance by the industry.

### Win-win models through circular economy approach

The solution to the challenges currently being faced by the textile industry could be addressed by linking textile sector with the value chain of other sectors in a manner that effluents and wastes generated in the textile industry can be gainfully utilized in other industries. This will help in converting these wastes to useful resources for

manufacture of value added products instead of creating negative environmental impacts for the society and also help in conserving resources.

The Indian textile industry has successfully demonstrated such symbiotic models of waste recycle and reuse between textile and other industrial sectors by creating a win-win situation for a range of stakeholders. The knowledge from these initiatives has high potential for replication and scale up in other

countries in South Asia region including Bangladesh, which have quite similar production and manufacturing practices. Two such approaches are explained in this paper:

#### Symbiotic models between the textile and the brick Sector:

Working in a collaborative manner along the principles of circular economy, the textile and the brick sector have the potential to solve many pressing environmental issues currently being faced by them. Brick sector in Bangladesh currently produces around 17 billion bricks annually, consuming around 45 million tonnes of agricultural soil, which is equivalent to around 2,600 hectares of agricultural land. Apart from clay, brick kilns burn nearly 3.5 million tons of coal and another 1.9 million tons of wood annually. The current trend of the use of agricultural land and coal will have severe impacts on food and energy security of the country. At the same time, textile sector is faced with the huge problem of sludge disposal. Due to environmental impacts associated with sludge disposal, Bangladesh Government is contemplating to put in place a sludge management guideline.

There is an innovative brick technology invented and patented in India that can allow the use of textile sludge as an input in manufacturing brick. This new product, known as FAL-G brick, has the potential to completely eliminate carbon emissions from brick-making as it does not require coal or other energy sources to manufacture brick. Another significant benefit of the new technology is that unlike clay bricks that use valuable agricultural top soil as raw material, FAL-G brick uses fly ash, an unwanted residue from coal burning (mainly from coal-fired power plants) and also allows use of textile sludge. In India, 18000 FaL-G brick units have already been established and with the support from UK Department for International Development (DFID) under their Knowledge Partnership Program, the Institute for Industrial Productivity (IIP), a US based NGO, has initiated work with the Bangladesh Department of Environment, and the Bangladesh Brick Manufacturers Owners Association (BBMOA) to introduce and scale up this technology in Bangladesh. The process of technology transfer to

Bangladesh has already been initiated, where the inventors of FaL-G bricks are helping to customize the technology to local conditions. The suitability of textile sludge as a binder in making FAL-G bricks will be done through field tests and consultations with local brick entrepreneurs and construction companies. However, the pro-active role of industry associations like Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and BBMOA will be extremely critical in creating awareness among their members and ensuring synergy between the two sectors to scale up the use of textile sludge in brick manufacture. Such efforts will not only help in promoting green brick manufacturing in Bangladesh, but also help in solving the problem of effective management and disposal of waste from the textile industry, which is a critical compliance issue for the industry.

Textile waste as an alternate raw material for Cement manufacture: Although ZLD treatment has been mandated by Bangladesh Government, there are still many issues with this technology and approach to management of wastes. The most important one being production of mixed salts as a residue, which are unfit for reuse in textile processing because of issues regarding purity of salts, colour, organics (COD), nutrients, silica, heavy metals, and hardness caused by calcium and Magnesium salts .

They also create a serious storage and disposal issue because in many cases they cannot be disposed off as landfills and require hazardous waste disposal facilities. Most Common Effluent Treatment Plants (CETPs) particularly ZLD-CETPs can generate several hundred tons/ day of hazardous solid waste, such as sludge and waste salt. Besides brick industry, these wastes can be used as a raw material substitute in the cement industry. Some Cement Plants in India are already using textile sludge effectively. Aditya Birla Cement, Chittorgarh (Rajasthan, India) has been co-processing ETP sludge of about 1000 tonnes per month from textile mills from Bhilwara Industrial Area. Similar approach can also be pursued in Bangladesh. BGMEA will have an important role in exploring such synergy with cement industry in Bangladesh.

### Way forward

Given the importance and the scale of operation of the textile industry in Bangladesh, adoption of circular economy concept based on waste recycle holds enormous potential for transformational impact. It can result in substantial energy, soil (agricultural land) and water saving along with waste minimisation, with industry benefitting by way of improved resource productivity, product quality and higher profit; workers and society benefitting

through reduced social and health impacts; and Government on account of reduced environmental and climate change impacts. However, to take such models to scale there is a need for policy and regulatory support, which can help in sufficiently incentivising the textile and other related industries to take up such models over the conventional methods of waste disposal, which in many cases may be a cheaper option. Regulatory intervention will also be needed to facilitate storage and transport of waste, from one industry to the other. The movement of wastes particularly the hazardous wastes is regulated by government, and to promote its use as input or raw material in other industries it is important to come up with regulations that ease its movement within the safety provisions as defined under the Basel Convention. It will be important for Bangladesh government to work alongside key industry associations like BGMEA & BBMOA through a consultative process to bring about these key policy reforms in such a way that it incentivises the action by different industry sectors.

*Somnath Bhattacharjee & Ritu Bharadwaj are India Country Director and Senior Program Manager at Institute for Industrial Productivity respectively.*

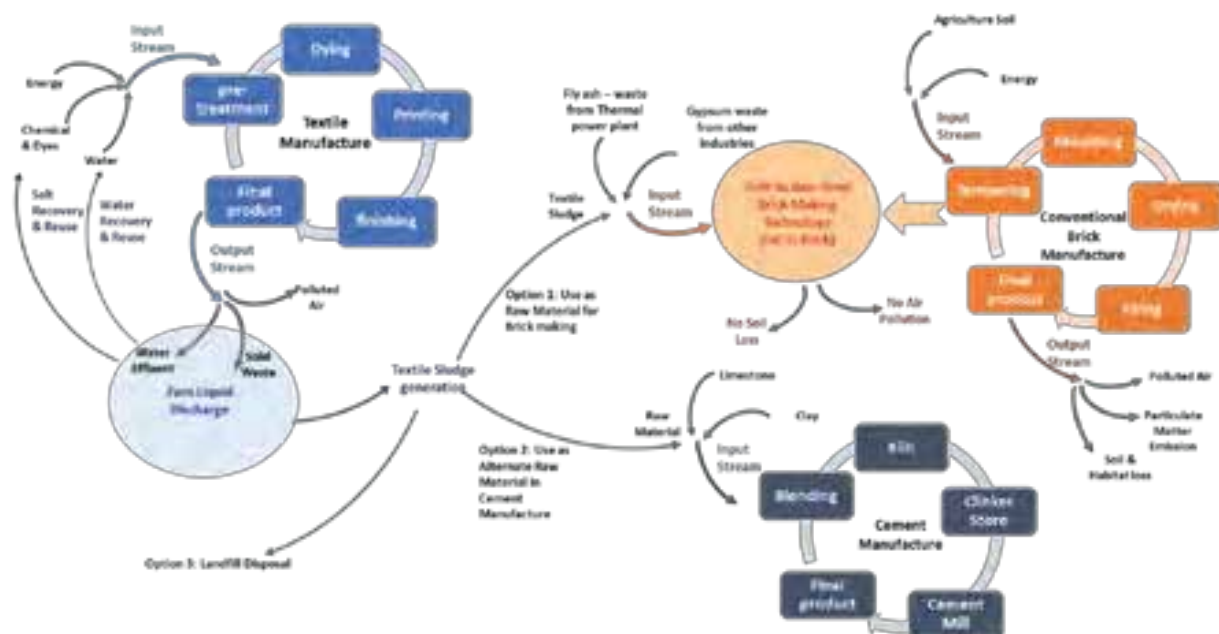


Figure 1: Circular Economy: A graphical representation of 'w-in-win' possibilities

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Abdul Muktedir  
Managing Director  
Incepta Pharmaceuticals Ltd

P H A R M A C E U T I C A L S

## An industry with inalienable prospects

By Musharrat Tarannum Baishakhi

*P*harmaceuticals industry has appeared to be a promising sector in Bangladesh that meets around 98 percent of local demand for medicine and is growing on an average around 11.37 percent. The industry has developed due to the advancement of skills and knowledge of the professionals along with sufficient workforce generated within the country.

The industry not only saves thousands of crore taka by supplying medicines to the local market but also fetches millions of dollar through exports. Currently around 92 countries are using pharmaceuticals made in Bangladesh. Abdul Muktadir, Managing Director of Incepta Pharmaceuticals Ltd. said: "At present, the industry is providing medicines to the mass people at only 13 thousands crore taka. But we would have spent more than one hundred thousand crore taka if we had to import those medicines. We are happy that after meeting the local demand, the country earns around \$100 million from pharmaceuticals exports."

The industry mainly produces tablet, capsule and syrups. Besides, Bangladeshi pharmaceuticals companies are producing and exporting high-tech specialized products like HFA inhalers, CFC inhalers, Suppositories, Nasal Sprays etc. That the pharmaceuticals produced by Bangladesh is of international standards is evident from their acceptance in 92 countries. The industry has huge potential for growth. Mr. Muktadir said: "At initial phase pharmaceuticals business may take time to grow. For example, firstly a medicine is marketed, then it gets familiarity with physicians and lastly patients purchase a medicine after getting prescription from the doctor. So, business in pharmaceuticals industry requires investment in time. But when a medicine gets popularity in market, you can do business with for a long time."

Although pharmaceuticals industry takes time to grow, once developed this sector can earn billions of dollar. "A medicine takes almost 2 to 5 years to be registered due to compliance issue. When a pharmaceuticals company develops a medicine, it applies for its patent which is a time consuming process. Once the company gets patent, it can produce and market the medicine exclusively for around 10-14 years; that means huge business with that particular product. After that, the medicine becomes generic medicine": Abdul Muktadir explains.

"When a Bangladesh company would be able to bring a new drug onto the market and get its patent, then it would alone export \$5-7 billion annually": the Managing Director of Incepta Pharmaceuticals said, adding

that already a number of pharmaceuticals companies are working on developing brand-name medicines. Once Bangladesh gets success in this area, the industry will become a multi-billion dollar sector which will contribute significantly to the national exchequer.

Besides, when more generic medicines manufactured in Bangladesh will be approved by the European and American countries along with others, the country will be able to export drugs and medicines in a large volume.

While talking about the challenges of this industry, Mr. Muktadir suggested that the regulatory body needs to be strengthened and testing laboratory should maintain global standards. He said Vietnam has got the approval of WHO (World Health Organization), but Bangladesh still did not receive WHO's approval despite producing finest medicine with global standards. So, he suggest the regulatory body should focus on that issue along with establishing modern, well-equipped drug testing laboratories.

The pharmaceuticals industry has already been identified as a thrust sector in Bangladesh. The sector has immense potential to be a mighty pillar of the economy if it is given proper attention by the government.

## Pharmaceuticals Industry

- Pharmaceuticals Industry meets 98% of the local demand of drugs and medicines; whereas 20 years ago, almost 75% of the drugs were imported
- According to IMS report 2014, the total size of the pharmaceuticals market is approximately BDT 113 bn (\$1.5 bn).
- The annual growth rate of the industry is about 11.37%.
- The sector is currently employing around 1,15,000 people
- The industry is a major contributor to the national exchequer with export earnings worth \$100 million
- Presently around 300 pharmaceuticals companies are operating in the country
- The market is expected to be around BDT 160 bn by 2018.
- The main exporting products of pharmaceuticals are Tablets, Capsules & Syrups. Bangladesh also exports inhalers, suppositories, nasal sprays etc.
- Around 92 countries are import medicines from Bangladesh



**When a Bangladesh company would be able to bring a new drug onto the market and get its patent, then it would alone export \$5-7 billion annually**

# Thread from Jute Raises Hope

By Tamanna Mahin



Bangladesh is one of the world's biggest readymade garment manufacturers. Without a doubt we have been proving our efficiency to the world for the last three decades. We are the best at what we do and the world seems to be content with what we deliver. However, we still thrive to be the very best. It goes without saying that our aim is to become the best rather than being one of the best. And we are trying to achieve that \$50 billion target by trying to mesh another manufacturing industry that was once one of the biggest exports of Bangladesh: Jute. Bangladesh holds the second position as a jute producer in the world with the average production of jute 1.08 m ton/year. More than 85% of world production of jute is cultivated in the Ganges Delta & having the major portion of it; Bangladesh became the largest producer of raw jute or jute fiber in the world. For centuries, Bangladeshi jute had and still has demand in the international market for higher quality fibers. This fact makes Bangladesh the major exporter (80%+ market share) of jute fiber in the world; while India has nominal dominance over export of Raw Jute Fiber. Total average export earnings from jute and jute goods is US\$ 611 million (60 lakh bales) every year. Average export value of raw jute is US\$ 140 million. Currently Bangladesh has 187 jute factories.

The core of jute (stick/woody portion) with shorter fiber of 0.9 mm length has strength properties similar to hard wood (constitutes 60-65% by weight of stem). Diversified jute products are becoming more and more valuable to the consumer today. Among these are espadrilles, floor coverings, home textiles, high performance technical textiles, Geotextiles, composites, and more. Jute has many advantages as a home textile, either replacing cotton or blending with it. It is a strong, durable, color and light-fast fibre. Its UV protection, sound and heat insulation, low thermal conduction and anti-static properties make it a wise choice in home décor.

The pleasant news is we are at a stage of innovation where a team of Bangladesh Jute Research Institute led by Dr. Engr. Abul Kalam Azad has come up with such a technology that can help transform jute into a state where it can be used as a substitute for cotton. The team includes Engr. Md. Minhaj Uddin Jubayer, Engr. Md. Tahzibul Haque and Md. Tarik Hossain. Over the years, due to a rise in the readymade garment industry, Bangladesh has become one of the biggest cotton importers of the world. With the emergence of this technology dependency on cotton may be significantly reduced. This new kind of jute is called the jute-cotton blended yarn.

### Processing of the jute-cotton blended yarn:

1. Jute is being collected from the market. This raw jute is pieced into suitable size (1.8-2 inch) by an automatic cutting machine.
2. These small pieces of jute particles are then passed through a chemical treatment plant to make them soft and fiber type.
3. Then this soft chemically treated jute is dried to an automatic drying machine or another option for drying this jute is by using sunlight.
4. After drying, the next stage is to open up the chemically dried jute so that it turns into something that looks and feels like cotton. The texture of the jute matches the fluffy texture of cotton. If the texture of cotton and jute does not become the same then they cannot be blended together.
5. The jute fiber the passes through an opening machine. After the jute fibres are opened they are then



*Fabrics made from jute-cotton blended yarn*

- blended with cotton in a blending machine according to their desired requirement and made into a lap.
6. This lap stage is then used to make raw cotton jute blended yarn. This blended yarn may then be used for weaving.

Dr. Abul Kalam Azad, Director (J-T), Bangladesh Jute Research Institute told *The Apparel Story* that this project was handed over to the Bangladesh Jute Research Institute in 1991-92 with focus on the prospects of jute. Due to a lack of resources in those days the research was undertaken using the existing machineries and equipment. However, the government has made a lot of resources available to the BJRI so that the engineers can pursue this

matter further. According to him if this project becomes successful and if jute can replace just 30% of cotton consumption then starting from the owners of the RMG factories to the farmers growing jute in their fields everyone will be benefitted.

Jute or the Golden Fiber is a valuable asset for Bangladesh with glorious past and has come back again with an offer of prosperous future for the country. Up to the 1960s, Bangladesh used to produce nearly 80% of the world's jute. Jute export was the largest contributor to the foreign exchange earnings. Though gradually the prosperous days of the golden fibre faded significantly; still it has dynamic potential to present a future for positive economic growth.



**Dr. Engr. Abul Kalam Azad**  
*Director (J-T), Bangladesh Jute Research Institute*

With Bangladesh Jute Research Institute and BGMEA promoting such a remarkable innovation, we may be able to use jute as a substitute for cotton. This technological advancement has the capacity to change the future scenario of the RMG sector of Bangladesh. If this project becomes commercially viable the readymade garment manufacturers will be able to reduce their production cost massively and as a result we could earn higher profits. This will not only help us make more money but in the international platform we will be able to hold our heads high and challenge the competitors.



The visiting diplomats along with BGMEA Leaders are seen standing on the premise of the Epyllion Style Ltd.

# Into the Factories

■ By Omar Gias

*B*

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) recently invited the diplomats of the countries, which import apparel from Bangladesh, to visit some garment factories situated on the outskirts of Dhaka. In response to BGMEA's invitation, the US Ambassador to Bangladesh Marcia Stephens Bloom Bernicat, Head of the European Union Delegation to Bangladesh Pierre

Mayaudon, Canadian High Commissioner to Bangladesh Benoit-Pierre Laramée, Spanish Ambassador to Bangladesh Eduardo de Laiglesia Y del Rosal, Ambassador of Brazil to Bangladesh Wanja Campos Nobrega, Dutch Chargé d' Affairs Martine Van Hoogstraten, Danish Chargé d' Affairs Soren Robenhagen and Labour Attaché of the US Embassy in Dhaka Paula Albertson paid a visit to Utah Fashion Ltd and Epyllion Style Ltd in Gazipur on August 12. BGMEA President Md. Atiqul Islam led the tour, while Vice President of BGMEA Md. Shahidullah Azim, among others, was present in the entourage. Managing Director of UTAH Group A. Razzak Sattar and Managing Director of Epyllion Group Reaz Uddin Al-Mamoon were also present on the occasion.

The diplomats walked on the every floor of Utah Fashion Ltd and Epyllion Style Ltd, and saw different



*Managing Director of UTAH Group A. Razzak Sattar is showing the apparel products of his factory to the diplomats.*

arrangements of the factories for their workers as well like day care, medical center etc. After the visit, in a press conference at the Epyllion the foreign dignitaries expressed their satisfaction with the working environment and compliance issues of the factories.

Talking to journalists, the US Ambassador said that the global perception about Bangladeshi RMG factories was changed significantly after the Rana Plaza collapse because of the tremendous improvement in the field of workers' safety, security and compliances. "These two factories can be good example to others units in terms of safety, workers' rights and other issues," she added.

She, however, stressed on establishing online database of the workers, stopping harassment of workers for the formation of trade unions and implementing all the rules under labor law to get back the GSP facility. She also advised the government of Bangladesh to make



*Managing Director of Epyllion Group Reaz Uddin Al-Mamoon is seen accompanying the US Ambassador to Bangladesh Marcia Stephens Bloom Bernicat and BGMEA President Md. Atiqul Islam during their visit to the daycare room of the Epyllion Style Ltd.*

visible development in labor union formation in the RMG sector to get back the GSP facility.

The Head of the European Union Delegation to Bangladesh stated that the standard of the visited factories was quite satisfactory.

"However, Bangladesh needs to increase the productivity and quality of its products to get increased price in the international markets," he said while responding to a query of the journalists.

**Talking to journalists, the US Ambassador said that the global perception about Bangladeshi RMG factories was changed significantly**

# Do You Know?



*Grameen Knitwear Ltd, Bangladesh, is the proud manufacturer of the jerseys of England national Test Cricket Team.*



*The population of about 150 countries of the world is less than 4 million, whereas 4 million workers are employed in the RMG industry of Bangladesh.*



*Envoy Textile, Bangladesh, is exporting denim fabrics to Turkey, Kenya, Sri Lanka, India and China.*



*Vintage Denim Studio is a United States Green Building Council (USGBC) certified Platinum rated green garment in Bangladesh which scored 90 out of 110 in the rating system.*

# Promoting 'Made in Bangladesh' *in Brazil*

By Apparel Story Desk



**T**he importance of exploring non-traditional markets is stressed by RMG experts for achieving \$50 billion of RMG export by Bangladesh in 2021 when the country will celebrate her 50th anniversary of independence. It is encouraging to note that over the last five years, remarkable progress has been achieved in diversifying our exports to non-traditional markets. Brazil is one of the major emerging non-traditional markets for Bangladesh. Against this backdrop, a delegation of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) visited Brazil during the Brazil International Apparels Sourcing Show 2015 held in Sao Paulo, the commercial center of the country.

The BGMEA delegation headed by its Vice President Md. Shahidullah Azim availed the opportunity of branding Bangladesh on the occasion. They visited different stalls of the show and exchanged views with the apparel customers of Brazil. The delegation also participated in exclusive bilateral meetings with some biggest apparel importers of Brazil such as Kenar, Ria Selu, C&A, Marisa, Cia Hering etc. Besides, a press briefing was arranged where Bangladesh Ambassador in Brazil Mohamed Mijarul Quayes accompanied the delegation as the Chief Guest. The BGMEA Vice President spoke at the press briefing on 'Why Bangladesh is the best in RMG manufacturing'. He also briefed the Brazilian audience about the transformation that took place in Bangladesh RMG industry, and their efforts to ensure safety and sustainability at garment factories.

According to the organizers, a total of 59 garment manufacturers from Bangladesh along with the apparel exporters from India, Sri Lanka, China, Indonesia and Malaysia participated in the show. And, at least 400 apparel importers of Brazil visited the exposition who expressed their willingness to do business with Bangladesh seeing the high quality 'Made in Bangladesh' products in the show.

**Remarkable progress has been achieved in diversifying our exports to non-traditional markets. Brazil is one of the major emerging non-traditional markets for Bangladesh.**



## A technology that requires no water

By Mohammad Monower Hossain

**B**angladesh's manufacturing sector has experienced a substantial growth in last few years. Export-led industrialization has played a significant role in accelerating this growth specially RMG and backward industries. Bangladesh's RMG sector accounts for about 81% of the total export earnings. Globally reputed research firm Mc Kinsey & Co. has predicted that our industry likely to reach \$45 billion mark in 2020. Bangladesh has set a target of reaching \$50 billion in apparel exports in 2021 when the country will celebrate golden jubilee of her independence. In contrast we have some other realities which we cannot avoid while thinking of sustainable growth. In recent years we are facing some growing challenges

in the area of sustainability with issues like groundwater depletion, inefficient production process, pollution, depletion of natural resources and so on. On this backdrop it is easy to assume that the industry is likely to face a severe crisis in near future. Our source of energy is mostly from the non-renewable sources which would diminish after a certain period of time. So there would be of two type of approaches to combat the future crisis -- one is opting for renewable sources and another is saving as much energy as possible to be sustainable in the long run. There are new technologies that would help our industry to know about new technologies; among them ozone wash technology is noteworthy.

**Ozone:**

Principally, an ozone molecule is nothing but an oxygen molecule that has received an extra oxygen atom by electric high voltage. The Ozone molecule is very unstable and has a short half life. It oxidizes substance and as a result by product formation rarely occurs.



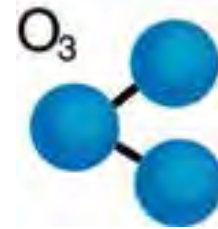
**Key features of ozone washing system**

**Mechanism of washing process by ozone O3:**

Ozone (O3) is activated oxygen, a way of cleaning garments by using the atmospheric air instead of water. Subsequently, using ozone as a wash chemical improves the economics and efficiency of the washing process.



Through this process ultra-violet ray is passed through air in an ozone generator unit to form activated ozone. The ozone gas then kills bacterial and other stain within its very short life time and discharge oxygen as natural by product.



Particulars	Traditional Washing Machine	Ozone Washing Machine
<b>Application</b>	Washing of all garments product.	Washing of all denim, woven, polyester, cotton and twill fabric and garments. As well as shading of denim products. Latest technology machine contains washing, hydro and drying process integrated in a single machine.
<b>Inputs</b>	Electricity Water Steam Chemicals Manpower	Electricity Air Manpower
<b>Washing Chemicals</b>	Detergent Caustic Soda Soda Ash Anti-staining Agent Acetic Acid Hydrogen peroxide etc.	No or minimum chemical use
<b>Bleach</b>	With bleaching chemical	Without bleaching chemical
<b>Time</b>	-	<b>3000</b> times faster than traditional cleaning chemicals.
<b>Bacteria killing rate</b>	-	<b>98%-99%</b> of bacteria.
<b>Productivity</b>	Requires huge operating time	Less operating time improve productivity.
<b>Energy consumption</b>	Consume more energy	Requires less energy moreover less time reduces energy consumption
<b>By product</b>	Contaminated water	No harmful by product is produced, even process starts with air and discharge oxygen to the environment.
<b>Treatment of discharge water</b>	By Effluent treatment plant	No contaminated water is discharged so effluent treatment not required.
<b>Temperature</b>	40 <sup>o</sup> -70 <sup>o</sup> Celsius	0 <sup>o</sup> -40 <sup>o</sup> Celsius
<b>Steam consumption</b>	Steam required to gain water temperate to 40 <sup>o</sup> - 70 <sup>o</sup> C	Working temperature is 0 <sup>o</sup> - 40 <sup>o</sup> C, so no steam or very less steam is required.
<b>Hazard and safety measures</b>	Require PPE and safety measures to protect from chemical hazard during operation.	There is no masking and disguising of the problem odor, chemical or virus/bacteria, it is destroyed completely by biological breakdown of its structure.
<b>Chemical Storage &amp; handling</b>	Strongly require to maintain chemical management system	No buying, transporting and storing of dangerous chemicals
<b>Life of Garments and Textile products</b>	More mechanical and chemical action reduces the life of the garments products.	Increased textile life. Less mechanical action, lower alkalinity and reduced wash temperatures improve textile life.
<b>Operational efficiency</b>	-	Increase operational efficiency by shortening or eliminating wash cycles and reducing drying time

**Advantages of ozone washing system compared with traditional washing system:**

Ozone wash technology is relatively new in our country. However, some factories have just started to use this technology in their premises. Though the ozone machine contains washing-hydro-drying functions in a single machine, factories may not be able to utilize all the features. Most of them use it only to create shade in denim products after washing, hydro extracting and drying in separate machines. The reason is unavailability of trained operators and engineers. Considering the present situation and future sustainability challenges, Ozone wash technology can be a solution which not only by minimize environmental impact but also reduce time and save resources.



*BGMEA President Md. Atiqul Islam presenting a bouquet to outgoing Ambassador of the Netherlands to Bangladesh Gerben de Jong. BGMEA Second Vice President SM Mannan (Kochi), Vice President Md. Shahidullah Azim and Vice President (Finance) Reaz Bin Mahmood were also present on the occasion.*

*BGMEA President Md. Atiqul Islam, Vice President Md. Shahidullah Azim and Vice President (Finance) Reaz Bin Mahmood are seen at 3+5 Group meeting held at the Ministry of Foreign Affairs. Ambassadors of the US, EU, Canada, France and the Netherlands, and Secretaries of Foreign, Commerce, and Labour and Employment ministries were present at the meeting.*



*BGMEA President Md. Atiqul Islam and Vice President Md. Shahidullah Azim are seen at an exclusive dinner meeting with H. E. Ambassadors of the USA, European Union, Canada and the Netherlands.*



BGMEA President Md. Atiqul Islam speaking at a press conference on the situation of the RMG industry. BGMEA Second Vice President SM Mannan (Kochi), Vice President Md. Shahidullah Azim and Vice President (Finance) Reaz Bin Mahmood were present there.

BGMEA President Md. Atiqul Islam addressing a seminar on "Currency Exposure Management" organized by BGMEA and Global Currency Union (GCU). Jesper Toft of GCU presented the keynote speech. BGMEA Second Vice President SM Mannan (Kochi), Vice President Md. Shahidullah Azim, Chief Economic Advisor to Bangladesh Bank (BB) Dr. Akhtaruzzaman, and former Deputy Governor of BB Abul Kashem, Chairman of Financial Excellence Ltd. Mamun Rashid, among others, were present at the seminar.



BGMEA President Md. Atiqul Islam speaking at a view exchange meeting with visiting Member of European Parliament Sajjad Karim. BGMEA Vice President Md. Shahidullah Azim and Vice President (Finance) Reaz Bin Mahmood among others, were present on the occasion.



## US ends duty free privilege for Philippines textiles

The export of textile and garments from Philippines to America is expected to slow down after the US government excluded textile, garment and apparel from zero tariff privilege under its newly extended Generalised System of Preference (GSP) although it gained preferences for travel goods, according to media reports in Philippines.

President Barack Obama signed last week the Trade Preferences Extension Act of 2015 (H.R. 1295), which will reauthorize the U.S. Generalized System of Preferences (GSP) Program until 31 December 2017. The law will restore the GSP program effective 29 July 2015.

The program, however, excludes textile, apparel, and footwear, the Philippines second largest sectoral exports to the US market. At the same time, the US-GSP has expanded its coverage to include some 20 to 30 specific types of travel goods and will provide for retroactive refund of all duties paid by US importers from the time the Program lapsed on 31 July 2013.

Philippines' overall exports of textiles and apparel crossed \$2 billion mark last year, according to the data from the industry and trade statistics department, under the Philippine Statistics Authority. Majority of the country's textile and apparel exports go to the US market, the reports said.

Philippines earned \$2 billion through exports of yarn, fabric and apparel in 2014. Of this, yarn and fabric exports shot up by 34.5 per cent year-on-year to \$252.679 million, while clothing exports increased at 16.6 per cent to \$1.8 billion, the data showed.

The GSP program is a tool that helps an eligible country to expand its exports to the US. It directly benefits micro, small and medium enterprises (MSMEs) and is a major employment generator for many export-oriented agribusinesses and community based industries in the various regions of the Philippines.

## Bangladesh to remain popular sourcing destination for US fashion retailers: study

Bangladesh will remain a popular sourcing destination for US fashion retailers due to price competitiveness, according to a recent study by the United States Fashion Industry Association (USFIA).

About 42 percent of the respondents expect to increase sourcing value or volume from Bangladesh in the next two years, though this figure sharply declined from 65 percent in 2014.

"The consistent interest in expanding sourcing from Bangladesh among US fashion companies is closely connected with the companies' strong desire to find sourcing destinations to supplement China," the study said.

However, Bangladesh still has to compete with other leading suppliers in the region, particularly Vietnam, India and Indonesia.

Among the respondents currently sourcing from Bangladesh, 87 percent also buy from Vietnam, 67 percent from India and 60 percent from Indonesia.

Although the retailers prefer Bangladesh as a popular sourcing destination, they expressed concern about the



political tensions in the country.

The USFIA conducted the second US Fashion Industry Benchmarking Study, where executives from 30 US-based fashion companies, retailers, importers and wholesalers were surveyed between March and April this year. The survey report was published recently.

The survey was conducted in conjunction with Sheng Lu, an assistant professor at the University of Rhode Island's Department of Textiles, Fashion Merchandising and Design.

Considering the business size of the respondents, the survey suggested the findings are well reflecting the views of the most influential players in the US fashion industry.

The survey also found that companies continue to diversify their sourcing options, though free trade agreements and preference programs remain underutilized.



## Apparel exports hit \$25.49b in FY 15

Bangladesh fetched \$25491.40 million from apparel exports in the immediate-past 2014-15 financial year, which is 8.13 percent higher than the income in the previous FY.

Total income from apparel exports was \$24491.88 million in FY 2013-14.

The country has set a target of taking the apparel export up to \$50 billion by the next five years (calendar year 2020).

Meanwhile, the country's annual export income grew by 3.35 percent in FY 15 over the FY 14.

According to Export Promotion Bureau (EPB), export income in FY 15 stood at \$31198.45 million, up from \$30186.62 million in FY 14.

Overall annual export and apparel export in FY 15, however, fell short of the fiscal target by 6.03 percent and 10.48 percent respectively.

Exporters say the January-March (2015) political unrest caused the shortfall.

Apparel industry has been the major contributor to the country's export income.

Bangladesh's apparel industry is passing a transition from poor compliance to international standards through joint efforts with the government, ILO, international rights bodies and the world's big retailer who buy product from here.

The joint efforts were initiated to ensure quality of products and workplace safety at the garment factories following Rana Plaza collapse in April 2013.

Since last couple of years, two major platforms of buyers – Accord and

Alliance—are working to improve factory standards by upgrading the compliance standards.

With these endeavors, the country is hoping boost apparel export further.



## \$50m IFC fund for factory upgrades

The International Finance Corporation (IFC) has announced a program to make Bangladesh's garment industry safer for workers, providing \$50 million to five local banks and forming partnerships with leading international buyers.

This is IFC's first deployment of long-term financing to Bangladeshi banks, according to a statement. The initiative comes as many factories have found it difficult to access the capital needed to make the improvements necessary to meet buyers' standards.

The IFC fund is separate from the WB's \$300 million low-cost loans announced last month for private sector firms, including those from garment, footwear and light engineering sectors.

Under the program, the IFC will provide \$10 million each in financing to the five banks which will allow participating banks to increase lending to garment factories specifically to improve their structural, electrical and fire safety infrastructure.

The IFC signed separate cooperation agreements with the Alliance for Bangladesh Worker Safety, and the Accord on Fire Safety and Building Safety in Bangladesh which represent dozens of the world's leading garment brands.

The two organizations will assist garment factories to undertake the safety upgrades and monitor compliance.

Bangladesh Garment Manufacturers and Exporters Association in a statement welcomed the IFC initiative, saying it will reduce both their remediation costs and risks.

In the FY 15, income from Knitwear export stood \$12426.79 million while that of woven items stood at \$13064.61 million. EPB data shows that the growths in knit and woven exports were 3.13 percent and 5 percent higher respectively than FY 14.

In the FY 14, the income from knitwear and woven was \$12049.81 million and \$12442.07 million respectively. Home textile, which is excluded of apparel exports, fetched \$804.34 million in FY 15, posting a growth of 1.49 percent over the previous FY. The minor sector's annual export income in FY 14 was \$792.53 million.

Meanwhile, export of jute and jute goods surpassed the fiscal target.

The sector fetched \$868.53 million against the target of \$835.35 million.

In FY 14, income from this sector was \$ 824.49 million.

However, Agricultural products and frozen food exports entered negative arena in FY 15.

Frozen foods export declined by 10.99 percent and agricultural products export declined by 4.72 percent in FY 15 than in FY 14.



## French dev agency proposes greening garment industry

France's development agency AFD has proposed making Bangladesh's readymade garment (RMG) industry green while ensuring factory safety and standards of products, officials said.

They said the French donor Agence Française de Développement (AFD) has come forward with its proposal for making the industry green and has recently placed the proposal with the Ministry of Commerce (MoC).

The French donor agency wants to conduct a study on the RMG factories. After getting study report, it is likely to provide some financial support to the RMG factories for improving their standards, the MoC official said.

According to the AFD proposal, it will bankroll 120,000 Euros as grants to conduct the study on the country's main export-earning sector. The French development agency in its proposal also offered to do pre-feasibility study for urban development and coastal town protection.

AFD has assured the government of providing nearly 50 million Euros upon getting results of the study for improving the safety standards at the on-track RMG factories.

Meanwhile, the local RMG owners are working to improve the safety standards and compliance in their factories as per the recommendations of the buyers.

The Accord-Alliance duo has been inspecting all the garment factories in Bangladesh. They also help the factory owners to improve their standards.

## Exports to India rise 15%

Bangladesh's exports to Indian market have risen by 15.45% to \$527m in last fiscal year as some products including textiles got duty and quota-free access.

According to Export Promotion Bureau data, the country earned \$527.16m in FY2014-15 compared to \$456.63m in FY2012-13.

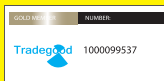
Readymade garment export to the neighboring country also increased by 8.31% to \$104.25m in the year compared to \$96.25m in the previous year.



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**Bangladesh's RMG Export to World (FY12-13, FY13-14 & FY14-15 )**

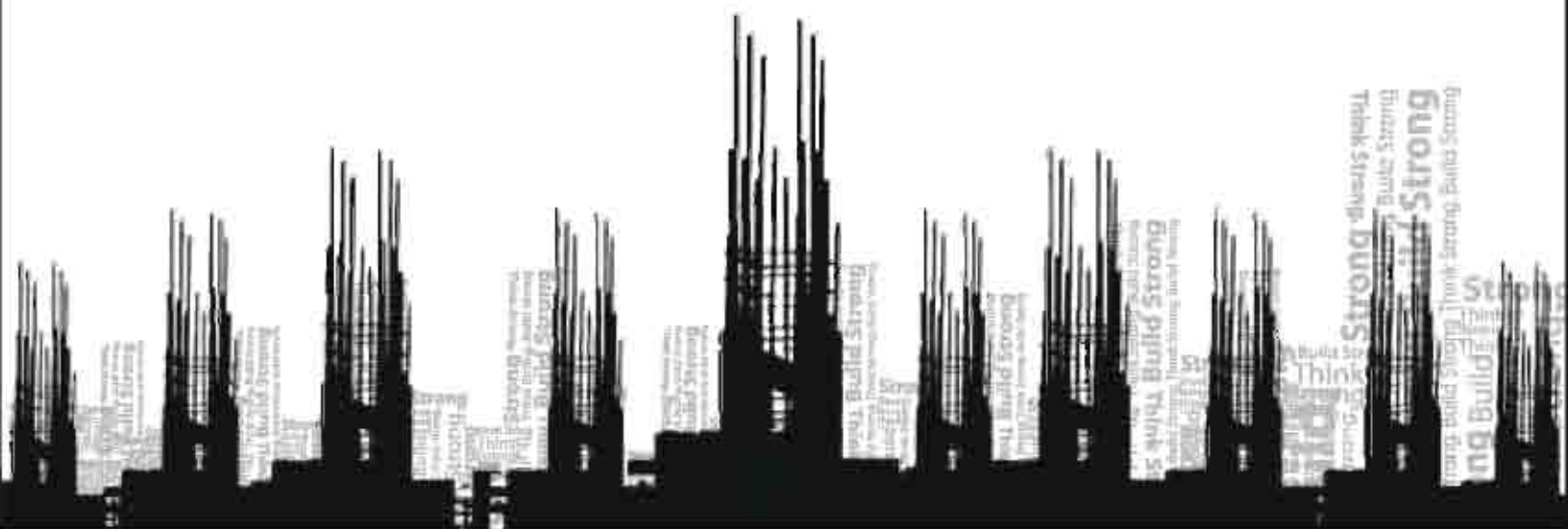
Million US\$	Woven			Knit			Total		
Major EU Countries	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15	2012-13	2013-14	2014-15
Austria	23.07	25.33	21.29	29.26	31.81	28.98	52.33	57.15	50.27
Belgium	248.61	335.29	345.09	317.19	440.63	427.13	565.8	775.92	772.22
Bulgaria	0.2	0.1	0.11	0.92	0.82	0.7	1.13	0.91	0.81
Denmark	125.91	145.24	193.1	375.62	450.71	438.63	501.52	595.94	631.73
Finland	10.81	10.07	7.34	25.55	26.1	24.3	36.36	36.18	31.64
France	498	579.52	627.46	892.45	964.27	990.05	1390.44	1543.79	1617.51
Germany	1,509.79	1,803.85	1,808.47	2,168.49	2,573.70	2,530.29	3678.28	4377.55	4338.76
Greece	4.14	5.59	5.91	12.77	14.16	18.28	16.91	19.76	24.19
Italy	358.26	447.23	480.99	554.94	731.91	762.34	913.2	1179.14	1243.33
Ireland	67.51	68.36	86.66	133.44	149.87	137.44	200.95	218.24	224.11
Netherlands	252.99	294.52	276.25	331.48	385.48	350.33	584.47	680	626.58
Portugal	6.43	9.98	10.32	22.91	32.53	29.61	29.33	42.51	39.92
Romania	3.23	3.39	4.58	5.66	6.07	7.06	8.89	9.47	11.63
Spain	515.33	651.29	730.67	702.9	856.28	895.13	1218.23	1507.56	1625.8
Sweden	125.88	120.39	135.31	220.5	244.07	277.16	346.37	364.46	412.47
U.K.	1,189.09	1,262.79	1,437.16	1,259.84	1,335.25	1,466.41	2448.93	2598.04	2903.57
Cyprus	0.05	0.15	0.53	1.12	2.38	1.97	1.17	2.53	2.51
Czech Republic	39.38	66.65	78.91	32.92	43.69	48.12	72.3	110.33	127.03
Estonia	1.08	0.26	0.47	2.14	1.29	0.47	3.21	1.55	0.94
Hungary	0.11	0.71	0.46	3.88	8.71	5.14	3.99	9.41	5.61
Latvia	0.12	0.5	1.54	1.9	2.05	3.12	2.01	2.56	4.66
Lithuania	0.28	0	0.2	1.94	0.82	0.62	2.23	0.82	0.81
Malta	0.02	0.79	2.86	0.8	1.7	1.69	0.82	2.49	4.56
Poland	159.73	204.57	219.71	240.79	304.99	328.53	400.52	509.57	548.24
Slovakia	30.25	30.19	28.82	40.54	43.6	42.09	70.79	73.79	70.91
Slovenia	3.6	6.16	9.67	11.05	19.57	21.19	14.65	25.73	30.86
Croatia	3.06	4.83	5.44	5.65	9.77	10.49	8.71	14.61	15.93
<b>Sub-Total (EU)</b>	<b>5176.92</b>	<b>6077.75</b>	<b>6519.33</b>	<b>7396.64</b>	<b>8682.25</b>	<b>8847.28</b>	<b>12573.56</b>	<b>14759.99</b>	<b>15366.6</b>
<i>EU % of World</i>	46.89	48.85	49.9	70.61	72.05	71.2	58.44	60.26	60.28
<i>Growth%</i>	16.39	17.4	7.27	6.68	17.38	1.9	10.48	17.39	4.11
<b>USA</b>	<b>3,865.68</b>	<b>3,943.52</b>	<b>3,970.98</b>	<b>1,130.90</b>	<b>1,197.85</b>	<b>1,317.14</b>	<b>4996.58</b>	<b>5141.38</b>	<b>5288.12</b>
<i>% of USA</i>	35.02	31.7	30.39	10.8	9.94	10.6	23.22	20.99	20.74
<i>Growth%</i>	9.96	2.01	0.7	11.53	5.92	9.96	10.31	2.9	2.85
<b>Canada</b>	<b>518.29</b>	<b>556.87</b>	<b>544.99</b>	<b>461.97</b>	<b>445.1</b>	<b>383.77</b>	<b>980.26</b>	<b>1001.97</b>	<b>928.76</b>
<i>% of Canada</i>	4.69	4.48	4.17	4.41	3.69	3.09	4.56	4.09	3.64
<i>Growth%</i>	9.57	7.44	-2.13	14.97	-3.65	-13.78	12.05	2.22	-7.31
<b>Non-Traditional Markets</b>									
Australia	132.46	142.52	187.5	295.98	288.24	346.13	428.44	430.76	533.63
Brazil	56.5	72.54	82.21	115.33	97.7	104.23	171.84	170.24	186.44
Chile	7.17	10.31	12.8	21.13	22.7	20.44	28.31	33.01	33.24
China	86.55	142.08	163.14	52.59	99.29	141.8	139.14	241.37	304.94
India	60.87	76.44	81.93	14.34	19.81	22.32	75.21	96.25	104.25
Japan	280.17	318.92	372.77	198.31	253.35	279.78	478.48	572.27	652.55
Korea Rep.	73.66	77.63	93.22	40.73	57.96	63.14	114.39	135.6	156.36
Mexico	46.22	51.5	52.88	63.99	73.12	76.01	110.21	124.63	128.89
Russia	51.04	74.92	84.71	88.52	132.82	129.68	139.55	207.74	214.39
South Africa	30.46	26.18	37.27	27.19	22.38	29.27	57.66	48.55	66.54
Turkey	263.39	440.41	360.63	151.92	181.96	127.45	415.31	622.37	488.08
Other Countries	390.46	430.47	500.25	421.99	485.06	538.35	815.5	915.53	1038.61
<b>Sub-Total (Non-Trad.)</b>	<b>1478.96</b>	<b>1863.93</b>	<b>2029.31</b>	<b>1492.03</b>	<b>1734.38</b>	<b>1878.61</b>	<b>2974.04</b>	<b>3598.31</b>	<b>3907.92</b>
<i>% of Non-Traditional</i>	13.4	14.98	15.53	14.24	14.39	15.12	13.82	14.69	15.33
<i>% Growth of Non-Traditional</i>	26.72	26.03	8.87	30.66	16.24	8.32	28.75	20.99	8.6
<b>GRAND TOTAL</b>	<b>11039.85</b>	<b>12442.07</b>	<b>13064.61</b>	<b>10475.88</b>	<b>12049.81</b>	<b>12426.79</b>	<b>21515.73</b>	<b>24491.88</b>	<b>25491.4</b>
<i>% Growth</i>	14.96	12.7	5	10.43	15.02	3.13	12.71	13.83	4.08

Source: EPB, Compiled by: RDTI Cell, BGMEA

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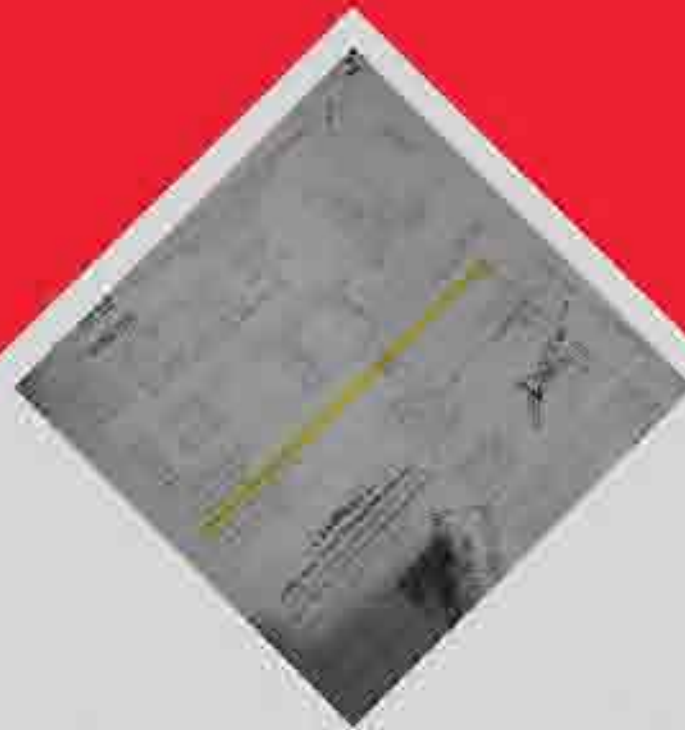


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# Do you know how much you pay as a penalty every month for low power factor?



Therefore if an electrical system consumes 100 MWh during a month and maintains power factor of 0.90, then the factory have to pay around **Tk. 40,667** as power factor penalty charge for that particular month.



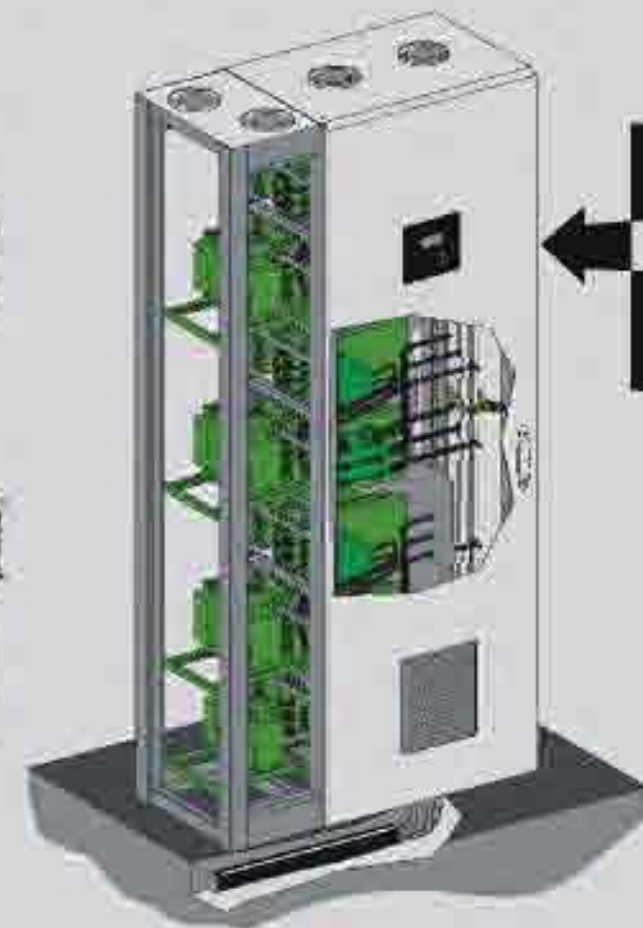
Installation of additional capacitors or replacing the existing capacitors in the PFI (Power factor Improvement) panel would improve the power factor of particular factory and avoid this unnecessary penalty.



A high power factor can help you utilize the full capacity of your electrical system.



Maintaining power factor have a variety of positive impacts that include but are not limited to; less maintenance, reduced breaker trips, and reduce line currents.



Power factor is the ratio of the real power that is used to do work and the apparent power that is supplied to the circuit.

In Bangladesh the minimum Allowable Power Factor is 0.95.

The power factor penalty is calculated by the formula below:

$$\text{Power Factor Penalty/Correction Charge} = \frac{0.95 - \text{Maintained PF}}{\text{Maintained PF}} \times \text{Consumed Energy (kWh)} \times \text{Energy Charge (Tk./kWh)}$$



**trees**

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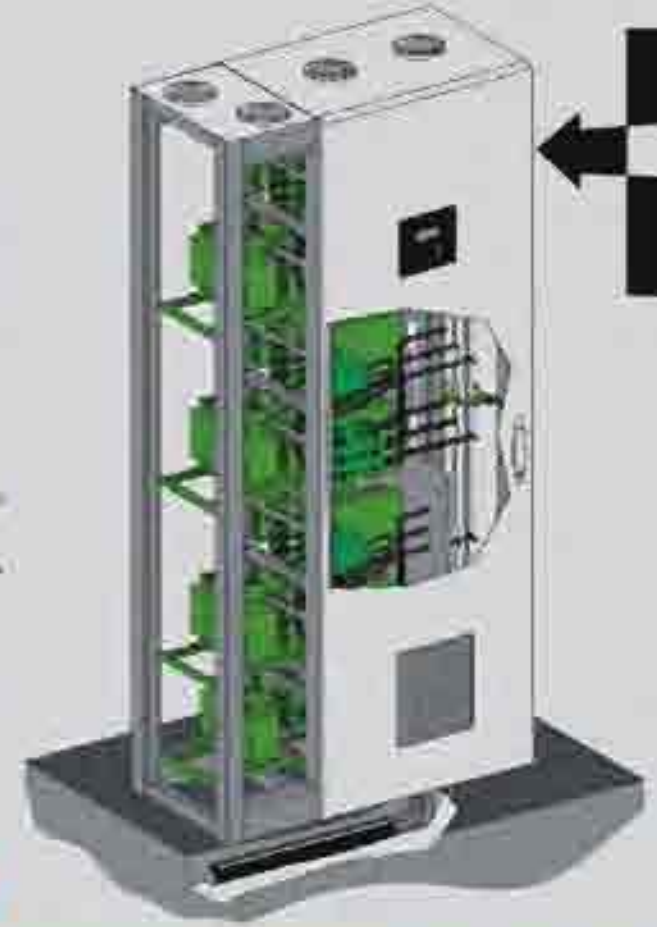
# বিদ্যুতের অতিরিক্ত চার্জ এড়ানোর জন্য পি এফ আই প্যানেলের যথাযথ ব্যবহার নিশ্চিত করুন।



যদি একটি ফ্যাক্টরি ১০০ মেগাওয়াট বিদ্যুৎ ব্যবহার করে এবং পাওয়ার ০.৯০ এ নিয়ন্ত্রিত হয় তাহলে উক্ত কারখানাকে প্রায় ৪০৬৬৭ টাকা অতিরিক্ত চার্জ দিতে হবে।

পি.এফ.আই প্যানেল এ প্রয়োজনীয় সংখ্যক ক্যাপাসিটর সংযোজন বা প্রতিস্থাপন এর মাধ্যমে পাওয়ার ফ্যাক্টর নিয়ন্ত্রিত রাখা যায়। যার ফলে-

-  অতিরিক্ত চার্জ এড়ানো যায়।
-  কারখানার বৈদ্যুতিক ব্যবহার সর্বোচ্চ সক্ষমতার নিশ্চিত হয়।
-  কারখানার মূল্যবান বিদ্যুৎ চালিত যন্ত্রপাতির ক্ষয়ক্ষতি হ্রাস পায় এবং স্বল্পমাত্রায় বিদ্যুৎ প্রবাহিত হয়।



আপনি কি জানেন লো পাওয়ার ফ্যাক্টর এর কারণে প্রতিমাসে আপনাকে অতিরিক্ত বিদ্যুৎ বিল দিতে হয়।  
বাংলাদেশে ন্যূনতম পাওয়ার ফ্যাক্টর = ০.৯৫

পাওয়ার ফ্যাক্টর নির্ণয় করা হয় নিম্নলিখিত পদ্ধতিতে

$$\text{পাওয়ার ফ্যাক্টর চার্জ} = \frac{০.৯৫ - \text{নিয়ন্ত্রিত পাওয়ার ফ্যাক্টর}}{\text{নিয়ন্ত্রিত পাওয়ার ফ্যাক্টর}} \times \text{ব্যবহৃত বিদ্যুৎ (কি.ও. ঘণ্টা)} \times \text{বিদ্যুৎ এর মূল্য (টাকা/কি.ও. ঘণ্টা)}$$





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