

Report On

**Prospects and Challenges of the Textile Industry of Bangladesh in reference with
Chargeurs PCC (Fashion Technologies)**

Report By

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ID 17204057

**A report on an internship presented to the BRAC Business School in partial completion of
the requirements for the Bachelor of Business Administration degree.**

BRAC Business School,

BRAC University.

Submission Date: 21 November, 2022

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Declaration

It is therefore stated that,

1. The internship report provided is my own original material completed whilst studying at BRAC University.
2. The report does not incorporate previous related and written content by a private entity, unless properly acknowledged through thorough and correct reference.
3. There really is no content in the study that has been approved or addressed or certificate at the institution or even other institution.
4. I have recognized all biggest source of assistance.

Student's Full Name & Signature:

Sowda Bhuiyan

17204057

Student Full Name

Student ID

Letter of Transmittal

To,

Md Shamim Ahmed

Lecturer, BRAC Business School.

BRAC University, Dhaka 1212

Subject: “Prospects and Challenges of the Textile Industry of Bangladesh.”

Dear Sir,

It is a great pleasure for me that I have completed my internship report on “Prospects and Challenges of the Textile Industry of Bangladesh.”

I have incorporated all of the skills and understanding I acquired while working as an intern at Chargeurs PCC (Fashion Technologies). Without your right direction and assistance, the report could not be finished.

I anticipate that the report will reflect my internship experience accurately.

Sincerely yours,

Sowda Bhuiyan

ID 17204057

BRAC Business School,

BRAC University.

Date: 21 November, 2022.

Non-Disclosure Agreement

This agreement is developed and made between Chargeurs PCC (Fashion Technologies) and Sowda Bhuiyan, the recognized BRAC University student.

I, Sowda Bhuiyan, hereby certify that this report will not contain any confidential, harmful, or otherwise critical information that is hazardous to Chargeurs PCC (Fashion Technologies). This report will be compiled with the help of the office supervisor and will be based on my everyday experiences. As a result, my internship program's evaluation report will not be published online; rather, it will be preserved at BRAC University.

Lastly, I certify that this report will not be harmful to the company and that the information sources have been mentioned appropriately.

Acknowledgement

I would like to begin by attributing this chance to my Almighty Allah. Moreover, I'd like to express my gratitude to my adviser, Mr. Shamim Ahmed, Lecturer at BRAC Business School, for supervising and mentoring me through the completion of the report.

In addition, I would like to express my appreciation to Mr. Abdul Mazid, Senior Manager, Sales and Marketing of Chargeurs PCC (Fashion Technologies), for his oversight at the workplace during my internship. In addition, I would like to acknowledge my classmates and colleagues for their constant support.

Executive Summary

Since the emergence of Covid-19 in 2020, the global apparel market has endured a series of unpredictable circumstances. The pandemic wreaked havoc on Bangladesh's textile and apparel industry, rupturing multiple systems and leaving it gasping for air. The lockdown disrupted sales and interrupted daily operations and the distribution network. Numerous workers were laid off from the industry. The situation began to improve with positive growth in 2021 as a result of the efforts of industry stakeholders. And it was anticipated that growth would continue in 2022.

Bangladesh received numerous orders from the European Union throughout 2022, but was unable to fulfill them on time due to the Energy Crisis, rising production costs, inflation, and other factors. In terms of cheap labor, foreign direct investment, and China's diminishing market share, Bangladesh still has a great deal of opportunity despite all of its setbacks.

Keywords: Exports, economic growth, global recession, GDP, export, global economy, industrial challenges, market competitions, marketing, production rate, trade, FDI, foreign export

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Chapter 1: Overview of Internship

1.1. Student Information:

Name: Sowda Bhuiyan

ID: 17204057

Program: Bachelor of Business Administration

Major: Marketing

Minor: E-Business

1.2 Internship Information:

1.2.1. Company Information

Period: 3 months (1st October 2022 to 31st December 2022)

Company Name: Chargeurs PCC (Fashion Technologies)

Department: Sales & Marketing

Address: House No. 13 (1st & 2nd Floor), Road No. 07, Block No.F, Banani, Dhaka-1213,
Bangladesh

1.2.2 Internship Company Supervisor's Information:

Name: Muhammad Abdul Mazid

Position: Senior Manager, Sales & Marketing

1.3 Internship Outcomes:

1.3.1 Student's contribution to the company

My internship at Chargeurs PCC (Fashion Technologies) my work responsibilities are diverse. Prior knowledge and part-time work experience have been of great assistance to me in numerous ways. I used to prepare the PI sample requisition for the business. I was required to acquire new clients and maintain positive relationships with existing ones via mail and phone. I used to provide customer support by providing samples, test reports, documents, etc. In addition, I was responsible for following up with customers regarding orders and pushing for the LC and clear documents in order to ensure business continuity. Occasionally, I was required to visit clients to generate new business. I also visited our factory several times in order to resolve order issues and ensure prompt delivery.

1.3.2 Benefits to the student

Chargeurs PCC (Fashion Technologies) is a place where individuals can perceive or develop skills professionally and work collaboratively with other departments to achieve organizational goals. This company taught me how to interact with clients in a professional manner. I have acquired the ability to communicate effectively with colleagues and customers. Furthermore, a person will learn how to respond effectively under pressure. Additionally, while working for this textile company, the employee will be able to communicate with a large number of clients via phone, text message, and email. This could help with the development of communication and interpersonal skills.

On the other hand, I have learned how to collaborate with others and work as part of a team. This also helped me understand how to function without causing problems in a business setting. I have also learned how to respond to and handle different scenarios, as well as how a company's chain of command works.

Many other companies do not compensate interns for the time and effort they devoted to their internships. However, Chargeurs PCC (Fashion Technologies) highly values the interns' efforts. Consequently, our company provides interns with a monthly stipend, transportation to and from meetings, and other amenities.

Chapter 2: Organization Part

Company Overview:

Chargeurs is a multinational, diverse company that dominates certain specific industries in both the manufacturing and service sectors. It is one of the top manufacturers of garment interlining in the world. Chargeurs, a company that is entirely owned by foreigners, contributes significantly to foreign direct investment in Bangladesh. Chargeurs Interlining is skilled in all facets of this technical product, which is placed between the fabric and the lining to keep garments flexible and help in its capability of maintaining shape. As one of the top interlining manufacturers in the world, Chargeurs Interlining has the knowledge, experience, and products to employ interlining in any area of a garment. Chargeurs PCC has products for nonwoven, woven womens wear, shirts, bottoms, wool, Bi-elastic, etc. According to the estimates provided by BGMEA, the interlining market in Bangladesh is approximately 1.2 billion dollars yearly. Chargeurs have close to a quarter of the market share.

Chargeurs has 3 innovation studios, 28 subsidiaries and sales offices and 8 manufacturing facilities over the globe including Etacol Bangladesh Ltd. at Dhaka Export Processing Zone. Chargeurs Interlining creates and markets products that are secure for the customers and considerate of the environment. Chargeurs Interlining has put these beliefs into practice by implementing quality control procedures that adhere to Oekotex and Reach standards. The vast majority of Chargeurs

Interlining products have Oekotex class 1 certification. This company has ISO 9001 accreditation. The sustainable 360 degree is a full-circle commitment to corporate social responsibility.

Chargeurs has different brands for interlining.

- DHJ is the world leader of shirt interlinings.
- Lainiere de Picardie manufactures an extensive range of fusible knitted interlinings and sells them worldwide. World leader in knitted products, Lainiere de Picardie is a key player in the womenswear garment industry and suit canvas.
- Intissel is a specialized brand for non-woven products.
- Etacol is one of leading interlining manufacturers in Bangladesh. Thanks to permanent investments and social compliance, Etacol is a privileged partner to major retailers working in Bangladesh.
- Yak is the leading brand of canvas in China.
- PCC is specialized in nonwoven & tricot

These brands increase the access to a wider variety of interlinings and allow it to better meet the individual demands of each of the customers.

Chargeurs is proudly serving 7000+ customers around the world and they are the nominated supplier for top global brands like M&S, C&A, Target, Walmart, GAP, Next, Tesco, George, Belk, PVH, David Howard, JCPenny, Kohl's, Tommy Hilfiger, Centric Brand, Baspo, Express, Costco, Nautica, American Eagle, Hugo Boss, A&F, Sainsbury, Levies and so on.

Management Practices:

Etacol Bangladesh was first founded on June 28, 2003, as a sole proprietorship business in the Dhaka Export Processing Zones (DEPZ). Bernard Frey was the owner of it. Bernard Frey sold Etacol to the Chargeurs in January 2008. Etacol became a Chargeurs brand. Chargeurs is able to sell domestically to all the export garment industries because it has a factory in the Dhaka EPZ (Export Processing Zone). This served as the business's foundation. The main source of assistance

for Etacol's purchasing, logistics, accounting, and finances is Chargeurs Singapore. Chargeurs Entoilage sold its ownership to Fitexin as a result of the ownership changes in 2015.

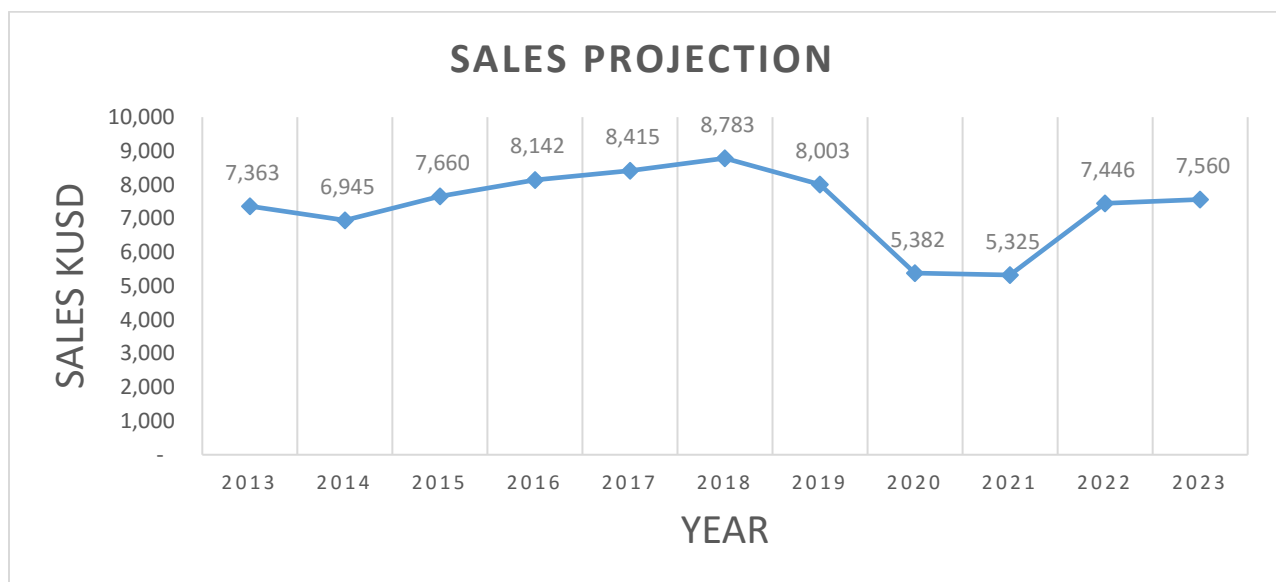
The management's revolutionary choice to merge PCC and CFT also represents a market breakthrough. Clearly, this move had a substantial effect on the market. Combining PCC and CFT is a triangle attack on the market, like Singapore, Hong Kong, and Bangladesh. Under one banner, they are able to serve customers from any location in the world, regardless of where they wish to transport their goods.

The decisions regarding management are made at the Singapore headquarters, which is also responsible for managing all of the Asian brands that fall under the Chargeurs umbrella. Peter Seah, the chairman of the company, has influence over a number of brands that are located in Bangladesh, India, Srilanka, Vietnam, Ethiopia, and Cambodia.

Sales & Marketing Department:

Companies are becoming more aware of the significance of cultivating a relational approach in their marketing and sales activities, and the trend is expected to continue (Corsaro and Olivieri 2021). Chargeurs are aware of the fact that their sales and marketing department is the most valuable asset for their business dealings with direct buyers and customers. Chargeurs interlining brands are completely reliant on the sales and marketing department because this department is accountable to display the brand to the consumer and they are responsible for bringing the order. Sales and marketing team deals with various responsibilities. Setting realistic sales targets is one of the most critical tasks of the sales and marketing team. Chargeurs establish sales team monthly goals. Utilizing previous sales data and meticulously calculated estimates, attainable goals are set. Sales and marketing team are in charge of deciding if any interlining item in the current catalog needs a price change or should be taken out of the catalog altogether. These very important choices will be made by looking at past sales numbers, customer reviews, order projections, trends, and other things.

In addition, this department must maintain tight client contact in order to win orders and deliver them efficiently. They also acquire new clients and respond to their queries. Furthermore, they monitor their competitors' products and activities. Teams in charge of sales and marketing make sure that their actions complement the overall goals of the organization. They share any information they learn that relates to or could be crucial for any of the other departments. They always keep open and straightforward communication. To keep things running well and assist the client whenever an issue arises, they also collaborate closely with the production and commercial department.



The company's sales and marketing department is exerting consistent effort in order to achieve the organization's sales projection. During the pandemic, the company experienced a significant decline in the amount of sales, but by the year 2022, they had made a successful comeback.

SWOT Analysis:

Strengths, Weaknesses, Opportunities, and Threats is the acronym for the SWOT analysis. In the strategic planning process of a business, SWOT analysis can be utilized for both micro and macro environmental assessment. The SWOT analysis summarizes the both internal and external

strategic elements. Company's strengths and weaknesses are the aspects that empower and limit the organization's ability to attain its objective, accordingly. Opportunities and threats are evaluated as external elements that help and restrict the organization's ability to achieve its objectives, respectively.

The following sections provide a SWOT (strengths, weaknesses, opportunities, and threats) analysis of Chargeurs PCC (Fashion Technologies) in light of the industry's current state of flux.

Strength:

The major strength behind the success of Chargeurs PCC (Fashion Technologies) is the strong supplier nomination from huge range of global brands. Because of the nomination they are being able to outcast many local competitors. Product quality and service of this company is well known by all and they do not compromise when it comes to quality and service of the product.

This company's innovative R&D department consistently develops a vast range of products with the requirements of its clients in mind. This company's product range is over one thousand, which allows customers to choose the perfect interlining for their apparel from a wider range of products. Additionally, they strictly adhere to government laws and regulations and conduct their business accordingly, so they never run into legal problems.

Weakness:

Chargeurs PCC (Fashion Technologies) is a business like any other, and it has several weaknesses. Due to their rigid pricing in comparison to their rivals, they are falling behind. Although product prices are rising in response to increased raw material costs, vendors are refusing to pay the higher prices. This is a major weakness for this company and they need to work on that, otherwise it can cost them losing huge amount of business.

Additionally, the lengthy lead-time for raw materials results in lengthier cycle times. This elongates the lead-time for deliveries, which causes problems with customers. Lack of warehouse

Opportunity:

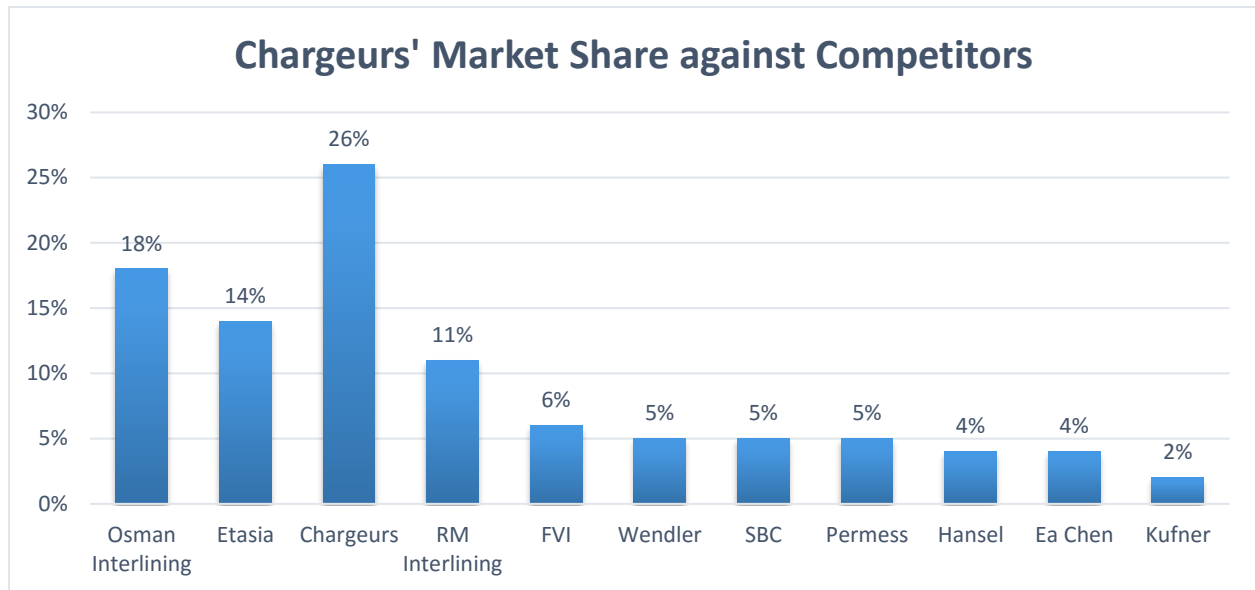
Given that Chargeurs PCC (Fashion Technologies) is always enhancing its offerings in response to consumer demands, the company's prospects for the future are excellent. Most textile companies are striving to develop a sustainable environment and product line in order to meet their corporate responsibility goals, and in order to do so, they must evaluate recyclable and sustainable alternative product lines. Most textile companies are striving to develop a sustainable environment and product line in order to meet their corporate responsibility objectives, and in order to do so, they must analyze recyclable and sustainable alternative product lines. In response to this initiative, Chargeurs has developed its "Sustainable 360 degree" program, which is the company's approach to corporate social responsibility, as well as a broad range of sustainable products for its customers. This is an opportunity for the company to connect with more brands seeking recyclable products.

Chargeurs PCC has also added a selection of fusible and non-fusible elastic to their product offering. It will allow them to penetrate the sportswear and lingerie industries, which have a vast global market. It would be easier to acquire a market share from the existing clients who already have products in the categories of sportswear and lingerie.

Threat:

Global recession is the biggest threat for the company right now because of the inflation and decreasing orders from buyers. The company's sales would be severely hampered if the situation is not brought under control. The continuously increasing costs are having a negative impact on the overall production costs.

In addition, the level of competition in this sector is rather strong, and local companies hold a significant share of the market. They also cut their pricing in order to win more business, but in doing so, they sacrifice the product's quality as well as its level of service. This has turned into a possible threat for Chargeurs, in the sense that they could lose customers.



Chapter 3: Industry Analysis

Introduction:

The apparel and textile industries contribute significantly to Bangladesh's rapidly expanding economy. Textiles and apparel exports are the prime major foreign exchange earner. Textiles, apparel, and ready-made garments (RMG) constituted 77% of Bangladesh's total exports of goods in the present day. Bangladesh is the second-largest exporter of global fashion brands in the world. 60 percent of foreign brand export agreements are with European customers, thirty percent with American customers, and 10 percent with others. International investors own only 5% of textile mills, with the majority of manufacturing dominated by domestic investors. During July-August 2022, woven and knitted apparel, clothing accessories, and home textile exports accounted for

86.04 percent of Bangladesh's total exports of \$8.591 billion. The majority of Bangladesh's export earnings come from the sale of woven and knitted garments. The garment business relies significantly on imported inputs. It has been determined that 82% of mill fabric, a key input for woven garments (41% of production value), is supplied. Likewise, 67% of fiber, an essential component of knitted clothing (64% of total production), is imported. The proportion of value addition to overall production output for woven textile is 31% and for knitted it is 23%. (Ahmed and Peerlings, 2009)

In the past decade, Bangladesh's textile industry has made remarkable strides in addressing the challenges of development. Even though the sector is one of the largest in Bangladesh and is still broadening, it faces enormous obstacles, primarily because the nation does not generate enough of the essential raw materials, has detrimental trade policies, energy crisis, increasing cost of production and global recession.

Bangladesh's textile industry has every opportunity to remain one of the world's largest Apparel manufacturers and to continue its remarkable growth and development. However, the nation's apparel industry faces headwinds and must take decisive action in a number of areas if it is to flourish. It must be able to compete without favorable trade access, meet declining demand from existing customer markets, and make a fundamental transition to a demand-driven and more viable sourcing model. The government of Bangladesh could benefit from adjusting its strategies to attract foreign investors. Foreign direct investment, typically from multinational companies, brings global leadership and management benchmarks, as well as R&D capacity and funding.

Literature review:

Pandemic pressure and shifts in global markets have brought stiff challenges to the garment industry in Bangladesh. The sector will need to innovate, upgrade, and diversify, investing in flexibility, sustainability, worker welfare, and infrastructure (McKinsey & company, 2021). The Bangladeshi Textile and apparel market is anticipated to grow at a CAGR of over 7% between 2022 and 2027.

Presently, Bangladesh is home to more than 4,000 RMG businesses. Except for a few foreign enterprises that are situated in EPZ, more than 95% among those businesses are locally owned (Gonzales, 2014). While Bangladesh's textile sector continues to be a major exporter to Europe's fashion brands and has dramatically increased its market share over the previous decade, this pattern may not persist: the new favorable trade agreement between the European Union (EU) and Vietnam, announced in August 2020, may result in Vietnam's apparel exports surpassing Bangladesh's. Vietnam has surpassed Bangladesh's textile and apparel industry among US apparel importers for some time; in 2020, Vietnamese garment shipments into the US were valued at 2.5 times those from Bangladesh. As US buyers shift their sourcing away from China, Vietnam is emerging as the biggest winner (McKinsey & company, 2021).

The most recent financial crisis has stunned the entire world, posing a threat to the textile industry as a whole. The Bangladesh textile is also in an extremely precarious position and has begun to feel the effects of the economic uncertainty. It is assumed that, if the recession persists, the RMG industry will be severely impacted in the long run, despite the fact that the impact appears minimal. If the exporters' profit margins continue to decline, it will be difficult to sustain the recession. To combat the negative effects of the recession, Bangladesh must adopt innovative marketing strategies to attract more orders, concentrate on expanding into new markets, attempt collectively to enhance its negotiating skills, take action for infrastructure improvements electricity and gas prioritize efficiency and effectiveness and boost the amount of value chain by better incorporating the stakeholders in the supply chain, and establish a competitive advantage (Z Mamun, 2022).

Objectives:

General objective: To obtain real-world work experience and apply theoretical knowledge in order to meet the requirements of the internship report for the BBA program.

Broad objective: To analyze the textile and apparel industry of Bangladesh and relate the practical knowledge with Chargeurs PCC (Fashion Technologies).

Specific objective:

- To be aware of the various issues, prospects, and challenges facing the textile industry
- To identify the textile industry's major issues
- To investigate the causes of difficulties
- To identify potential prospects

Methodology

The research paper takes an exploratory approach to the topic. The research project included a review of both primary and secondary sources of information. Interviews with people actively involved in Bangladesh's textile industry provide the primary source of data for this study. Manufacturers of Ready-Made Garments (RMG) from Bangladesh, officials from Bangladesh Garments Manufacturers and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), as well as buying houses, are on the list of people to be interviewed. Secondary research is conducted by taking reference from websites, journal research papers, books, write-ups, and reports regarding the textile industry in Bangladesh.

Porter's Five Forces:

In order to analyze current textile industry profitability and attractiveness from outside, Porter's Five Forces model is an effective framework. One cannot argue that Porter's Five Forces are out of date. The fundamental notion that every business operates in a network of buyer, suppliers, rivals, substitute products, and new entrants is still relevant.

Challenges

Since its inception, the clothing business has made significant progress, but there is still more work to be done and many more peaks to conquer (Wayss, 2015). There are various opportunities and challenges to be tackled. Bangladesh's textile sector is struggling on several levels, including a severe power crisis followed by non-tariff restrictions, ongoing labor unrest, a lack of

infrastructure, rising production costs, a shortage of new investment, and a worldwide economic downturn. These issues impede productivity and raise costs. Weak and inadequate infrastructures including low energy and gas supply are problems for Bangladesh's RMG sector (Rahman and Anwar 2007). In the subsequent sections of this study, we will discuss these challenges:

Energy Crisis:

Because of the power problem and the lack of utility infrastructure, the lucrative open market strategy of investment in the Bangladeshi textile sector is practically certain to fail. Such as gas, oil, electricity, and water, all of which are necessary for the development of industry and are considered basic prerequisites. Efforts to detect inadequate infrastructure, such as gas and energy shortages, compel business owners to employ backup generators and alternate power sources, hence increasing production costs (Sarwar, 2013).

The government has previously implemented area-based power outages after restricting 250 mm cfd of LNG imports due to the Russia-Ukraine conflict's impact on the worldwide market. According to the Bangladesh Textile Mills Association, textile mill production has decreased by 40 percent because of a shortage of supply of gas for about 12 hours a day (BTMA). Due to the severe decline in output caused by the energy crisis, the retention of \$21 billion in export revenue is in jeopardy, threatening the livelihoods of one million people. Currently, Petrobangla provides 2300 mmcfd, of which 360 mmcfd are supplied by liquefied natural gas under a long-term contract. 340 mmcfd is insufficient to meet the requirement of 3000 mmcfd. (Textile Focus,2022).

Chargeurs as a manufacturing company, suffers greatly due to their inability to produce at full capacity. Despite having a daily output capacity of 165,000 yards, they are only able to utilize 65% of that capacity. In addition, the percentage of errors has increased due to the power outage. The price of electricity generated by generators is approximately three times higher than the price of electricity drawn from the local grid.

Increasing cost of production:

A resurgence in exports during the period of Covid-19 has resulted in an unprecedented increase in the cost of manufacturing for garment exporters due to increases in yarn prices and freight fees (The Daily Star, 2021). Along with that in the past year, the prices of metal, cement, clothing, and all essentials of daily life, including oil, sugar, rice, and everyday necessities, have risen dramatically. During this same period, several goods prices have doubled. According to the BBS's Domestically Produced Industrial Goods index, the cost of making spinning and cotton fiber has gone up by 56.22 percent since last year, while the cost of making textiles has gone up by 13.62 percent. According to the Bangladesh Bureau of Statistics (BBS), the cost of knit scarves went up by 1% to 58% in fiscal year 2020-21, compared to the previous year. The Domestically Produced Industrial Goods index of the BBS indicates that the cost of producing spinning and cotton textile fiber has climbed by 56.22 percent over the past year, while the cost of producing textiles has increased by 13.62 percent. Businesses fear that the recent spike in fuel prices would increase production costs further. According to them, this will result in a minimum 20% increase in the price of new products. (The Business Standard, 2021)

Chargeurs being a garment accessories manufacturer the cost of producing non-woven products increased by 6 to 7 percent, while the cost of cotton increased by 10 percent, due to the increase in the price of electricity and gas. Which has necessitated a rise in product prices, which is inhibiting order volume. Despite the higher cost of manufacture, global retailers and brands are unwilling to raise prices per item of clothing. In light of this, we have no choice but to maintain contact with our clientele by maintaining our low pricing (The Daily Star, 2021).

The Global Recession:

The global recession and rising inflation are posing significant difficulties for Bangladesh's textile industry at the present time. As a result, retailers in both the European and American markets are either postponing the shipments of products or canceling orders. The majority of these difficulties are the result of shifting and difficult international contexts, as well as an extensive objectives list

that must be completed in order to improve growth variables that have become unstable as a result of ongoing uncertainty.

Bangladesh textile industry has been affected by the slow recovery of economies in China and the United States as a result of disruptions caused by pandemics and the conflict in Russia and Ukraine. In particular, the rising prices of raw materials and utilities. Bangladesh relies significantly on imports, and the majority of textile industry raw materials are imported. Chargeurs PCC imports raw materials and applies coatings in the Etacol facility. It has become incredibly expensive and challenging to run a business on the budget allotted by foreign buyers.

GSP:

The Generalized System of Preferences (GSP) is a legal system that provides preferred market access to a variety of agricultural and industrial goods from developing nations. In reality, GSP is a tool rich nations use to assist developing nations in expanding trade. The GSP program is intended to aid certain developing nations and integrate them into the global economy (Kiron, 2013).

With the GSP authorization, Bangladeshi textiles can enter into the market tax free. In its absence, however, it must pay import tariffs of 12% on the majority of goods. The new Generalised Plan of Preferences (GSP) proposal of the European Commission is anticipated to exert pressure on Bangladeshi woven apparel exports, as it concentrates solely on preference eligibility under the GSP and a scheme that requires increasing local value addition (The Business Standard, 2021).

Following the Rana Plaza collapse event in 2013, which resulted in the deaths of over 1,100 people, the US government shut down the factory. Bangladesh has paid millions of dollars in taxes as a consequence of losing the GSP facility. US GSP authorizes 97% of products. Unfortunately, the remaining 3% includes the apparel industry from Bangladesh.

Prospects:

The past several years have shown that the garment industry has been extremely crucial for the implementation of industrialization and economic expansion. By providing it with essential lifeblood, this sector is actually working to turn around the failing economy (Chowdhury, 1991).

Despite numerous challenges over the past few years, the RMG industry has demonstrated persistently strong performance and competitive edge. The growth of the apparel sector could be partially attributed to government policies that welcome foreign investment and give control to private business. The garment export business has set a lofty goal of US\$50 Billion for the 2020/21 fiscal year (BGMEA, 2019). However, it will need to keep working to solve the energy crisis, the global economic downturn, and the rising cost of production if it is to reach its goal.

Cheap Labor:

When it comes to gaining a comparative advantage, the productive efficiency of labor is a more crucial determining factor than the physical amount of available labor. The majority of garment workers in Bangladesh are female, and they have low levels of education and training. The garment factories' use of an inconsistent amount of unskilled workers leads to low production and, as a result, higher prices for the finished products. It is well known that Bangladesh's worker productivity is significantly lower when compared with that of Sri Lanka, South Korea, and Hong Kong. If Bangladesh is going to compete locally or perhaps worldwide, its workforce needs to be more productive, and the country needs to find ways to make that happen. Because of the low cost of labor, if our nation is able to achieve the highest level of labor productivity, then we believe that the prospects for this industry's future are really positive.

Foreign Direct Investment

In light of the fact that Bangladesh is primarily reliant on imports for higher-end materials, Foreign Direct Investment (FDI) in the textile industry would be a great way to further improve the sector. According to the data provided by the Bangladesh Bank (BB), the textile and apparel sector in Bangladesh got FDI in the amount of \$421.68 million in 2017, which is a 15.70% increase from the amount of \$364.44 million received in 2016. Approximately TK 6,900 crores have been spent in this industry so far, and the BGMEA anticipates that number to more than triple by the year 2022 (Rasel & Khan, 2020).

March 2022 - A memorandum of understanding was signed between the American Apparel and Footwear Association (AAFA) and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) to collaborate together to broaden trade access for Bangladesh to the

market in the United States. According to the Bangladesh Textile Mills Association (BTMA), seven local factories in Bangladesh invested approximately 194 million USD in the setting up of processing facilities for making flakes from waste plastic in order to make recyclable materials.

Chargeurs hold a 25% market share of Bangladesh's interlining manufacturing market, which the BGMEA estimates to be worth about \$1.2 billion annually. Fully controlled by foreigners, Chargeurs also contribute to the nation's foreign direct investment.

Market Share

China's position in the global sourcing industry is deteriorating. Countries who formerly outsourced to China are now looking for alternatives. The effects of Covid-19, rising US-led boycotts of Chinese cotton, which is used in many textiles, and higher raw material expenses have all contributed to a decline in the fiber market. The research firm Beijing Cotton Outlook indicated that some Chinese companies had lost up to 30% of their orders, according to the South China Morning Post in June 2022. China is losing significant production to Vietnam, Malaysia, Bangladesh, India, and Taiwan, according to the most recent statistics in the CNBC Supply Chain Heat Map. Bangladesh currently holds a 12% market share for export apparels.

Previously, Bangladesh was not a popular choice for exporting clothing to wealthy Western countries. The nation is currently one of the largest exporters of clothing to the global market. It provides buyers looking for ways to source from China with a profitable option. Bangladesh benefits from low labor costs, straightforward labor rules, and economies of scale when it comes to manufacturing. Bangladesh has a competitive labor advantage, which makes it a popular location for sourcing.

Limitations:

Due to the fact that our study is built on both primary and secondary data, it is possible to obtain false information. If the personnel questioned supply us with false information regarding their assessment of their organization, the report's findings may be inaccurate. Moreover, this study is lacking in some areas. The prominent ones are as follows:

- The survey was carried out in such a condensed amount of time, we were unable to obtain any additional data.
- It was challenging to find data because there are no significant studies or papers written regarding the interlining sector.
- It was challenging to secure the appointment of textile officials in order to carry out the interview.
- There was an insufficient amount of information regarding the Bangladesh brand Etacol under Chargeurs.
- In certain instances, access to the necessary publications and data was tightly restricted.

Recommendation:

The textile industry is a significant contributor to the GDP of the country and supports the livelihood of a large number of people. It is necessary to take certain measures in order to ensure the continued success of this industry in order to keep the expansion going.

- For this industry to continue existing, the government should invest in the necessary infrastructure.
- The government should encourage foreign direct investment and provide legal support in the appropriate manner.
- This sector is carried on the backs of innocent working-class people, thus the government must implement tight regulations to ensure that its employees receive the wages and incentives they deserve.

- During the time that I spent working as an intern at Chargeurs PCC (Fashion Technologies), I noticed that the company might improve their customer service in terms of the delivery of their products.
- In order for the organization to accomplish its overall aims, the HR department will also need to be improved.
- The leaders should actively observe employee performance and seek out opportunities to recognize great work accomplishments and conduct. If they do not feel valued, the company can not expect them to continue spending the same amount of effort. Not all employees are inevitably motivated to perform better by incentives; some may also seek recognition. Therefore, there should be a monthly or annual employee recognition program to keep employees motivated.
- Chargeurs should provide its clients with improved technical support.

Conclusion:

It is evident from the report that the Bangladesh textile industry is in an incredibly vulnerable position and has begun to feel the effects of the financial turbulence. Despite the fact that the impact to now has been minor, it is expected that the RMG industry will be severely impacted if the recession continues. The manufacturers believe that if the economic downturn continues, it will be difficult to maintain their profit margins. According to the report, these are some of the initiatives Bangladesh must take to minimize negative effects of the current global recession.

Poor infrastructure is the greatest barrier to the further expansion of the textile industry. Therefore, the authorities should take the necessary steps for infrastructure development to ensure that textile companies have enough access to electricity and gas. The nation must find a remedy for the power shortfall. It is believed that turning to power cuts to save fuel reserves in the midst of regional energy problems is not the best solution, as it undermines the apparel industry's efficiency and competitiveness.

The worldwide economic crisis, which has severely impacted the global textile industry, is certainly not the only factor to consider. Major structural challenges also negatively impacted the textile sector in Bangladesh. An instantaneous increase in energy costs has resulted in a significant increase in production costs, which has been the principal issue of concern for the sector. It is becoming increasingly difficult for

producers to get prospective buyers. During this time of increasing economic strain, Bangladesh needs to proceed with extreme caution.

In conclusion, the findings of this paper indicate that there is no other option besides the concerted efforts of buyers, manufacturers, suppliers, the government, and other stakeholders in order to accomplish the expansion of a prospective and viable textile industry in Bangladesh.

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Appendix:

- Since when have you been actively involved in the Textile industry?
- What are the primary issues facing this industry?
- How large is the market for interlining in Bangladesh?
- How much marketshare does your company hold?
- What is the production capacity of your company?
- How does the energy crisis impact your business as a whole?
- What is the error rate of your organization's production unit?
- What effects do you anticipate from the global recession?
- Have you experienced a rise in production costs?