

GARMENT INDUSTRY: PRESENT SCENARIO IN BANGLADESH

Shams Ul Islam¹, Md. Abdullahel Shafi²

^{1,2} Lecturer, Department of Electrical and Electronic Engineering, City University, Dhaka, Bangladesh
Corresponding author¹: shams.ret.m@gmail.com

ABSTRACT

Bangladesh's textile sector is significantly significant to the country's economy. However, the rate of expansion in this sector is presently being severely hampered. The primary causes of these difficulties may include the global economic downturn, negative trade policies, domestic security issues, the high cost of manufacturing caused by rising energy prices, various safety concerns, including fire, etc. The expansion of the textile sector has also been negatively impacted by the depreciation of the Bangladeshi Taka, which sharply increased the cost of imported inputs, the inflation rate increase, and the high. Bangladesh's garment industry has grown at an unparalleled rate during the past ten years. However, recent market changes and pandemic pressure have created difficult obstacles. The industry will need to innovate, modernize, and diversify to meet them, investing particularly in infrastructure, flexibility, sustainability, worker welfare, and labor. A thorough analysis revealed that the Bangladesh textile sector may be put on a successful path if the government and other people take substantial work to remove or normalize the aforementioned obstacles.

Keyword: - Garments Industry, Bangladesh, Customer Analysis, Raw Material, Current State, Future.

1. INTRODUCTION

Bangladesh's development is accelerated by the ready-to-wear sector. The "Made in Bangladesh" label has also enhanced Bangladesh's reputation and elevated its brand recognition internationally. Cynics formerly referred to Bangladesh as a "bottomless basket," but today they refer to it as a "basket full of miracles." Despite its meager resources, the nation has managed to sustain an average annual GDP growth rate of 6% while achieving exceptional social and human development.

There is little doubt that the readymade garment (RMG) business, which is currently Bangladesh's top export sector, has played a critical role in the nation's economic recovery. 83% of the nation's entire export revenue comes from this industry. Beginning in the 1980s, Bangladesh's garment sector has progressed to where it is now. The Bangladeshi ready-to-wear business was founded by the late Nurool Quader Khan. He saw how the nation could be changed. He dispatched 130 trainees to South Korea in 1978 so they could learn how to make ready-to-wear clothing. With the help of those trainees, he established the first factory, called "Desh Garments," to make clothing for export.

The late Akhter Mohammad Musa of Bond Garments, the late Mohammad Reazuddin of Reaz Garments, Md. Humayun of Paris Garments, Engineer Mohammad Fazlul Azim of Azim Group, Major (Retd.) Abdul Mannan of Sunman Group, M Shamsur Rahman of Stylecraft Limited, the first President of BGMEA, AM Subid Ali of Aristocrat Limited, and others also stepped forward and established some of the first garment factories in Bangladesh; wise and diligent business people in the nation launched RMG factories in their wake. Since that time, the Bangladeshi clothing sector has not had to look back. Despite several challenges the industry has encountered in recent years, it has managed to carve out a position for itself and has continued to function well.

Since the beginning, several sources of inspiration have helped the industry expand and mature at various periods. After learning about child labor in 1994, we were able to eradicate it from the business in 1995. The MFA-quota helped our industry establish itself, grow over time, and mature. When the quota was about to expire in 2004, many people predicted that the phase-out would cause a significant disruption in our export. The post-MFA period, however, is a different success tale. We overcame the post-MFA problems, proving all the forecasts incorrect. With exports of over \$27.9 billion in the 2019–20 fiscal year, the garment sector is currently Bangladesh's largest earner of foreign exchange.

1.1 History of the Textile Industry in Bangladesh

Traditionally, the majority of the textile on the sub-continent was created by craftsmen working in small groups in what are known as cottage industries. These craftsmen were prevalent in the region that would become Bangladesh. In actuality, East Bengal was self-sufficient in textiles from prehistoric times until the Industrial Revolution in the eighteenth century. Its inhabitants created a variety of cotton and silk textiles, including Muslin and Jamdani. Due to the fact that they were all made by extremely talented artisans, they were all highly valued even outside of the area. After the development of mechanical textile mills in the English Midlands, Bengali craftsmen's products began to face intense competition in the eighteenth century. This ultimately caused a significant decrease in the number of Bengali employees with the necessary skills to make such high-quality textiles.

According to widely held views, the British imperialists tried to persuade the craftsmen to cease producing because they believed the region's spinners and weavers would pose a threat to their developing textile industry. According to legend, they occasionally employed severe tactics like chopping off the craftsmen's thumbs so they would never be able to spin or weave again. But much like with the conventional hand-woven textiles, indigo dye output steadily decreased. Two issues were the main causes of the indigo industry's troubles. In order to maximize their earnings, the British authorities in this region of the empire first encouraged farmers to grow the indigo plant since it was a lucrative cash crop. Unfortunately, because the indigo plant depletes nitrogen, the soil is rapidly depleted. Indigo's slow extinction as a dyeing agent was also attributed to the plant's unpredictability. There have been occasions when one farmer has a big crop while his neighbor has little success. Farmers eventually stopped producing the plant and switched to other, more lucrative crops as a result of the plant's low yields and unpredictable nature. Indian marketplaces were overrun with cloth made and dyed in British mills. As the sub-continental independence movement grew, its importation eventually became a matter of dispute. [2-5]

The textile sector underwent restructuring as new manufacturing techniques were used as the prospect of secession from Great Britain became more likely. East Bengal had an abundance of water, which was essential for the chemical reactions needed to manufacture the contemporary colors currently in use. This helped the area's automated textile mills get started. However, the majority of Pakistan's money and resources fell under the hands of West Pakistanis after 1947 and the division of East and West Pakistan from India. Thus, when the country's growth thrust switched from the east to the west, the textile sector in East Pakistan stalled. A further argument for establishing the business in the west as opposed to the east was that the west produced more cotton than the east. West Pakistani industrialists also owned the vast majority of the businesses in the east. When Bangladesh broke apart from Pakistan in 1971, the new administration nationalized the textile sector along with many other companies where West Pakistanis had been the main shareholders. Despite the fact that there were some industrialists in Bangladesh, they did not constitute a sizable or politically significant group and were forced to hand over control of their enterprises to the government as well. The Bangladesh Textile Mills Corporation, sometimes known as BTMC, was established after the nationalization of the nation's textile industry. [2-4, 6]

The BTMC continued to have authority over the industry until 1982–1983. A lack of profit was the consequence of bureaucratic challenges paired with other issues like low labor force productivity, poor planning, indiscipline, lack of responsibility, and subpar machine maintenance and operation. Thus, the government progressively denationalized the textile industry. Privatization of factories started with the weaving and dyeing departments. Since then, a large portion of the sector has been privatized via auctions and other techniques. In a number of nations, the textile industry has sparked industrialization. For instance, the emergence of a mass textile industry in England as a result of the industrial revolution and the new developments in coal and steel expedited the process of industrialization in the eighteenth century.

The industrialization of countries like Japan, South Korea, Taiwan, Hong Kong, and Indonesia was significantly aided by the textile industry. In other ways, the same has been true for our nation. Following privatization, the quality of the fabrics produced dramatically increased, which greatly increased demand for Bangladeshi textiles on the global market as well as in Bangladesh's export-focused apparel sector. This started an era of fast industrial expansion that is still going strong today. Nevertheless, over the years, several innovative technologies have been applied in the textile sector. We will now go into detail and step-by-step discussion of the primary causes of the textile industry problem. [4,5]

This economic success story's backbone is the ready-made clothing (RMG) sector: Currently, RMG accounts for 84 percent of Bangladesh's exports, making it one of the top exporters of apparel in the world. This is the result of the industry's explosive growth and modernization over the past ten years, as well as the progress it has made in enhancing working conditions for the nation's four million or so garment workers. [6,7]

1.2 Discussion of growth

At a critical juncture when global shifts in fashion sourcing threaten Bangladesh's position in industry supply chains, the pandemic has halted the sector's development. A string of labor accidents that claimed more than 1,000 garment workers' lives and garnered international attention over the past ten years helped alter Bangladesh's RMG sector. Large-scale issues with working conditions were brought to light by the 2012 Tazreen factory fire and the 2013 collapse of the Rana Plaza plant. As a result, several international purchasers stopped purchasing from Bangladesh, and the United States withdrew from its favorable tariff deal.

Thanks to initiatives started in the wake of the disasters, such as the Accord on Fire and Building Safety in Bangladesh, the Alliance for Bangladesh Worker Safety, and the RMG Sustainability Council, Bangladesh's RMG sector is now a leader in transparency regarding factory safety and value-chain responsibility. Numerous dangerous, low-tier factories were shut down as a result of these actions, while rehabilitation efforts in many others were scaled up. Following these actions, Bangladesh had a decade of tremendous development as its appeal in the global market for clothing sourcing was restored. We predicted a rise of 7-9 percent ten years ago. With a compound annual growth rate of 7%, RMG exports from Bangladesh have in fact more than quadrupled, rising from \$14.6 billion in 2011 to \$33.1 billion in 2019. [8] (It is important to note that this rise was within the range we predicted in our research from 2011, which was produced in partnership with the Bangladesh German Chamber of Commerce and Industry.) From 4.7 to 6.7 percent during this time, Bangladesh's RMG industry saw an increase in its share of global apparel exports. [9] This falls within the range that we predicted in our report, but it also demonstrates that the nation has not yet reached its full potential as predicted by us ten years earlier.

The second half of the game showed symptoms of slowing down, if growth in 2019 is lower than it was in 2018. Then COVID-19 struck: worldwide lockdowns in 2020. Triggered payment, cancellations, and order reductions delays and term renegotiation. Due to the epidemic Bangladeshi lives and livelihoods were under danger. Numerous smaller, underfunded factories with workers shut down, and there was competition for fewer orders increased. The amount of RMG exported from Bangladesh. In the first year of the epidemic, it decreased by 17%. indicating possible revenue losses of \$5.6 billion. [10]

Bangladesh continues to be a desirable location for garment sourcing, according to our quarterly polls of chief procurement officers (CPOs) in the fashion sector, but the country has recently encountered growing competition, which might exacerbate the pandemic's difficulties. Vietnam was the favorite sourcing nation among US executives, however our 2019 CPO study identified Bangladesh as the top global sourcing hotspot. [11,12]

2. CURRENT STATE OF THE TEXTILE-CLOTHING INDUSTRY OF BANGLADESH

The ready-made clothing (RMG) industrial sector in Bangladesh is facing a number of challenges, including poor rates of productivity and efficiency, long lead times, high costs associated with quality, and low rates of "Right First Time." These issues at the RMG manufacturer's end eventually expose overseas clients to an intolerable amount of risks and uncertainty. The application of numerous lean approaches may be able to solve such issues. The condition of lean practice adoption in the RMG industry of Bangladesh was evaluated in this study using qualitative research techniques. Pull production, a stronger emphasis on just-in-time production, the creation of cross-functional quality inspection teams, and improved information interchange utilizing the enterprise resource planning system are just a

few of the significant advancements made in the industry's use of lean techniques. Despite the significant progress, the top management of RMG manufacturers in Bangladesh still needs to create a comprehensive strategy, a clear vision, mission, and objectives before putting them into practice. The World Trade Organization has not yet released comparable data for global exports in 2020, but data from imports into Europe and the US suggest that Vietnam will likely surpass Bangladesh in 2020, knocking Bangladesh's RMG industry out of its position as the second-largest garment exporter in the world after China. [13]

The European Union (EU) and Vietnam's new preferential trade agreement, which was launched in August 2020, may cause Vietnam's apparel exports to outperform Bangladesh's, even though Bangladesh's RMG sector continues to be a strong exporter to Europe's fashion industry and has increased its market share significantly over the past decade. Vietnam has long surpassed Bangladesh's RMG sector among US garment importers; in 2020, Vietnamese apparel imports into the US were 2.5 times more expensive than those from Bangladesh. Vietnam is proven to be the greatest gain as US clients shift their sourcing to China. [1,10,12]

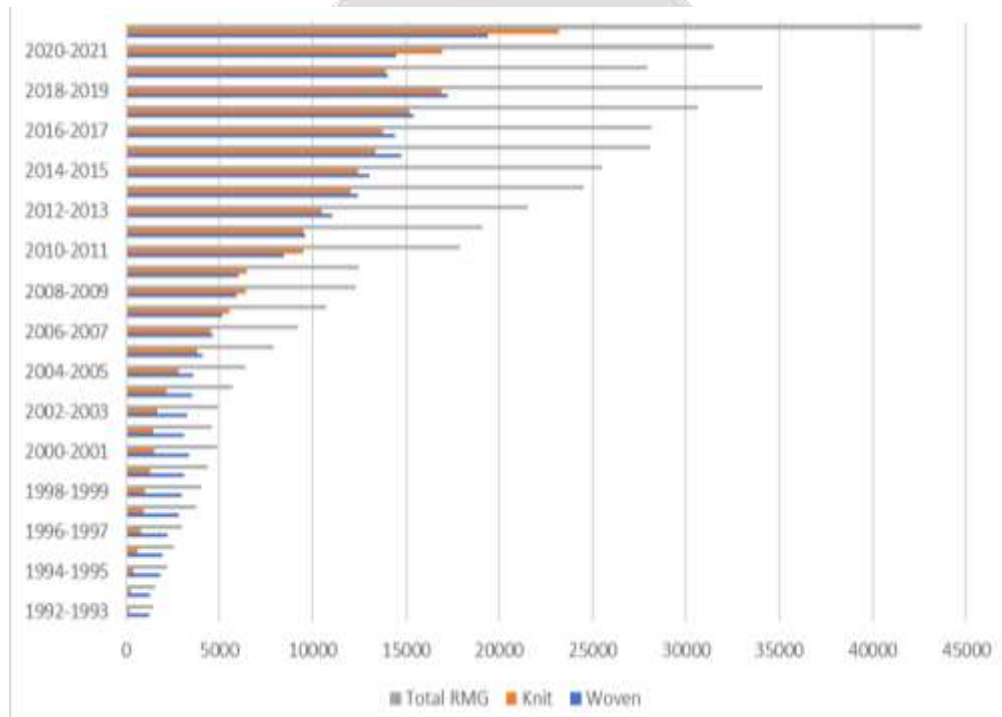


Chart -1 (a): Bangladesh's Apparel Export to the World (in Million USD)

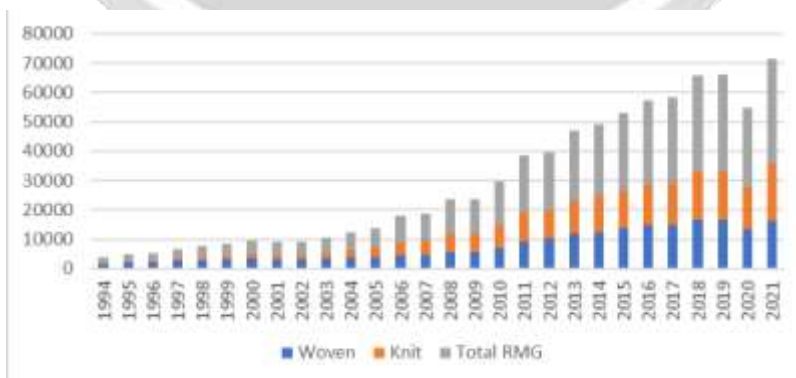


Chart -1 (a): Bangladesh's Apparel Export to the World (in Million USD)

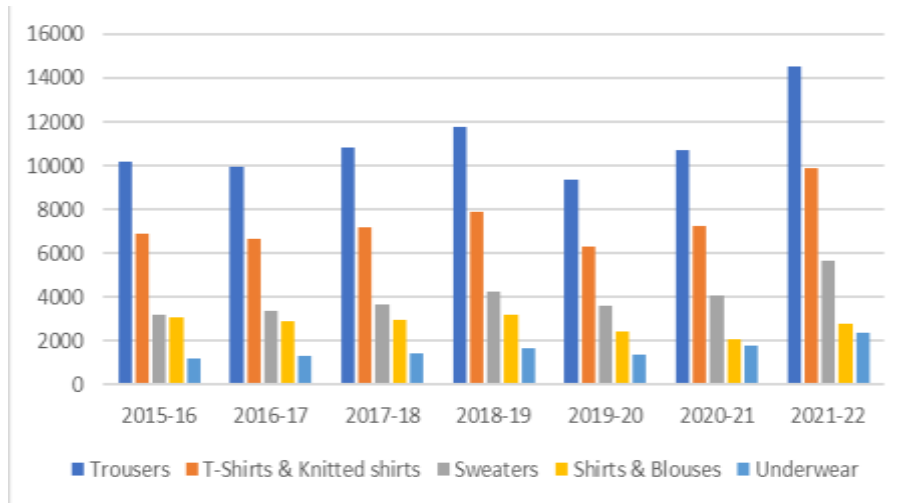


Chart -2: Main Apparel Items Exported from Bangladesh (in Million USD)

2.1 Demand Side of the Textile-Clothing Industry of Bangladesh - Customer Analysis

The apparel product has an extremely wide range, a short-lived, rigid supply chain, a volatile, unpredictable demand, and a restricted life cycle (summer items, winter products, etc.). The textile and apparel sector engage in demand-side activities such as understanding consumer expectations, societal trends, impending events, seasonal fluctuations, etc., which are connected to demand forecasting and consequently the capacity to develop the ideal product. These initiatives come from businesses' research and development departments. [10,14]

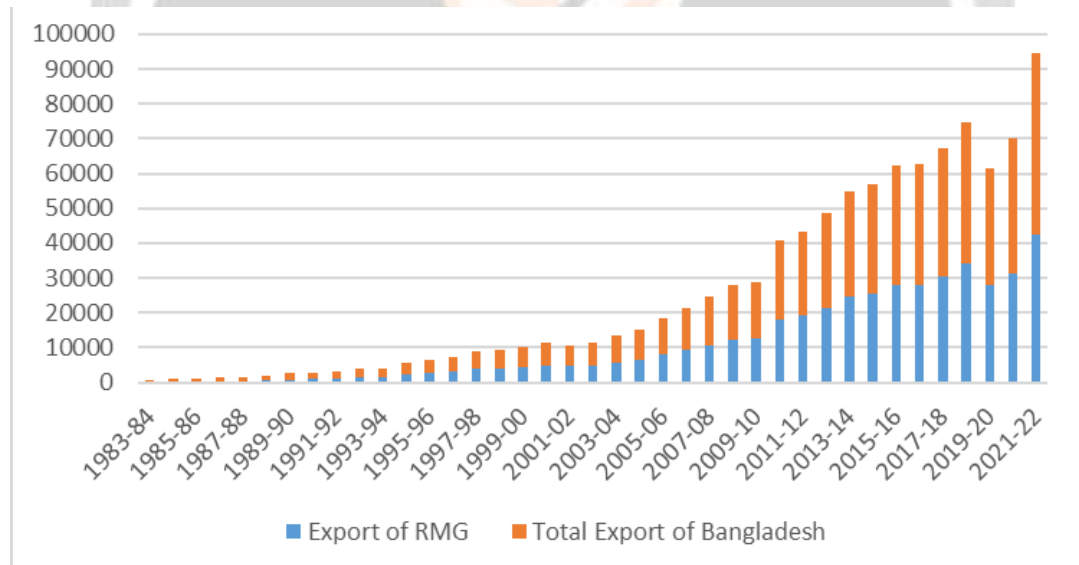


Chart -3: Comparative Statement on Export of RMG & Total Export of Bangladesh (in Million USD)

The brand retailers and distributors are the clients of the Bangladeshi garment industry. These buyers purchase knit and woven clothes from Bangladesh as completed items. Retailers purchase garments from Bangladesh, which they then resell through locations spread around the world. Bangladeshi businesses don't base their product production on anticipated demand. Following orders from wholesalers and retailers, they make the items. As a result, the production process is governed by orders. Analyzing the retailers and their selling locations is crucial to understanding the demand picture for the textile-clothing output under the current conditions.

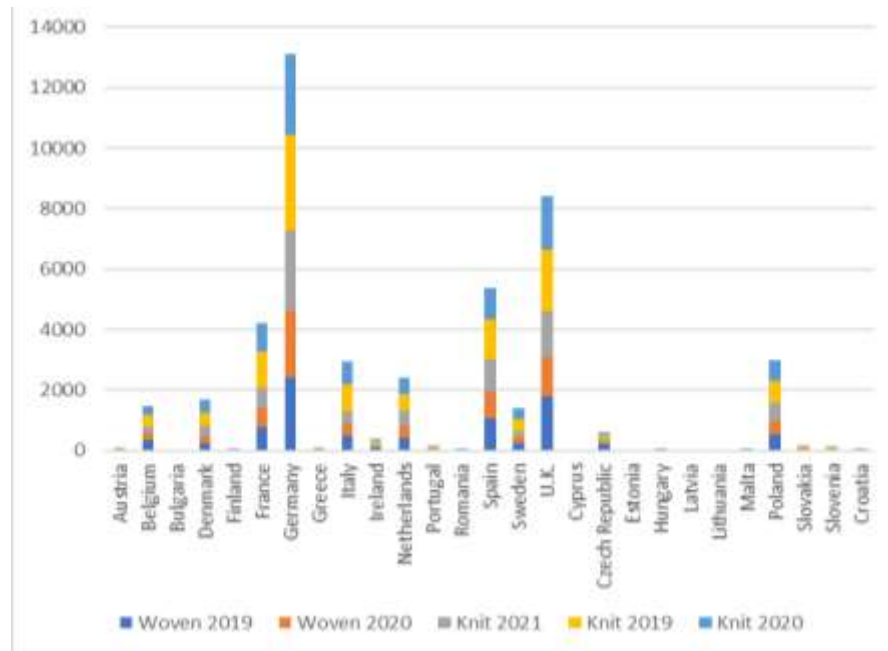


Chart -4: Country Wise Export of Bangladesh Garments

The Bangladeshi textile and apparel sector have developed into a fully export-focused sector. Through the duty-free importation of raw materials, financial incentives, duty drawbacks, back-to-back credit, and bonded warehouses, among other methods, the government supports this business. All export-focused businesses do not offer their final goods for sale on the local market. To meet local demand, completed apparel imports are utilized. [14]

The research above provides a general notion of where Bangladesh's apparel exports go. In the aforementioned locations, merchants and distributors have stores. Distributors and retailers also make demand predictions and purchase apparel from Bangladesh.

2.2 Supply Side of the Textile-Clothing Industry of Bangladesh – Raw Materials

The supplier gets ready for the production process when the production contract is signed. The demand-supply chain's supply side officially starts here. The procurement of raw materials, the creation of garments, the delivery of completed items, and the upkeep of positive relationships with buyer-distributors are all parts of the supply side.

The procurement of raw materials, sometimes referred to as the industry's backward linkage, is the initial stage of the supply side. Fiber, yarn, fabric, wet processing, and accessories are the different categories of raw materials. Natural or synthetic materials are produced by fiber producers at the top of the value chain. Bangladesh imports 99 percent of its raw cotton, according to the US Department of Agriculture (USDA). [14]

Most of the fiber and yarn used in the textile and apparel industries are imported. Compared to the fiscal year of 2005–2006, imports of yarn climbed by 3.2 times, staple fiber imports by 6.9 times, and imports of raw cotton by 3.1 times. While staple fiber and yarn imports are growing in terms of garment exports, raw cotton imports are more or less flat. Most of the demand for knit fabric in the industry may be satisfied by private fabric manufacturers in Bangladesh. On the other hand, the woven fabric industry is still reliant on imports. Yarn is produced from fibers. Short-length natural and synthetic fibers are spun, thrown, and texturized to create yarn [15]. Imports of raw cotton fiber increased on average by 17% during the past ten years, while imports of staple fiber increased by 29%. While imports of raw cotton decreased by 22%, imports of staple fiber rose by 138%. Because domestic yarn production started to take over from imports, the growth rate of yarn imports was below average. Staple fiber therefore takes the place of raw cotton in the import chain for raw materials. For raw materials and garments, the CAGR was 12.8% and 12.4%, respectively. 19% of the exported final items were made up of imported raw materials.

In the textile mills and handlooms, the fabric phase of the production chain weaves, knits, or uses a non-weaving procedure to turn yarn into fabric. In knitting, latching and spring needles are used to interloop the yarn. The procedure might result in rolls of knitted fabric that are utilized for certain types of clothing, such as hosiery or sweaters. In non-woven procedures, fibers are compressed and locked together using mechanical, thermal, chemical, or fluid techniques. [15]

Prior to being cleaned and colored, fabric may not be suitable for use in the creation of apparel. This task is completed by dyeing, printing, and washing companies using wet processing. The accessories sector generates products worth \$28 billion. All of the raw materials used to make accessories made of plastic and 80% of the ingredients used to make accessories made of paper are imported. [16] Even though they make up a small portion of the cost of goods and have the most weight in terms of production economics, garments, accessories, and packaging (GAP) are crucial in the textile and apparel export market. [17] 90% of the domestic demand is satisfied by this industry. While the nation has more or less attained self-reliance in terms of its supply of accessories, advancement in the fabric industry, particularly when it comes to woven materials, is less obvious. [18]

3. THE CHALLENGES

The RMG industry in Bangladesh has made great strides in the past ten years in addressing growth-related difficulties, notably in terms of diversifying clients and products, enhancing supplier and worker performance, and enhancing compliance and sustainability. [19,20] While navigating the additional challenges of the pandemic and the shifting global apparel sourcing market, it is worthwhile to take a closer look at the success made in each of these areas and assess what is needed to expand on it.

Over the past ten years, moving to increasingly complicated goods and value-added services while diversifying the client base of nations has been a significant strategy for the sector's growth. The RMG industry in Bangladesh has made strides in diversifying its clientele in an effort to control risk and adjust to shifting demand trends in the global fashion market. Although reliance on the US has lessened, Europe (62 percent of export value) and the US (18 percent of export value) continue to be the key client markets for Bangladesh's RMG business. Exports to non-traditional markets have space to develop, especially given that conventional countries are seeing slower growth in garment retail sales. [19]

For this post, several sourcing executives we spoke to emphasized the strides Bangladesh's RMG industry is making in expanding and modernizing its product lines. For example, there is now more capacity to make products with higher levels of complexity, such as outerwear, customized clothing, and lingerie, as well as new washes, prints, and laser finishing. The use of imported textiles has been made possible by the altering laws of origin for preferential trade with the EU, which has facilitated entry into these new markets. Additionally, the supply chain's vertical integration has increased to some extent, which has allowed more suppliers to provide lead times lower than the industry norm of 90 days. [19]

Many of Bangladesh's factories have avoided making the necessary investments, therefore they have not yet made the switch to supplying these new products. T-shirts, pants, and sweaters continue to make up the majority of the nation's exports, according to the data. In reality, Bangladesh's top 10 exports to the EU represented more than 55% of the value of the country's clothing exports in 2019; [12, 19] the famous cotton t-shirt represents around 15% of the value of Bangladeshi garment exports to Europe.

As a result, the most essential product lines in Bangladesh's garment industry are experiencing tremendous pricing pressure. But the RMG industry in the nation is by no means uniform. High levels of strategic management, productivity development, digitalization, automation, and sustainability have been invested in by Bangladesh's advanced manufacturers, who conduct business in accordance with global best practices. In contrast, the bulk of the market's tiny businesses, who tend to lack managerial skills and financial stability, concentrate on CMT and have likewise been the most severely affected by the epidemic. Encouragingly, sourcing executives of leading global apparel brands and retailers have partnered with their Bangladeshi suppliers, helping them to improve efficiency and sustainability.

The gender gap and worker empowerment have been the sector's second biggest problems. The digitization of salary payments has grown, and work rights have significantly improved. However, when it comes to prospects for

professional advancement after entry level, the gender gap continues to be a problem. Today, there is more emphasis on gender diversity and chances for job advancement. Progress has been sluggish, and COVID-19 has brought attention to—and maybe made worse—the perilous situation that many Bangladeshi garment workers find themselves in.

Regarding compliance, workplace and factory safety, and transparency, the Bangladeshi apparel industry has made significant strides. Not only have factory structures gotten safer, but Bangladesh today boasts more environmentally friendly garment factories than any other nation, even if their contribution to the nation's textile exports is still small. The industry's involvement in recent climate change and circularity projects has aided the advancement of the sustainability agenda, as shown, for instance, in the Circular Fashion Partnership, a multi-stakeholder initiative seeking to increase recycling of manufacturing waste. The Global Organic Textile Standard has certified more than 1,500 Bangladeshi businesses, the second-highest number of any nation in the world. The RMG industry continues to face several challenges, not the least of which being infrastructure. Bangladesh will need to improve its energy, transportation, and digital infrastructure if it wants to see growth in its garment sector in the future.

Bangladesh's overall rating in the Logistics Performance Index published by the World Bank decreased from 79 in 2010 to 100 in 2018. Comparatively, Vietnam had a rise in position from 53 to 39 within the same time frame. The status of Bangladesh might be greatly enhanced by a number of large infrastructure projects that are now being worked on. These include the Padma bridge, slated to open in 2021, and the Matabari development, Bangladesh's first deep-sea port, anticipated to be operational by 2025 and featuring a new container terminal. [19]



Chart -5: T-Shirt from Bangladesh to Europe (%)

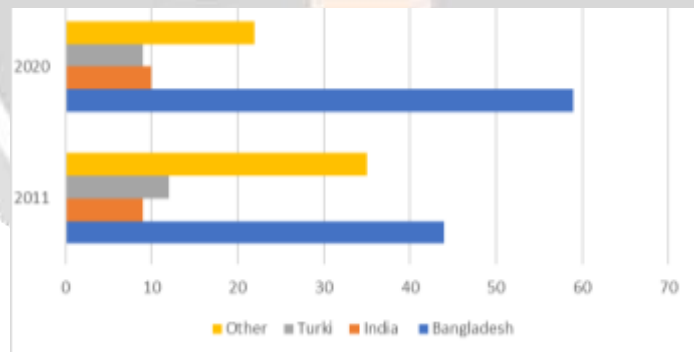


Chart -6: Imports of Cotton T-Shirts to Europe (%)

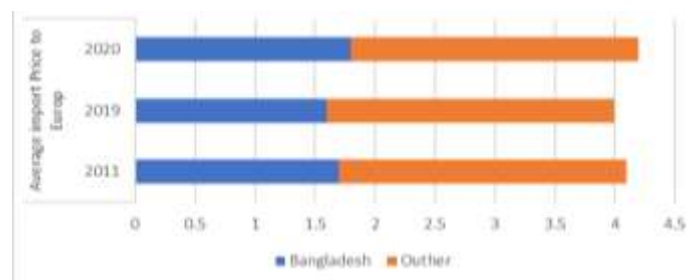


Chart -7: Average Import Price to Europe (EU27), € per T-Shirt Imported from Bangladesh

4. THE FUTURE OF THE TEXTILE INDUSTRY IN BANGLADESH

Bangladesh's garment industry has a strong chance of continuing to be one of the biggest RMG producers in the world and to tell its outstanding growth and development narrative. However, the nation's garment sector is struggling and must make quick decisions in a number of areas if it is to thrive. It must be able to compete without preferential trade access, satisfy declining demand from traditional client markets, and fundamentally change its sourcing strategy to one that is demand-driven and more environmentally friendly. [19,21]

Some of the foreign purchasers with whom we spoke feel that this business is not developing quickly enough. Others are more optimistic; they believe that the RMG industry will be able to negotiate the necessary transition, albeit structural changes will be unavoidable, given the tenacity and flexibility Bangladesh's manufacturers have demonstrated in the past. In the next years, Bangladesh will pass from the position of least-developed to middle-income countries, and privileged access to markets in Europe and elsewhere is negotiable. The RMG industry would be severely disrupted by further tariffs, but leveling the playing field with rival markets might also encourage much-needed efficiency improvements and investments in digitalization, automation, and sustainability. Due to the loss of competitiveness in particular product categories, several global executives are limiting their sourcing from Bangladesh as their dependence and supply-chain risk on the nation (which is further heightened by the pandemic) reach a tipping point.

Additionally, nearshoring is receiving more attention due to its enhanced flexibility and speed. Nevertheless, improvements in adaptability, efficiency, digitalization, environmental sustainability, worker welfare, and innovation may benefit Bangladesh's bigger and more sophisticated suppliers. Only a small percentage of Bangladeshi suppliers recognize the need of speed, according to one sourcing executive. Many suppliers will need to make investments in upskilling, vertical integration, digitalization, and automation to unlock speed and transparency if they want to stay competitive. Along with rising consumer demand for ecologically friendly products, worries about climate change, and issues of social justice, sustainability is also taking on growing importance. According to the World Economic Forum's Energy Transition Index, Bangladesh was only ranked 87th out of 115 nations in 2020. As a result, turning Bangladesh's RMG sector into a climate-neutral industry will be a significant challenge that will require significant grid and renewable energy investments. [19,22,23]

Additionally, there will be regulatory changes to deal with, particularly in the EU. In order to promote product diversification and upgrading in areas like technical materials and functional innovation, suppliers will need to step up R&D and innovation. They will also need to pursue sustainability by putting a special emphasis on circularity, cutting-edge fibers, and operational improvements. Consolidation toward more sophisticated vendors to provide on flexibility and sustainability gained momentum in our previous sourcing surveys. COVID-19 [19], which has increased the polarization of innovative suppliers and small businesses, has exacerbated the consolidation of Bangladesh-owned firms, impeding the ability of the whole sector to reform.

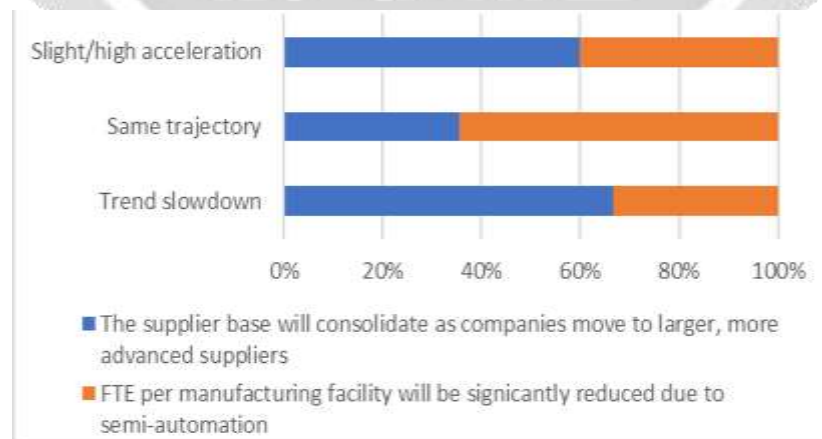


Chart -8: Impact of Covid-19 on Sourcing Trends Over the Next Year, 1% of Respondents (n=348)

A change in sourcing volumes toward foreign-owned factories in Bangladesh was highlighted by certain sourcing executives, particularly for synthetics and more complicated or specialized items. Additionally, they are searching

for suppliers who make ongoing investments in transparency, worker welfare, and sustainability. The government of Bangladesh may profit from revising its tactics for luring An FDI delivers worldwide managerial and operational best practices, as well as R&D capacity and finance, and is frequently from multinational firms. But compared to its Asian competitors, Bangladesh's RMG industry now trails in FDI. For instance, almost 70% of the clothing exported from Vietnam is supported by FDI-backed businesses from South Korea, Taiwan, Hong Kong, China, and other countries. [24]

5. CONCLUSIONS

The suggestion tools created in this article cover a wide range of elements in the anticipated sustainable and possible expansion of the textile industry. The textile sector in Bangladesh is going through one of its most difficult times ever. Not all reasons for concern stem from the severe effects of the global recession on the textile industry. Serious internal problems also had a very negative impact on the textile sector in Bangladesh. The main source of worry for the sector has been the high cost of manufacturing brought on by an abrupt increase in energy prices. The expansion of the textile sector has been significantly hampered by depreciation, double-digit inflation, and expensive borrowing costs. Exporters are finding it more and more challenging to visit other countries in search of new customers. Research and development are inadequate in the textile sector of Bangladesh (R and D). Due to outdated equipment and technology, the manufacturing capacity is quite low.

Over the past ten years, the RMG industry in Bangladesh has seen a remarkable transition and expansion while facing considerable challenges. But now, in the midst of a worldwide pandemic and a changing global garment sourcing industry, it faces a new set of difficulties. The sector will need to embrace a more comprehensive transition in the years to come, working alongside manufacturers, foreign purchasers, worker groups, the government, and other stakeholders. International purchasers are faced with creating supply chains that are demand-driven and more sustainable while navigating the continually changing environment. They will have to work hard to overcome the deflationary characteristics in the world's clothes retail markets from previous decades while also forming deeper, really strategic alliances.

7. REFERENCES

- [1]. Garment Industry of Bangladesh, <https://www.bgmea.com.bd/page/AboutGarmentsIndustry>
- [2]. Bangladesh, Government of Bangladesh Economic Survey, Ministry of Finance (2011)
- [3]. Bloom P., Retailer power and supplier, *The Journal of Industrial Economics*, 33, 339-148 (2001)
- [4]. Textile Industry— Special Report (2009)
- [5]. Textile Industries in Bangladesh and Challenges of Growth, ISSN 2278 – 9472
- [6]. Bangladesh's Ready-made Garments Landscape: The Challenge of Growth
- [7]. Tazreena Sajjad, "Bangladesh at 50: A nation created in violence and still bearing scars of a troubled birth," *The Conversation*, March 12, 2021. <https://theconversation.com/bangladesh-at-50-a-nation-created-in-violence-and-still-bearing-scars-of-a-troubled-birth-153846>.
- [8]. Export Performance / Bangladesh Garment Manufacturers and Exporters Association (BGMEA) compiled data by Export Promotion Bureau. https://bgmea.com.bd/page/Export_Performance.
- [9]. WTO Trade and tariff data.
- [10]. Export Performance / Bangladesh Garment Manufacturers and Exporters Association (BGMEA) compiled data by Export Promotion Bureau. https://bgmea.com.bd/page/Export_Performance.
- [11]. Fashion's New Must-Have: Sustainable sourcing at scale, McKinsey Apparel CPO Survey 2019, McKinsey & Company, October 2019. <https://www.mckinsey.com/industries/retail/our-insights/fashions-new-must-have-sustainable-sourcing-at-scale>.
- [12]. USITC; Eurostat
- [13]. Lean practices in the Bangladeshi ready-made garments industry and global significance, <https://doi.org/10.1080/13675567.2020.1847262>
- [14]. Bangladesh Textile Clothing Industry – A Supply Demand Review, 2016 https://www.researchgate.net/publication/316275361_The_Bangladesh_Textile-Clothing_Industry_A_Demand-Supply_Review
- [15]. Sen, A. (2008). The US fashion industry: A supply chain review. *International Journal of Production Economics*, 114(2), 571–595. doi:10.1016/j.ijpe.2007.05.022

- [16]. Faruque, F. I. (2014). Potentials and impediments of Bangladesh garments accessories and packaging industry. Dhaka, Bangladesh: BGAPMEA. Retrieved from http://www.bgapmea.org/index.php/home/study_report
- [17]. Khan, M., & Molla, S. (2014). Garment accessories & packaging industries in Bangladesh: Growth, social compliance & environmental issues. Dhaka, Bangladesh: BGAPMEA.
- [18]. Quasem, A. (2002). Adding value: Building value-addition alliances-backward linkages in the textile and clothing sector of Bangladesh. Bern, Switzerland: International Trade Center, SECO. Retrieved from http://www.intracen.org/uploadedFiles/intracen.org/Content/Exporters/Sectoral_Information/Manufactured_Goods/Textiles/Backward%20Linkages%20in%20the%20Textile%20and%20Clothing%20Sector%20of%20Bangladesh
- [19]. The State of Fashion 2021, What's next for Bangladesh's garment industry, after a decade of growth? The Business of Fashion and McKinsey & Company, March 2021. <https://www.mckinsey.com/industries/retail/our-insights/whats-next-for-bangladeshs-garment-industry-after-a-decade-of-growth>
- [20]. 2011 report, Bangladesh's ready-made garments landscape: The challenge of growth.
- [21]. Report Time for Change: How to use the crisis to make fashion sourcing more agile and sustainable, McKinsey & Company, May 2020. <https://www.mckinsey.com/industries/retail/our-insights/time-for-change-how-to-use-the-crisis-to-make-fashion-sourcing-more-agile-and-sustainable>.
- [22]. Consumer sentiment on sustainability in fashion, McKinsey & Company, July 2020. <https://www.mckinsey.com/industries/retail/our-insights/survey-consumer-sentiment-on-sustainability-in-fashion>.
- [23]. Fashion on climate, GFA and McKinsey & Company, August 2020. <https://www.mckinsey.com/industries/retail/our-insights/fashion-on-climate>.
- [24]. Vietnam Textile and Apparel Association (VITAS)

