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Is Bangladesh's RMG industry on its way to recovery?



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The Mapped in Bangladesh (MiB) project of Centre for Entrepreneurship Development (CED), Brac University (BracU), has recently disseminated the findings of Phase 2 of its ongoing "Rapid Survey" series through a webinar titled "State of the RMG Industry during the Pandemic: Is it on the Way to Recovery?" on July 20, 2020.

The 4-year (2017-2021) MiB project aims to enable transparency in the RMG sector by developing a digital map (like Google map) with authentic information of export-oriented RMG factories collected through a countrywide census. The beta version of the [digital map](#) has already published the data of 2,837 factories from Dhaka, Gazipur, and Narayanganj districts, while the data of 505 factories from Chattogram district are soon to be published on the map.

The Phase 2 of the Rapid Survey, where data was collected over phone calls, attempted to reach out to 3,342 factories from Dhaka, Gazipur, Narayanganj, and

Chattogram districts, of which 2,334 factories have participated in the survey. MiB reports that among the factories that participated in the survey, 1,850 (79 percent) factories are currently operational, 286 (12 percent) factories are temporarily closed, and 198 (9 percent) factories are permanently closed.

Among the operational and temporarily closed factories (total 2,136), 40.54 percent claimed to be hopeful to resume their operations fully after June 2020, while 25.14 percent said that they hoped to resume their operations partially, and 30.57 percent factories were uncertain whether they would be able to resume their operation after June 2020. On an average, the member factories (factories that are members of BGMEA and/or BKMEA) were able to utilise 70.55 percent of their production capacity, compared to 59.83 percent by non-member factories (not member of BGMEA and/or BKMEA).

Factories that are currently operational have been using 92.1 percent of their workforce during the pandemic as compared to normal times (before the pandemic). This rate of workforce utilisation at present compared to the times before the pandemic was higher for Dhaka district (96.9 percent), while the lowest was for factories from Gazipur district (89 percent).



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One of the key findings of the survey is that 143 factories were found to have been producing face masks and/or Personal Protective Equipment (PPE) along with their regular products, of which 69 factories said that they were producing for the export market. Factories that were members of any of the trade associations reported having Workers Participation Committee (WPC) and Safety Committee, took higher number of safety measures in the factory to prevent Covid-19 compared to factories that were non-members and did not have WPC and Safety Committee. The project has also launched a [separate map](#) based on their findings from Rapid Survey: Phase 2.

The next phase of the Rapid Survey is scheduled to be conducted in August. It is to note that the MiB project is being funded by Laudes Foundation, with co-funding by the Kingdom of the Netherlands, with strategic partnership of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear

Manufacturers and Exporters Association (BKMEA) and strategic support from Department of Inspection for Factories and Establishments (DIFE).

The social and economic impacts of the pandemic are difficult to predict. Apart from the concerns about people's health, fears of a significant economic depression are also surfacing. Digital technologies have a key role to play during this phase of reorientation. How does the worldwide spread of the coronavirus affect digitalisation? Will the crisis bring new and unexpected potential for garments industry? During this outbreak, digital initiatives like MiB can contribute to the RMG sector to provide various types of data effectively. Likewise, the MiB's Covid-19 Map based on the rapid surveys shows the operational status of the RMG factories during the coronavirus outbreak as well as up-to-date meaningful improvements of the industry, thus ensuring good governance of the apparel sector as a whole.

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