



Inspiring Excellence

Export Opportunities and obstacles of Bangladesh's RMG Sector A Case Study on Aman Textile Ltd.

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Letter of Transmittal

Ms. Mahreen Mamoon
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Subject: Submission of Internship Report.

Dear Madam,

This letter is regarding the submission of my internship report, entitled “A Study on Export obstacles and Opportunities of Bangladesh’s RMG Sector”. The purpose of this report is to learn about the Export obstacles and Opportunities of Bangladesh’s RMG Sector as well as financial operations and the business process of Aman Textile Ltd.

I have successfully completed my internship program at Aman Textile Ltd and as an intern I worked there for three months. Working on this report was a great learning experience for me as it let me learn the differences between practical and theoretical work. I tried my level best to present the report to be objective, systematic and reliable.

I would like to take this opportunity to thank you for all the support and structured guidelines that have been provided. I would be very happy to provide you with any clarification regarding the project.

Yours Sincerely,

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Acknowledgement

At the beginning of preparing my internship report, I would like to express gratitude to the Almighty Allah for endless blessing. This whole internship report is an accrual of many people's effort. For this, I am thankful to a number of people who helped me to prepare and organize this report and for their kind opinion, criticism, suggestions, instructions, support and appropriate guidelines for this paper.

I have received endless support and guidance for preparing this report from numerous sources. I would like to take this opportunity to thank them all from the bottom of my heart.

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Executive Summary

This report not only gives an overall view and prospect of Aman Textile Ltd covering from running business processes, organizational structure to the clients but also looks into the export performance of RMG (Ready Made Garments) Sector. Besides it follows an in-depth analysis which tries to reveal the restrictions, obstacles as well as opportunities regarding export of Bangladesh's RMG Sector.

Aman Textile Ltd can also be regarded as one of the twenty four business ventures of Aman Group while the other ventures include several business areas like cold storage, trading, construction and agro. Despite of starting its operations in Bangladesh in 2004, Aman Textile Ltd has become popular in the apparel industry within a very short span of time. Fabric and knit are the primary services of Aman Textile Ltd. Here cost effective offering, better monitoring and better service with proper assurance of 100% export quality are what made Aman Textile Ltd famous across the world.

On the other hand, the outstanding performance of Aman Textile Ltd presented the RMG industry as an attractive sector to invest in as a result competition keeps rising like any other sector. Throughout this report it is stated how RMG sector is functioning along with opportunity and probable threat, This report is also followed by an industry data analysis which ultimately unfolds the obstacles country's RMG sector facing as well as opportunities are available to tap on.

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A: The Organization Part

Introduction

The readymade garments industry acts as the foundation of our economy and as a driver for the advancement of our nation. We take pride in the division that has been getting billions of dollars as fare income and as well as making occupations for many individuals in the country.

The "Made in Bangladesh" tag has additionally brought brilliance for Bangladesh through making it a renowned brand around the world. Bangladesh, which was once named by skeptics an "endless crate" has now turned into a "wicker container loaded with ponders." The nation with its constrained assets has been keeping up 6% yearly normal GDP development rate and also has achieved surprising social and human advancement.

It is a matter of incredible fact – how the economy of Bangladesh keeps on developing at a stable rate. Presently, we imagine Bangladesh accomplishing the center wage nation status by 2021. We firmly believe that our fantasy will work out as expected within the predetermined time and therefore, RMG business will surely assume a vital part in appearing the desire.

After the freedom in 1971, Bangladesh was one of poorest nation. No real ventures were produced in Bangladesh, when it was known as East Pakistan, because of unfair nature and arrangements of the administration of the then West Pakistan.

The business that has been playing a vital role to modifying the nation and its economy is none other than the readymade garments (RMG) industry. The division represents 81% of aggregate fare profit of the nation.

The MFA-share was a blessing to our industry to thrive, constantly make and create. While the amount was moving more like an end in 2004, it was foreseen by various that it could be a threat for our RMG sector.

But, the post-MFA period is another story of progress. Representing every one of the forecasts wrong, we beaten the post-MFA challenges. Presently the clothing business is Bangladesh's greatest export oriented sector.

In spite of the major development of our RMG industry, and its splendid prospects, challenges are still there. One of the greatest tests that the RMG industry is facing now is to guarantee working environment security and better working conditions for the huge number of article of clothing laborers.

Two noteworthy incidences, the Tazreen fire and the Rana Plaza fall, have conveyed the issue of working environment wellbeing to the forefront and drove all partners to act as needed. Following the awful episodes, different stages, for example, the Bangladesh Accord on Fire and Building Safety, the Alliance for Bangladesh Worker Safety and National Plan of Action have been formed to enhance building and terminate wellbeing of Bangladesh's piece of clothing industry.

All individuals from the BGMEA and BKMEA are working full scale to complete the remedial activity designs which is recommended by the Accord, Alliance and National Plan of Action after examinations, notwithstanding contributing colossal measure of cash.

Be that as it may, guaranteeing working environment wellbeing at all piece of clothing manufacturing plants is a tremendous errand and will set aside opportunity to achieve. Be that as it may, we trust the administration of Bangladesh, BGMEA and BKMEA, with the help of worldwide brands and universal advancement accomplices, will have the capacity to guarantee the security of the RMG business and keep up the force of financial improvement in the nation.

Along with challenges a sparkling future is sitting tight for the growth of garment industry of Bangladesh. Beginning without any preparation, Bangladesh has made some amazing progress and is currently one of 10 new developing nations on the planet. The macroeconomic steadiness, 6% yearly normal GDP development, hearty execution of settlement and fare, solid remote cash hold, and striking social and human improvement over the previous decade – all mirror our basic qualities.

Given the strength of the RMG business in the general economy of Bangladesh, we need to secure this area. Instead of lounging in the transcendence we should work as an inseparable unit to hold reasonable development and aggressive edge of this industry.

Research objective:

- ✚ To reflect the export performance of Bangladeshi garments in international market
- ✚ To identify the difficulties and barriers faced in the international market
- ✚ To identify possible threats to the Bangladesh garments in the international market in near future
- ✚ To identify the opportunities of the Bangladeshi garments that may be realized in the international market
- ✚ To recommend the measures needed to be taken for increasing the export volume

Scope

The title of the internship report is “A Study on Export obstacles and Opportunities of Bangladesh’s RMG Sector” where I have tried to portray all the information gathered throughout my internship time while working in the organization for last three months. Primarily, most of the information given in this report collected from my own observation of working in the organization and interviewing my colleagues, supervisor and others directly. Apart from that, company’s legal documents, news, reports, and company’s database are used as the secondary sources. Throughout the process I got ample opportunities or scopes to know about this particular sector like how this sector is growing, challenges are faced by and who are players running the sector, apparently what are the key drivers behind the progress of Ready Made garments industry of Bangladesh.

Methodology:

The project report is based on mainly secondary sources of data. Data which is required for the report were collected from different published reports, journals and from the activities and queries from my internship period. Different tables and charts have been used to interpret the data and draw inference there from.

Primary sources of data: includes practical experiences during internship and queries from the executives, officers and employees while doing my internship in Aman textile Ltd.

Secondary sources of data: includes articles, journals, and other related document published in the internet.

Company Background:

Under the family of Aman Group Ltd., **Aman Tex Ltd.** is a 100% export oriented company along with importing; trading, manufacturing. Over the years, Aman Group Ltd. has made a desirable reputation of reliability among the vendor & supplier. At the same time they have been also able to serve in ever growing RMG sector with consistent high quality, on-time delivery and efficient compliance with international labor & environmental standards. Moreover, Aman textile Ltd.'s ethics is based on that simple philosophy stating "quality, on-time delivery and competitive price are the essence of long term relationship in export business".

Aman Textile Ltd. started its journey in 2004 as a private Ltd. Within a few years it has been serving as one of the leading dynamic composite knit garments in the RMG Industry.

Firstly The Company established its factory at Boiragirchala, Sreepur, Gazipur, with a team of young and dynamic visionaries. With a view to achieve the quality standard and increasing demand of the global market, Aman Textile Ltd. got the latest machineries from the European countries as well as from the United States of America & Japan.

Under the management of Aman Group Ltd., there are two export oriented textile and garment manufacturing units. Most of the plants has been installed & erected by both foreign and local engineers. The six storied plant building covers an area of more than 400,000 square feet where as an additional area of 20,500 Square foot is covered by ETP and Supply Water Plant. The main building accommodates all the departments of knitting, dyeing, finishing and the utilities etc.

The textile and garment units within the Textile complex are:

1. Aman Cotton Fibrous Ltd. which can process yarn like 5, 85,000 kg/month
2. Aman Textile Ltd. deals with vertical operation like Fabric to garments which can process yarn like 15, 00,000 pcs/month.

Aman Textile Ltd. is specialized in high quality knit-garments for Infant, Children, Ladies and Men's using a wide range of knit fabrics manufactured within the Aman Textile complex.



PHOTOGRAPH AMAN TEX LIMITED

PHOTOGRAPH

Product and Capacity:

Basically, Aman Textile Ltd. specializes in high quality Knit-garments for Infant, Children, Ladies and Men's using a wide range of knit fabrics manufactured within the Aman Textile complex. The plant is equipped with facilities for producing garment's products starting from the infant sleep sack / body suits to ladies / men's hooded sports jackets based on designs, fabrics and accessories as per the requirement obtained from the buyer. The garments have to go from basic to complicated cut and sew with placement prints, embroidery or both. The fabric includes 100% cotton, polyester, nylon or various blends with or without elastin, yarn dyed or solid dyed and so on.

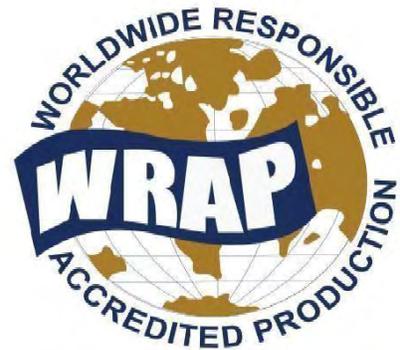
The production capacity of Aman Textile Ltd. is 15 lac and plus pieces of knit-garments/month. The products of the unit have been classified into four segments to meet the increased demand of the European, Canadian & USA market.

The table below shows the capacities of different types of knit-garments, with sufficient flexibility to allow 25-40% additional capacity of any one of the items.

Infants	Children's	Ladies	Man's
Pcs /month	Pcs / month	Pcs / month	Pcs / month
20%	20%	40%	20%

Certification:

- ✚ ISO: 9000-2008 (Quality management system)
- ✚ ISO: 14001-2004 (Environmental management system)
- ✚ WRAP (World responsible Accredited Production)
- ✚ Oeko-Tex @ Standard 100 (Confidence in Textile)
- ✚ URS (United register of system)



12 PRINCIPLES

VISION:

Aman Textile Ltd.'s vision is to be a leader in fulfilling country's basic needs through industrialization which will assure the total quality

MISSION

Aman Textile Ltd.'s mission is to establish labor intensive industries which will blend the latest technologies and uphold ownership by the employees along with conservation of environment, precise commitment to the society and sustainable contribution to GDP"

Porter's Five Forces analysis

Threat of Potential

- ✓ Threat of any country which can offer low cost labor

Bargaining power of suppliers

- ✓ Bargaining power of fabric supplier countries like China and India

Rivalry among existing Firms

- ✓ Competitive rivalry among several firms within the industry in order to get buyers orders

Bargaining power of Buyers

- ✓ Bargaining power of buyers from USA, UK, and Canada etc.

Threat of substitute

- ✓ Threat of the demand of synthetic products, jute or banana fiber clothes

The threat of new entrants:

As Bangladesh's garment industry is experiencing a good response across the world and sufficient cheap labor and loan facilities are available to start a business in this sector, threat of potential entrants is high. This simply explains that Aman Textile Ltd needs high strategic stands to survive as well as to have sufficient order from the emerging RMG sector.

The bargaining power of the firm's suppliers:

The bargaining power of suppliers is moderate. Sometimes the buyers of the company refer to certain supplier. In that case those suppliers enjoy preference.

The bargaining power of the firm's customers:

The bargaining power of firm's customers is high. Bangladeshi manufacturers realize that the buyer possesses more power than themselves. Then, China's lead and India's march to the top keep the Bangladeshi manufacturers on their toes. Therefore, Aman Textile Ltd. is providing large space of choices in terms of quality and cost.

The threat of substitute products:

In this industry this aspect is not considered because there is no perfect substitute for their provided service like synthetic products, jute or banana fiber clothes etc. Although mix of different fabrics is being offered by Chinese market and is getting popular over the course of time also. But till today the threat of substitute products is low.

The intensity of rivalry among competing firms:

As Government is taking enough initiatives to make the growth of industry steady as well as loan facility is there for growth more players and merchandising company is trying hard to keep up with the competition of RMG sector. As a result intensity of rivalry is quite high for any operating company.

SWOT analysis of Aman Textile Ltd.

Strengths:

- Having experienced management officials to conduct the production process effectively
- Sufficient production capacity within the factory
- In house printing, embroidery and washing plant facility
- Usage of available modern equipment
- Aman textile has strong reliability to the clients

Weakness:

- ? Delay in case of delivering sample
- ? Difficulties to cope with upgradable new technology
- ? Lack of new automated equipment

Opportunities:

- » Reliability and quality assurance have got several foreign countries interest about this company
- » Withdrawal of the quota system of garments product from early 2006 increases the demand of RMG sector
- » Labor cost and sound cooperation has always been an opportunity for RMG sector.

Threats

- × Emerging market of China and India
- × Increased competition with local garments
- × Political unrest is a notable threat to the smooth function of Aman Textile Ltd.
- × Lack of electricity can make problem for the business.

PESTEL Analysis:

Political: From 2014 we have experienced that political volatility has been minimalized and any discrepancy from the law or any disturbance which can hamper the business activities are dealt with high importance. As a result, not only other sectors but also RMG sector got enough room to keep the growth high.

Economical: As we see Bangladesh is a developing country so it cannot be said surely whether the business will run smoothly or not. Since we are facing shortage of electricity and high inflation which hamper the activities of garment sector, it can be a drawback for Aman textile ltd. which will hit the revenue cycle eventually

Social: Thirdly the social factors, as Bangladesh is a progressive country and our garments are one of the best in the world. Most of the foreign countries are likely to give orders to our textile firms. Eventually Aman Textile are getting a large amount of orders and also is competing with the textile firms in Bangladesh.

Technological: As we see the modern era is era of technologies and lots of countries are adopting modern way to carry out their function. They are using new machines in the garments sector which can help in improving their quality and increasing inventory quantity. But in Bangladesh all the garments are still relying on old days. They are using old machine which is not much customized to perform various tasks. So, Aman Textile Ltd should focus on using improved machineries and technologies to improve quality and to attain a better position.

Environmental: To have eco-friendly factories, the government is providing loans at 9% interest, especially to the RMG sector. As a result now-a-days RMG sector of Bangladesh is materializing their effort to build eco-friendly factories and maintaining an environmentally friendly process in case of manufacturing. This is a challenge faced by Aman textile Ltd.

Legal: After the collapse of Rana Plaza and the deadly fire at Tazreen Fashions factory the government has taken steps to strengthen the Directorate of Inspection for Factories and Establishments, which is responsible for monitoring work place safety and compliance, and has hired more inspectors. These have a positive effect regarding the improvement of infrastructure of RMG sector as well as for Aman Textile Ltd.

Marketing Mix: The marketing mix of Aman Textile Ltd regarding product, price, place, and promotion are stated below-

Product:

- **Design:** Aman Textile Ltd most of the time makes the product according to buyers design. But in some cases merchandisers propose some design appropriate to their customer.
- **Features:** There are so many features added to their products. For instances, some shirts are short sleeved, some are long sleeved, some have buttons, and some don't have buttons
- **Packaging:** In Aman textile three types of packaging are maintained. One is standard pack; another one is Flat pack and Hanger pack.
- **Services:** In some cases, merchandisers come out with some development sample and also special measurement sample for convenience of their buyers.
- **Variety:** There is variety regarding product category of aman textile Ltd. They produces product for infant, children, man and woman.
- **Quality:** Aman textile always focuses on to improve the quality of their product.

Price: Price is the amount of money that the customers are willing to pay in order to obtain certain product.

- **List price:** Merchandisers quoted some price value for the shirt counting cutting making charge, materials and accessories charge on what price they are prepared to supply their shirt.
- **Discount:** When there is a big volume of order in that case Aman Textile give some discount for their customer.
- **Credit terms:** Customers cannot acquire the product on credit. Therefore, they have to give cash for buying.

Place: Place includes those type of company activities that make the product easily available to target customers.

- **Channels:** Aman Textile Ltd. works with many wholesaling and retailing company like Wall mart, H & M, Jack & Jones, Tesco, Next, s. Oliver, Kmart etc.
- **Coverage:** Aman Textile Ltd. has huge customer coverage. They have customer in USA, UK, Canada, France, and Italy.
- **Logistics:** Sometimes, this organization provides logistic support to their customer if required.

Promotion: Promotion refers the activities that communicate the merits of the product and persuade target customers to buy it.

- **Advertising:** Aman Ttextile Ltd. does not follow any advertising strategy for their buyers. But sometimes customers like the product that has been ordered previously and give order to make product just like that.

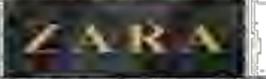
Part B: The Project Part

Literature review:

Export condition of Readymade Garments Sector

RMG is the real trading industry in Bangladesh, which experienced sensational development amid the most recent 20 years. By exploiting a protected market under the arrangement of Multi-Fiber Agreement (MFA) of GATT, it accomplished a prominent as far as outside trade income, fares, industrialization and commitment to GDP inside a limited ability to focus time. The quantity of assembling units has developed from 180 to more than 3600 in the course of recent years. Along these lines, the RMG division has additionally assumed a noteworthy part in the financial improvement of the nation. The fare made by Garments Industries of Bangladesh is enhancing a seemingly endless amount of time with the exception of a portion of the year. Strike, design, shutdown of organization, political issue, financial issue, expansion and so on are the prime reason for diminishing fare in this imperative area. Be that as it may, above it, in trade segment Readymade Garments Industries is the main part. In the course of the most recent thirty years, universal exchange and interest in the worldwide material and article of clothing (T&G) areas has been affected by Multi-Fiber Agreement (MFA) quantitative limitations (standards) connected by the major created nation merchants (the United States, the European Union, Canada and Norway) on T&G trades from (overwhelmingly) creating nations.

Bangladesh is winding up increasingly huge for the clothing retailers and form brands worldwide as the nation is reliably giving the C&M benefit and no more focused is cost keeping up as well as satisfactory quality principles. Keeping in mind the end goal is to use the open doors and to make their item more focused in the worldwide market existing dealers and brands are growing their work arrange and new ones are coming swiftly. Noticeable mold brands like H&M and Wal-Mart are proposed to build their sourcing from Bangladesh, as it were, and alternate retailers are likewise following; making the circumstance lucrative and precarious in the meantime for the business. This issue of Bangladesh Textile Today is intended to make a diagram of the design brands and attire retailers sourcing from Bangladesh and their purpose of perspectives about the current business.

Brand names	Brand Logo	Country
H&M		Sweden
Wal-Mart		USA
C&A		Germany
Target		USA
Tesco		UK
Carrefour		France
GAP		USA
Levi's		USA
JC Penney		USA
K-Mart		USA
Zara		Spain
M&S		UK
UNIQLO		Japan

For the last 25 years readymade garment (RMG) is the key export item and a main source of foreign exchange. Bangladesh textile garments sector has been expanded in a vigorous way and maintained its maturity by holding 2nd position globally. Bangladesh has been successfully supplying apparel products consistently to the premier international fashion brands like H&M, C&A, M&S, Wal-Mart, GAP, Levi's, s. Oliver, Tesco, Zara, Carrefour, JC Penney and many more

Bangladesh: Special Feature

Basically the competitive strength of a firm or a country in the market depends on its specific comparative advantage(s) which its competitors do not have. In case of Bangladesh, the availability of unusually cheap but usable labor is considered as competitive advantage or uniqueness for our RMG industry. The plentiful supply of the comparatively cheap labor acts as the significant strength for the RMG sector of Bangladesh. By nature RMG industry is a low technology but labor intensive industry. The workers here can be employed at very low wages, not only in comparison with other competitor countries, but also in comparison with other domestic industries in Bangladesh. In domestic market as well, the wages of the workers of the RMG industry happen to be the lowest.

External Threats:

Quota System

The world's garment trade has been governed by a system of quotas for decades. The original intention of the quota system was to protect the garment of less developed countries like Bangladeshi apparel industries in the west. But from 1 January 2005, Quotas were abolished. As a result, retailers are now free to buy from any market whoever can make garments for the lowest price maintaining preferred quality and requirements. Eventually it meant cheaper clothes for consumers which indirectly get the pain felt in slums in the developing world.

Competitor

At present competition has become intense in the garment industry. Garment industry is emerging rapidly in Taiwan, Hong Kong, Singapore and Korea in Asia. Thailand, Malaysia, Indonesia, Philippines and Sri Lanka have found the garment industry more attractive to develop their economy from 70's decade. Furthermore, Vietnam has become a potential entrant in garment industry throughout the world.

Scarcity of Raw Materials

In any industry there is no option of ample supply of raw materials in order to become self-sufficient. The raw material of the garment industry of Bangladesh is foreign dependent. Therefore, Bangladesh has to import raw materials of garments from abroad in order to process it in Bangladesh. About 70% of garment export income has to be spent for the raw materials. Moreover, the export and import policy of Bangladesh is not so strong. So, the shortage of raw materials for the garment industry' in Bangladesh is a great threat.

Political Instability

Politically Bangladesh is not a very stable country. Political instability is a great threat for any industry of our country. Frequent strikes and hartals are great obstacles for the growth of any industry. The production cost increases and productivity decreases because of frequent hartals and strikes. Garment producers cannot keep their contract with buyers because of hartals and strikes.

Data Analysis:

Contribution to GDP:

According to the IMF, Bangladesh's economy is the second fastest growing major economy of 2016 (Dec), with 7.11 percent Gross Domestic Product (GDP) growth rate where the growth rate was 6.12 percent in 2015. 28.1% was contribution of industry to the GDP, where RMG sector donate the biggest part. Since 2004, Bangladesh averaged a GDP growth of 6.5%, which has been importantly driven by its exports of readymade garments.

Value of Total Apparel Export- Calendar Year Basis:

Year	USD (million)	YonY Growth (%)
2007	9350.33	4.67
2008	11878.92	27.04
2009	11890.49	0.10
2010	14854.6	24.93
2011	19214.47	29.35
2012	19788.14	2.99
2013	23500.98	18.76
2014	24583.96	4.61
2015	26602.7	8.21
2016	28668.29	7.76

Bangladesh garment industry has generated \$28.67bn exports in the calendar year 2016 which is 7.76% higher than the previous calendar year. The export in the last fiscal year 2015-16 was \$28.09bn with a 10.21% growth from the previous fiscal year, according to Export Promotion Bureau data. Of the total figure of 2016 export, the knitwear constituted \$13.74bn and woven products \$14.93bn.

Table 1 show that Bangladesh RMG has been securing a consistent growth through the decade. From 2007 to 2016 average yearly growth was 12.84% which shows strong potential of the sector. The data also shows that growth has been slowed down through last five years which was 8.47 percent average. And this was even greatly contributed by the spectacular growth of the year 2013. As Bangladesh RMG is moving towards achieving the target USD 50 billion which urges like by 2021 the country requires more growth than it has been getting for last three years in particular. 2017 is to be a very crucial year in that path. If the country can secure a growth around of 15% in this year, it may proceed well achieving the goal.

Value of Total Apparel Export

YEAR	TOTAL APPAREL EXPORT IN MN.US\$		
	WOVEN	KNIT	TOTAL
1999	2987.73	1169.90	4157.63
2000	3376.49	1448.22	4824.71
2001	3162.28	1432.72	4595.00
2002	3076.28	1573.40	4649.68
2003	3398.84	1850.36	5249.20
2004	3686.78	2532.62	6219.40
2005	3689.60	3210.48	6900.08
2006	4544.83	4388.67	8933.50
2007	4608.40	4741.93	9350.33
2008	5655.50	6223.42	11878.92
2009	5695.88	6194.61	11890.49
2010	7067.34	7787.26	14854.60
2011	9252.80	9961.67	19214.47
2012	10117.43	9670.71	19788.14
2013	12052.30	11448.68	23500.98
2014	12421.26	12162.70	24583.96
2015	13805.44	12797.26	26602.70
2016	14931.33	13736.95	28668.29

If we consider two major products of apparels which are knit and woven, we can see the growth as well as their separately.

In 2000 for woven the export was 3376.49 million US\$ and if we compare it with 2016 we can see that the export of woven products are now 14931.33 million US\$ which stated the difference clearly.

Moreover, for knit product in 2000 the export was 1448.22 million US\$ while comparing it with 2016 it can be seen that the export is 13736.95 million US\$. Here we can observe the growth as well.

Main apparel items exported from Bangladesh

(VALUE IN MN. US\$)

YEAR	SHIRTS	TROUSERS	JACKETS	T-SHIRT	SWEATER
1999-2000	1021.17	484.06	439.77	563.58	325.07
2000-2001	1073.59	656.33	573.74	597.42	476.87
2001-2002	871.21	636.61	412.34	546.28	517.83
2002-2003	1019.87	643.66	464.51	642.62	578.37
2003-2004	1116.57	1334.85	364.77	1062.1	616.31
2004-2005	1053.34	1667.72	430.28	1349.71	893.12
2005-2006	1056.69	2165.25	389.52	1781.51	1044.01
2006-2007	943.44	2201.32	1005.06	2208.9	1248.09
2007-2008	915.6	2512.74	1181.52	2765.56	1474.09
2008-2009	1000.16	3007.29	1299.74	3065.86	1858.62
2009-2010	993.41	3035.35	1350.43	3145.52	1795.39
2010-2011	1566.42	4164.16	1887.50	4696.57	2488.19
2011-2012	1733.54	4686.39	2231.16	4713.11	2340.34
2012-2013	1972.89	5185.48	2634.28	5143.22	2620.73
2013-2014	2173.73	5690.78	2973.16	5863.81	2932.94
2014-2015	2271.43	5697.83	3183.17	6064.13	2829.16
2015-2016	2317.09	6319.00	3774.08	6118.53	3182.47
2016-2017	2108.38	6026.69	3546.88	5861.98	3361.53

Considering main apparel items exported from Bangladesh which are shirts, trousers, jackets, T-shirts, sweater we can experiment the growth as well.

Part C: Job Responsibilities as an Intern

Back in May 2017, I got the opportunity to work as an intern in Aman Textile Ltd. I was supervised by the Senior Account Manager of Accounts and Finance, Mr. Palash Mahbub for his department. Throughout the internship my colleagues and supervisor tried their level best to let me grow within and learn enough about this most contributing sector of Bangladesh.

Accounts and Finance:

My job responsibility while working for Accounts and Finance Department of Aman Textile Ltd. is given below:

- Preparing and printing the check
- Preparing invoice for different purchase orders
- Checking different bank transactions
- Rechecking the updated payable list

These were pretty much my daily job responsibilities as Accounts and Finance Department Intern

Part D: Findings and Recommendations

Findings:

The country is the second largest exporter of garment products in the world for last three decades. Even during the global economic recession when imports by major sourcing countries dropped significantly, our garment industry remained the favorite choice for many countries. However, there was no magic wand that helped the sector to come to today's position; rather various factors act as impetus for steady growth of RMG sector in Bangladesh.

By obtaining information from Aman Textile Ltd. several factors can be identified behind the growth of export in RMG sector.

- » **Offering lowest price:** It is one of the main reasons for Bangladesh's success. As the industry is labor intensive, so the countries with lower wage rates always get priority to be the major apparel suppliers. Thus in a labor intensive industry, wage rate becomes one of the most important determinant of production cost. The labor cost in Bangladesh is very low because it does have a surplus labor force. Therefore, the RMG sector of Bangladesh enjoys the ability of keeping relatively low wage rates which ultimately results in low production cost. Therefore, Bangladesh is one of the lowest price offering countries to both the USA and the European Union's 27 countries.

If we consider Aman Tex Ltd we can see that for a polo shirt they only charge around \$3.30(Tk273) which retail price is actually \$42(Tk3475)

- » **Reducing dependency on imported material:** our RMG sector felt the need for strong support of backward linkages while industrial specialization was taking place in order to reduce dependence on imported immediate materials. Now the garment industries are much more sufficient for knit fabric as most of the knitwear fabric is manufactured in Bangladesh. In woven fabric our garments industries are also becoming flourished. Besides, currently we have around 9 million spindles installed that can produce up to 1.7 billion kg of yarn per year. We are also almost self-sufficient for trims and accessories.

Considering Aman tex Ltd it can be seen that 80-85% of the demand for knit fabric are met by their own set up.

- » **Duty –free access:** Our duty-free access to world market is another big advantage over other competitors. As an LDC we have duty-free market access to most of the developed countries including EU, Norway, Switzerland, Canada, Japan, Australia and partial market access in India, China, South Korea, Malaysia. This trade privilege also helps us in case of offering competitive price.

» **The product quality and long lasting concerned business relationship:** Quality of product and long lasting relationship helped the Bangladesh RMG industry to survive well

thus far. Moreover, even after the MFA phase out and recession Bangladeshi garment factories continued to receive orders from big buyers, due to their past reliability as business partners. In some cases, buyers look at Bangladesh as an alternative source apart from the powerful suppliers. Apparently, big buyers such as Wal-Mart, H&M, Levi's, Nike, etc. do not intend to leave the country overnight. At this stage, that helps the Bangladesh industry immensely to survive and thrive.

» **Sustainability and eco-friendly:** Our RMG industry has come across a long way to position itself as the second largest exporter of garment in the world. So to continue its march forward, the RMG industry is now stressing on ensuring sustainable business and walking in that direction. Our garment industry is going green and already we have a Number of state-of-the-art garment factories that are concerned about the environment.

» **Facilities provided by the Government:** The Bangladesh government has also initiated several support measures specifically targeting this sector like providing various policy supports at every step including bonded warehouse facilities, duty drawback incentive, cash compensation scheme, stable exchange rate, lower export price and the facility of procuring raw materials.

By reviewing Aman Textile Ltd some problems or drawback can be identified against the RMG sector of Bangladesh.

» **Labor Issue:** Labor unrest and the subsequent upward adjustment of wages proposed is one of the main issues for our garment industry. There is no denying that the RMG industry of Bangladesh has long been characterized by a wide variety of deprivations of its workers, which include, inter alia, lack of proper infrastructure facilities and safety at workplace, and lack of provision of essential service benefits to the workers. Therefore, labor issue is a factor that can be placed among the problems that are faced by RMG sector.

» **Political Turmoil:** Apart from labor issues, political disturbance within the country is another prime factor which we tis functioning against export growth in the apparel sector as well as in the entire economy. Political instability acts as a hinder for the growth of RMG sector. During such situations, production, distribution, export etc. all are disrupted.

From the experience of Aman Tex Ltd it has been seen after the “Holly Artisan” incidents their buyers felt insecure to come over here though the situation is better now.

» **Inadequate Infrastructure:** It is a matter of fact that Bangladesh has found herself inefficient to construct a proper infrastructure for its industrial development.

In this regard Aman Tex Ltd. faces frequent power outages, inefficient ports and inland transportation, delayed shipment, lengthy and cumbersome procedures in the customs

related activities, damage of goods while loading and unloading and high costs of doing business, etc. which can hinder continuous export success.

Moreover in RMG sector, sufficient infrastructure with necessary precautionary equipment is not available therefore situation like “RANA PLAZA” can happen here anytime.

- » **Backward Integration:** To be most contributing sector of Bangladesh, still we can see that necessary ingredients or raw materials to produce the final product of RMG industry are not being produced within Bangladesh which can be treated like a catalyst for further industrialization in the country. However, imported fabrics, a largely required raw material of this vital industry which is a drawback of RMG sector. As a result, competitors of other countries are exploiting this area to manipulate the Bangladeshi market’s growth.

In this regard Aman Tex Ltd has to import “polyester” and “nylon” fiber as well as button and other accessories.

- » **Emerging competitor:** At present competition is increasing in this sector. Garment industry is emerging rapidly in China, India, Taiwan, and Hong Kong. Thailand, Malaysia, Indonesia and Sri Lanka have found the garment industry more attractive to develop their economy. Therefore, this increasing competition is a challenge for Bangladesh garment sector.

Recommendation:

Acquisition of New technology: In order to facilitate the growth of export in RMG sector the use of various types of advanced knitting machines against the flat knitting machine should be increased. Then, in sewing operations the portion of automatic sewing machines against non-automatic sewing machines should also be raised. In this regard the government should facilitate import of modern knitting and sewing machinery for the RMG sector in Bangladesh. At the same time the tax and VAT on importing such machinery should be lowered and made supple in order to promote modern technology usage in this sector for massive growth.

Ensuring Uninterrupted Electricity Supply for RMG Units: The interruption in electricity supply should be improved immediately. Though the Government has taken some measures to identify the power supply problem which include economizing its use, fixing sequential holidays for factories in different industrial/commercial zones, setting up small scale power generation plants etc. But the government should also take initiative to source solar energy usage or the latest technological alternatives for electricity production. Therefore,, Eco-system operations and promotion of green production can play an effective role. Creating power from wastes of the factories can be an environmental friendly approach for assisting uninterrupted power supply to the industry.

Development of Backward Linkage Textile Sector: Appropriate policies should be adapted and implemented to ensure the development of backward linkage. This sector is still dependent on import of knit, woven and dyeing materials which needs further improvement so that maximum sources of these items can be made or sourced from our own country.

Research and Training: In our country there is no dedicated research institute related to the apparel sector. As we know RMG is highly fashion oriented and constant market for that reason research is necessary in order to become successful in this sector. At present whatever design work is done in the country, these are mostly done by foreign workers and experts. BGMEA has already established an institute which offers bachelor's degree in fashion designing and BKMEA is planning to setup a research and training institute. Therefore, related initiatives should be taken in this regard. A facilitating public sector role can be very relevant here.

Promoting Labor Absorption through improvement of Technology: Though new machines require more skilled labor for their operation, but technological advancement creates new job in areas like merchandising, marketing, commercial and engineering. Therefore, it is necessary to provide both higher and technical education in the country focusing on both new entrants and professionals in the sector to promote skilled workers.

Improvement of Existing Laws and Regulations: In RMG sector Bangladesh requires more flexible working hours with provisions for work during the night shift, recruitment of young workers as apprentices, etc. In this regard, The government should be strict on implementing

laws for improvement of worker's health and safety standards in the workplace; regulations to change the building codes for improving working conditions, and for ensuring compliance with factory laws, etc.

Conclusion:

The readymade garments industry acts as the backbone of our economy and as a catalyst for the development of our country. As export earnings, billions of dollars is being fetched and created jobs for millions of people in the country.

The readymade garments sector has a greater potential than any other sector to contribute to the reduction of poverty in Bangladesh. In terms of employment, foreign exchange earnings and its contribution to Gross Domestic Product (GDP) this sector is becoming important.

The garment industry has played a pioneering role in the development of industrial sector of Bangladesh. Despite late start in 1976 it managed to establish its reputation in the world market within a short span of time. Resultantly garment is now one of the main export items of the country. Besides, enriching the country's economy it has played a very important role in alleviating unemployment.

Now Bangladesh is clearly ahead of other Southeast Asian suppliers in terms of capacity of the ready-made-garment industry. It also offers satisfactory levels of quality, especially in value and entry-level midmarket products

In conclusion, RMG sector is growing though there is a little bit slow down in last three years but it could be enhanced to take some steps by government and others stake holders. If the country could help bringing more investments to the sector and a strong positive reformation continues the sector would reach its expected growth. More investment behind the human capital of the sector would be key for coming days. To secure more value addition companies must invest behind human resource. If not full RMG sector a portion of must be transformed into world class best performing ones. Product and process diversity is the key along with productivity and performance improvement. At the same time, building proper infra-structure throughout the country and special look should be given to the livelihoods of the workers and staffs in and around RMG factories.

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Appendix:

RMG: Ready-Made Garment

MFA: Multi Fiber Agreement

WRAP: World Responsible Accredited Production

URS: United Register of System

T&G: Textile and Garment

GDP: Gross Domestic Product

IMF: International Monetary Fund

LDC: Least Developed Countries

ETP: Effluent Treatment Plant

VAT: Value Added Tax

BGMEA: Bangladesh Garment Manufacturers and Exporters

BKMEA: Bangladesh Knitwear Manufacturers and Exporters

Curriculum Vitae

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Career Objective: To employ my knowledge and experience with the intention of securing a professional career with opportunity for challenges and career advancement, while gaining knowledge of new skills and expertise.

Academic Certification:

Exam Title	Major	Institute	Result	Passing Year	Duration
Bachelor of Business Administration	Accounting	BRAC University	3.54 out of 4	2017	4 years
H.S.C	Business Studies	Lalmatia Women College, Dhaka	GPA:5 out of 5	2012	2 Years
S.S.C	Science	Charduani School and College, Barisal	GPA:5 out of 5	2010	2 Years

Career and Application Information:

Looking For : Entry Level Job
Preferred Job Category : Accounting, Audit ,Tax
Preferred District : Anywhere in Bangladesh.
Preferred Organization Types : Multi National Company (MNC), Consulting Firms, University, NGO etc.

Extra-Curricular Activities:

- Freelancing (assignment writing. Project paper at university level)
- Creative writing
- Member at BRAC University Business Club (Biz Bee)

Experience:

- Intern at Aman Textile Ltd.

Communication and presentation:

Verbal & Writing: Fluent verbal communicative as well as writing skill in English

Presentation: Good presentation skills

Computer and Technical Skills:

- | | |
|---|--|
| Microsoft Office (Word, Excel & Powerpoint) | ➤ Strong command over Microsoft Word |
| | ➤ Vast knowledge and extensive working experience in Microsoft PowerPoint |
| | ➤ Excel using its wide range of formulas and functions regarding Finance, Accounting and other relevant field. |

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