

RMG: Prospect of Contribution in Economy of Bangladesh

Dr. M. Habibur Rahman *, Sayeed Ahmed Siddiqui **

* Professor, Department of Economics, Dean, Faculty of Social Science, Jatiya Kabi Kazi Nazrul Islam University, Trishal, Mymensingh, Bangladesh
** Ph. D Research Scholar, ID No- 71764, Department of Economics, Singhania University, India

Abstract- The southern Asian country of Bangladesh, bordered by India and Myanmar, has a population of approximately 164 million people. The Bangladesh economy has grown an average of six percent a year over the last 6 years and almost 12% of Bangladeshi GDP in 2009 and 2010 and employs approximately four million people. The export-oriented Bangladeshi garment manufacturing industry has boomed into a \$22 billion dollar a year. The Bangladeshi textile and garment manufacturing sector is fuelled by young, urbanizing, workers many of whom are women. With the majority of production destined for U.S. and European markets, Bangladesh's ready-made garment industry now accounts for approximately 78% of total exports, second only to China as the world's largest apparel exporter. Ready-Made Garment (RMG) industry has provided enormous opportunities to Bangladeshi women to work outside the home for wages. It is opined in the literature that this change has contributed and increased emphasis on poverty reduction through employment. The development of Garments Industry is considered as the priority area in the development policy in Bangladesh. The young entrepreneurs are engaged in varied form of small and medium scale garments industry which comprises of products. This study is conducted to analyze the contribution and prospects of Readymade Garments Industry in Bangladesh. The findings of this paper show that Bangladesh has a great opportunity to earn a great foreign currency through developing readymade garments industry and contribute economic development.

Index Terms- Readymade garments, History, economic contribution, and prospect.

I. INTRODUCTION

The situation of socio-economic condition of Bangladesh was critical in the first three decades after independence. Domestic resource mobilization was highly inadequate compared to investment requirements. The government resorted to deficit financing, money supply increased rapidly, and inflation rates were high. The balance of payment position was unstable. The situation was aggravated through rapidly rising import prices and deterioration in the terms of trade. For these reasons, Bangladesh has been dependent on foreign aid for financing development programs and for filling up large fiscal and external deficits. Faced with a situation of growing population, limited land and poor resource base and declining growth in agriculture severely constrained by a host of socio-economic factors, Bangladesh is hard pressed to rapidly expand employment opportunities outside

agriculture. Against this backdrop, the urgent need to adopt and implement an export oriented, and employment intensive industrialization strategy. The outcome of the post-war industrialization efforts have reaffirmed conventional wisdom- the key to the possibilities of rapid industrialization and sustained growth lies in the pursuance of a globally competitive industrialization strategy dictated by the dynamic comparative advantage of the economy (Bakht, 1993). In such a context, a least developed, resource poor, labor surplus country like Bangladesh, garment industry has been playing a vital role for the emancipation of socio- economic condition through employment and foreign earnings and acting as driving force in the economic development.

The garment industry particularly has played a pioneering role in the development of industrial sector of Bangladesh. Though it took a rather late start i.e. in 1976 but it soon established 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 crucial role in alleviating unemployment.

Increasing per capita gross domestic product (GDP), favorable balance of payment position, export earnings, increasing competitiveness and poverty reduction through creation of employment opportunities are the prime objectives of trade liberalization in Bangladesh (Raihan, 2007). RMG industry is the number one beneficiary of trade reforms and has been expanding rapidly since the late 1970s. Though this industry contributed only 0.001 per cent to the country's total export earnings in 1976, its share increased to about 79.33 percent of those earnings in 2008-09 (BGMEA, 2010). Most of the RMG factories are situated in Dhaka, Chittagong, Narayangong, Dhaka Export Processing Zone (EPZ), Chittagong EPZ and Gazipur industrial area.

In the above background, an attempt has been made in the paper to overview the garment industry in Bangladesh in order to assess its role in the socio economic development of Bangladesh.

II. LITERATURE REVIEW

Several authors have analyzed aspects of the garment industry in Bangladesh. Of the various aspects of the industry, the problems and the working conditions of workers have received the greatest attention.

The Bangladesh Planning Commission under the Trade and Industrial Policy (TIP) project also commissioned several studies on the industry. Hossain and Brar (2004) consider some labor-related issues in the garment industry. Quddus (2006) presents a

profile of the apparel sector in Bangladesh and discusses some other aspects of the industry. Islam and Quddus (2006) present an overall analysis of the industry to evaluate its potential as a catalyst for the development of the rest of the Bangladesh economy. Paul-majumder (2007) found that demand for weekly holiday is a major reason for worker's unrest during 2006. It is observed that the workers are engaged in work for all most all days. Abdin M. J. (2008) in his journal "Overall Problems and Prospects of Bangladeshi Ready- Made Garments Industries" focused on labor unrest in RMG sector and provide some solution regarding this problem. Sultana S. and et al (2011) presents results from a survey of "Likely Impacts of Quota Policy on RMG Export from Bangladesh: Prediction and the Reality" which indicates that despite the concern and fear of negative impact on in the aftermath of quota removal of RMG sector in Bangladesh appears with positive trends along with the substantial increasing rate of export amount, the number of jobs and industries and GDP's growth. In 2010, the sector keeps around 20 percent GDP growth of the country. In another study, Ferdous R. (2012) found that the reason behind the labor unrest is the absence of legal and institutional arrangements to ensure labor rights in the RMG sector. Many of the garments factories in Bangladesh are alleged not to comply with the Labor Law and ILO conventions. The main reason for labor unrest is inadequate wages of the workers. Islam M. S, and Ahmad (2010) identified that conveyance, lunch bill and enhancement of casual leave, increase of monthly minimum wages from tk. 1662 to tk. 5000; low house rent and better supply of water and gas are the reasons for the labor unrest in the ready-made garment industry of Bangladesh. In another study, Mirdha R. U. (2012) found that the rumor, fear of job loss, jhoot business, case with police stations, fear of shutdown of factories, arrears, checking at entry point and identity cards, pay hike and discrimination in grades, bad relation with workers and mid level management, provocation by locally influential people and international conspirators and some NGOs, fear of police and role of industrial police, sudden order cut by international buyers, production in piece rate, accommodation and higher house rent, lack of motivational training program, inflation etc. are also the reasons for labor unrest in ready-made industry of Bangladesh.

The readymade garment sector in Bangladesh is a multi-billion-dollar manufacturing and export industry. With about 4.4 million workers employed in the sector, about 80 percent of whom are women, the growth of the garment industry has far-flung implications for the economy. The RMG sector alone does export worth \$21.5 billion a year, which is 79 percent of the total export earnings of our country. Given the dominance of the sector in the overall economy, any sort of vulnerability and threat to this sector should be a matter of concern. So rather than basking in glory we should concentrate on retaining sustainable growth and competitive edge.

Over the last three decades, our apparel industry has achieved a phenomenal growth due to policy support from the government, dynamism of the private sector entrepreneurs and extremely hardworking workers. Now the number of RMG units is more than 5,000 and export earnings have reached \$22 billion with more than one hundred countries using 'made in Bangladesh' knit garments and woven products.

A McKinsey survey also tells us that the potential for the garment industry is promising. McKinsey forecasted export-value growth of 7-9 percent annually within the next ten years, so the market will be double by 2015 and nearly triple by 2020. There are several external factors that have been playing an important role in facilitating the growth of the sector. One of these crucial factors is gradual reduction in China's bulk production due to labor shortages and higher wages, which also contribute to a decline in its appeal in the apparel realm. Moreover, China is now interested in manufacturing products that require greater skills, better technology and more investment in advanced equipment.

According to a survey conducted by McKinsey in 2001, 86 percent of the chief purchasing officers in leading apparel companies in Europe and the US planned to decrease levels of sourcing in China over the next five years because of declining profit margins and capacity constraints, and their next preferred sourcing destination is Bangladesh. They viewed Bangladesh as the next hot spot for sourcing in the RMG market. So Bangladesh is expected to gain much from the changed scenario in the global apparel market.

Another key prospect for growth of our garment industry lies in the size of the global apparel market, which is gradually growing bigger. According to a recent report, the global apparel market will cross the \$2 trillion mark by 2025 from the current value of \$1.1 trillion. So there is a great opportunity for us to further penetrate the global apparel market and boost our export earnings.

Despite the epic growth of our industry and its bright prospects, challenges are still there. However, we always believe that challenges can be turned into opportunities if they are addressed with steely determination and pragmatic steps and such instances are galore in our history.

One of the biggest challenges currently facing our garment industry is to make our factories safer and ensure better working conditions for millions of garment workers. The Tazreen fire and Rana Plaza collapse have brought the issue of workplace safety to the fore. The accidents have caused a paradigm shift within the industry. Following the unfortunate incidents a number of initiatives have been taken to improve building and fire safety in the industry.

Platforms such as Alliance, Accord and National Plan of Action have been formed and all are working sincerely to make every factory safer and compliant. Moreover, the factories which were established in an unplanned way and housed in converted and shared buildings have started relocating to purposely-built buildings. Moreover, an initiative has been taken to set up an industrial park to relocate the non-compliant garment factories.

A total of 67 inspectors have already been appointed who will monitor workplace safety at garment factories and recruitment of more inspectors is in the process. However, ensuring workplace safety at all garment factories is a gigantic task and will take time to accomplish it. But we believe the government of Bangladesh with the support of global brands and international development partners, will be able to ensure the safety of the industry and maintain the momentum of socio-economic development in the country.

Another challenge for our RMG industry is to ensure workers' rights. The government of Bangladesh has amended the

Labour Law 2006 in July 2013 making it more favourable for ensuring workers' rights, including the right to freedom of association and collective bargaining.

The legal requirements for trade union formation are more flexible now. The number of trade unions at the garment factories has increased significantly in recent times. Besides, the government promptly takes steps to investigate any complaint of violation of labour rights.

The huge expansion of the garment industry has reinforced the need for development of infrastructure, which is quite a big challenge for us. Ensuring energy and power supply to the industry has also appeared as a major challenge. Skilled workforce is a prerequisite for the development of an industry. But unfortunately we have a shortage of skilled workforce, especially at mid-management level, as we do not have sufficient number of vocational institutes and textile universities though our industry has started its journey in the early 1980s.

There is no best alternative but to improve productivity in order to compete in the global market since the prices of garments in the world market have gone down to such an extent that there is hardly any scope for a further decrease in the price level. Keeping the fact in mind due emphasis should be put on developing the skills of our workers. Practically saying one word that describes our garment sector is 'resilience'. Even after many external and internal challenges, we have come out successful and still going strong. This sector has such strong foundations that a few mishaps cannot and will not take the glory away.

The president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) was said:

We may have had disruption in our supply chain but still we met our shipments and deliveries, though they have cost more than usual but at least we kept our words. No one can deny our commitment that buyers have enjoyed all these years by importing from us. Unfortunate incidences happened but with time and effort we can avert such incidents. It is good to see that even during our difficult time in the wake of Tazreen and Rana Plaza tragedy, buyers have not lost their confidence in us and they are still supporting.

The RMG industry has the potential to grow more in the coming years. With tangible support from our government, buyers and all other organisations concerned, we can reach heights. But with dreams in the eyes of millions of Bangladeshis, achieving that feat may not be impossible.

III. OBJECTIVES

This study on garment industry as a driving force for the socio economic development of Bangladesh demands examination and evaluation of multidimensional aspect of garment sector and its impact on the socio-economic condition of Bangladesh. In such context, the main objective of the study is to examine, evaluate and analyze the some important aspect of garment industry in Bangladesh. In order to materialize the main objective, the following specific aspects of garment industry in Bangladesh have been studied, evaluated, examined and analyzed:

To study and evaluate the growth and development of garment industry in Bangladesh;

To examine the contribution of garment industry to the national economy of Bangladesh;

To study the trend of garment product development and its composition in order to analyze the product portfolio and its diversification;

To study the present market composition for the Bangladeshi garment product vis-à-vis market diversification;

To identify the RMG contribution of the economy of Bangladesh

To identify the prospect of the readymade garments sector and develop some overcome strategies

IV. METHODOLOGY

This study is followed exploratory research design based on quantify and qualitative research approach. Whereas qualitative research is an unstructured, exploratory research methodology based on small samples intended to provide insight & understanding of the problem setting (Malhotra and Dash, 2010). This research focused on different methods and least square method of trend analysis is one of them. Data required for this quantitative and qualitative analysis were collected from primary sources and secondary sources like, face to face interview, project contract and records, Data and information from secondary sources were collected by consulting various relevant journals, studies conducted by various donor and development agencies, Bangladesh export statistics published by Export Promotion Bureau and Bangladesh Bank, Economic review of Bangladesh, annual reports of BGMEA and the publication of WTO. The information published in the different newspapers and websites in recent times have been consulted in order to present the recent labor unrest situation in garment sector. The collected data and information were then processed, tabulated and analyzed to present the findings in a logical and objective manner. This study mainly focused on three aspects: firstly, trend analysis & contribution in economy and secondly, prospect of the sector and finally recommend some strategies. For trend and contribution analysis, three parameters such as factory, workers and export are considered. The contribution and prospect of this sector are gathered through face to face interview with the chief executive body and management level people. Further to make the study more broad based & informative this research conducted informal interview with an expert in this area. This expert is the consultant, project development, Infrastructure Investment Facilitation Company (IIFC). Materials of the paper were presented systematically for analytical purpose & also to draw inference there from.

Rationale of the study

This paper will be significant for stakeholder's like- public sectors, private sectors, policy makers, analysts etc for gathering knowledge regarding readymade garments sector in Bangladesh. In light of the objectives of the study, the paper has been designed to examine some important aspects of garment industry in Bangladesh.

V. ANALYSIS & FINDINGS

In the field of industrialization, role of textile industry is found very prominent in both developed and developing countries. Economic history of Britain reveals that in the 18th Century the cotton mills of Lancashire in Britain ushered in the first industrial revolution of the world. Moreover, during the last 200 years or more many countries of the world have used textile and clothing industry as an engine for growth and a basis for attaining economic development (Ahmed, 1991). Over the past few years garment industry is found to have played such an important role in the process of industrialization and economic growth.

As an export oriented country, Bangladesh largely depends on the ready-made garment exports for its export earnings. The country has been rapidly expanding in this sector since its liberation. Bangladesh's share of the global garment market has been growing (Asian Development Bank, ADB). The country is the second largest exporter to the European Union. It also has a significant market share in United States market. Bangladesh started to get the benefit of Generalized System of Preferences (GSP) from January 2011. But because of some massive accidents in the garment factories, Bangladesh is now under

suspension of getting the benefit of Generalized System of Preferences (GSP). This situation can also influence European Union to suspend Bangladesh from getting duty free access to its market. Garment exports of Bangladesh totaled \$21.5 billion up to June, 2013 which is thirteen percent higher than the previous year (Reuters, July 9, 2013). The positive growth in the garment sector is the result of some positive government measures to reform the industry. The government took some initiatives to improve the working conditions of the garment industry after the collapse of Rana Plaza factory complex which killed more than one thousand workers. Table 01 shows the growth rate of ready-made garment (RMG) of Bangladesh. It indicates that the growth rate of ready-made garment (RMG) was 10.57 percent in FY 2003-04 and 6.10 percent in FY 2004-05. Though the rate increased to 24.34 percent in FY 2005-06, it started to fall in the following years. Not only the growth rate of ready-made garment (RMG) decreased in the previous years, it became negative in FY 2008-09 which was an alarming situation for the country. Only after getting the benefit of General System of Preferences (GSP), the country succeeded to have a growth rate of 43.83 percent in FY 2010-11.

Table 01: Ready-made Garment (RMG) Production of Bangladesh (in Million BD Taka)

Year	2003-4	2004-5	2005-6	2006-7	2007- 8	2008-09	2009-10	2010-11
RMG	208604	221335	275206	321656	354475	239526	245296	352815
RMG growth rate	10.57%	6.10%	24.34%	16.88%	10.20%	(32.43%)	2.41%	43.83%

Source: Bangladesh Bureau of Statistics, BBS

Analysis of Export-Import of Bangladesh

Balance of payment of Bangladesh shows the summary of transactions between Bangladeshis and foreign residents (in US dollar) over a particular year. It consists of the current account and capital account. The current account shows the balance of trade which represents the difference between exports and imports of Bangladesh. If the value of exports is larger than the value of imports, then Bangladesh would have surplus trade balance. On the other hand, if the value of exports is lesser than the value of imports then Bangladesh would have deficit trade balance. Usually, Bangladesh experiences deficit trade as the

country seems to import more compared to export. The current account balance of payments of Bangladesh shows that Bangladesh is facing continuous trade deficit from FY 2004 to FY 2011 (Table 02). In FY 2004, the country had trade deficit of US\$ 2319 million which increased to US\$ 3297 million in FY 2005. Again, in FY 2010, the trade deficit of Bangladesh was US\$ 5155 million which increased to US\$ 7744 million in FY 2011 (Bangladesh Bank). These trade deficits resulted from larger growth of import of Bangladesh. The export of Bangladesh was also increasing in the previous years. But the import of Bangladesh increased at a higher rate compared to export.

Table 02: Trade Balance of Bangladesh (in Million US\$)

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012(p)
Export	7521	8573	10412	12053	14151	15581	16233	22592	23992
Import	9840	11870	13301	15511	19481	20291	21388	30336	31987
Trade Balance	-2319	-3297	-2889	-3458	-5330	-4710	-5155	-7744	-7995
Trade Status	Deficit								

Source: Bangladesh Bank (p= Provisional)

The trade deficit of Bangladesh was increased by 42.15 percent during the period of FY2010-11 (Bangladesh Bank).

Though the export of Bangladesh increased during FY2004-11 but these increased levels of export failed to reduce the trade deficits of Bangladesh.

Table 03: Import Growth Rate of Bangladesh (in percentage)

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012
Import	11870	13301	15511	19481	20291	21388	30336	31987
Growth rate	20.63%	12.06%	16.62%	25.59%	4.16%	5.41%	41.84%	5.44%

Source: Bangladesh Bank

The table 03 shows the growth rate of import of Bangladesh for the FY 2005-11. This table indicates that the growth rate of import was 20.63 percent in FY 2005 whereas it decreased to 12.06 percent in FY2006. Again, the growth rate was 5.41 percent in FY 2010. In FY 2011, the import growth rate of

Bangladesh increased at a rate of 41.84 percent which is the highest in the last seven years (Bangladesh Bank). But in FY 2012, the import growth rate of Bangladesh decreased to only 5.44%.

Table 04: Export Growth Rate of Bangladesh (in percentage)

Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012
Export	8573	10412	12053	14151	15581	16233	22592	23992
Growth rate	13.99%	21.45%	15.76%	17.41%	10.11%	4.18%	39.17%	6.20%

Source: Bangladesh Bank (p= Provisional)

The export growth rate of Bangladesh was 13.99 percent in FY 2005 whereas it was 21.45 percent in FY 2006. In FY 2010, the export growth rate of the country was only 4.18 percent which is simply the lowest if compared with the last seven years export growth rates. In FY 2011, the export growth rate increased again to 39.17 percent.

generation and in the provision of income to the poor. Nearly two million workers one directly and more than ten million inhabitants are indirectly associated with the industry (Ahmed and Hossain, 2006). The sector has also played a significant role in the socio-economic development of the country. In such a context, the trend and growth of garments export and its contribution to total exports and GDP has been examined the following table shows the position.

Contribution of Garments Industry to the Economy

Garments Industry occupies a unique position in the Bangladesh economy. It is the largest exporting industry in Bangladesh, which experienced phenomenal growth during last two decades. By taking advantage of an insulated market under the provision of Multi Fibre Agreement (MFA) of GATT, it attained a high profile in terms of foreign exchange earnings, exports, industrialization and contribution to GDP within a short span of time. The industry plays a key role in employment

Table 05 shows the percentage of ready-made garment (RMG) contribution to Gross Domestic Product (GDP) of Bangladesh at current market price. It shows that the percentage of ready-made garments (RMG) contribution to Gross Domestic Product (GDP) was 6.26 in FY 2003-04 whereas the percentage was only 3.90 in FY 2008-09. In FY 2009-10, the percentage of ready-made garments (RMG) contribution to Gross Domestic Product (GDP) was 3.53 and in FY 2010-11, it was 4.48.

Table 05: Percentage of RMG Contribution to GDP at Current Market Price (‘000)

Year	2003-4	2004-5	2005-6	2006-7	2007-8	2008-9	2009-10	2010-11
RMG	208	221	275	321	354	239	245	352
GDP at current market price	3329	3707	4157	4724	5458	6147	6943	7874
RMG percentage of GDP	6.26%	5.97%	6.62%	6.81%	6.49%	3.90%	3.53%	4.48%

Source: Bangladesh Bank and Bangladesh Bureau of Statistics, BBS

It is revealed from the Table 05 that the value of garment exports, share of garments export to total exports and contribution to GDP have been increased significantly during the

period from 2005-06 to 2007-08. The total garments export in 2005-06 is more than 68 times compared to garments exports in 1984-85 whereas total country's export for the same period has increased by 11 times.

This analysis suggests that Bangladesh needs to be very much perceptive about its readymade garment (RMG) export as any critical situation can affect the ready-made garment (RMG) export of the country adversely. The buyers of Bangladesh are now very much sensitive to the working environment of garment factories. They are now more concerned about the workers safety and living conditions. Recent incident at Rana Plaza factory complex (which killed more than one thousand workers) triggered the suspension of Generalized System of Preferences (GSP) from U.S.A. They are also demanding to increase the labor wage of Bangladesh though they are not suggesting increasing the price. There are also threats of the buyers to shift their demand for ready-made garment (RMG) from Bangladesh to countries like India, Philippines, Sri Lanka and Vietnam. Bangladesh has to improve the working conditions of the garment workers. Some recent crisis (fires and collapse in factories) experienced by the country is affecting negatively the foreign demand of ready-made garment (RMG) of Bangladesh.

VI. OPPORTUNITIES OF READY-MADE GARMENT (RMG) EXPORTS OF BANGLADESH

European Union is very good and large market for the ready-made garment (RMG) exports and Bangladesh has from January 2011, the country has been getting the benefit of the Generalized System Preference (GSP) which allows it to make unlimited exports of anything except arms to the European Union (The World Bank, 2012). Because of this, the growth rate of the second largest exporter of ready-made garment (RMG) positioned only after China. Sixty percent of European Union's imports are from Bangladesh. The country has also significant demand for its ready-made garment (RMG) to the United States, Australia, China, India, Turkey and other Asian and South American Countries. The country is getting orders for high quality products from the western countries.

Though Bangladesh is currently facing alarming situations in the garment factories, it could be the world's number one exporter of ready-made garment (RMG) if it could manage and take necessary steps to improve the situation. The country should try to retain the faith and confidence of the western buyers. Bangladesh has to ensure that the workers are getting the proper working environment and suitable labor wages. Also, the country has to introduce commercial management into the garment industry to ensure the credibility of the owners of the garment factories. Good logistic system has to be ensured by the government of Bangladesh. Only then it could continue to draw huge demand from the western countries.

VII. RECOMMENDATION

Bangladesh is an export oriented country which is hugely depending on ready-made garment exports for its earnings. The country has to expand its export if it wants to improve the economic growth rate. Bangladesh has to improve not only the exports of basic garments but also the exports of higher value garment and service exports. Bangladesh needs to be careful about its ready-made garment (RMG) exports as the country has

many competitors around the world. The country has been managing to get the orders from European Unions, United States, Australia, Canada, the People's Republic of China, India, Japan, Turkey and other emerging countries in Asia and South America. But the current suspension of Generalized System of Preferences (GSP) by the U.S. Government is going to affect the ready-made garment (RMG) export pattern of Bangladesh. Delaying in reviewing Generalized System of Preferences (GSP) will create a negative impact on the trade relation between U.S.A. and Bangladesh. American Federation of Labor and Congress of Industrial Organization (AFL-CIO) have filed a petition against access to tariff reduction facilities for Bangladesh on the basis of the country's failure to ensure labor rights. The buyers are concerned over the slow pace of infrastructural changes and the prevailing labor issue in Bangladesh.

Bangladesh now has to compete in the market without any preferences from the importers. This can affect the demands of the ready-made garment (RMG) of Bangladesh. The country has to improve the working condition of the labors along with the improvement in labor skill. Bangladesh has to bring back the confidence of the buyers by improving the labor conditions in garment industry.

Bangladesh has to enhance the air shipment capacity. Improvement in rail services will also be helpful in this regard. To improve the transparency and logistic system of the garment factories, the government should take initiative for commercial management. If Bangladesh can ensure these improvements, then it will be successful to increase the overall competitiveness around the world. Another challenge for ready-made garment (RMG) of Bangladesh is that the selling price of the garment products is decreasing over time. The buyers are not willing to increase the price; rather they are trying to buy the products at a lower price. If Bangladesh does not accept the low price the buyers might move to the other competitor countries like India, Sri Lanka, Philippines, Bhutan, Vietnam and other emerging countries. As the product price is low, the owners of the garment factories are paying very low wages to the labor which is now giving rise to many questions from the buyers. They are saying that many garment workers of Bangladesh are getting less than US dollar 2 a day and many of them are working in hazardous conditions. They are pressuring the government of Bangladesh to improve these situations. If Bangladesh cannot take appropriate actions regarding these issues, it might lose the buyers which would be very much shocking for the country's economy. Again, Bangladesh should keep in mind that the export of ready-made garment (RMG) is not going to be increased always at a high rate for an indefinite period. Someday in future the country might face a fall in the growth rate of ready-made garment (RMG) as the industry would become developed. So, Bangladesh should give concentration not only on the garment industry but also on other emerging industries of the country.

Government have some responsibility to improve the situation for the proper policy to protect the garments industries, solve the license problem, quickly loading facility in the port, providing proper environment for the work, keep the industry free from all kind of political problem and the biasness.

The RMG sector should focus on production and procurement of high quality raw materials within the country.

Government should use Public Private Partnership. This will in turn gives the nation an ample opportunity to add a significant amount with the national income.

Bangladesh labor productivity is known to be lower when it compared with of Sri Lanka, South Korea and Hong Kong. Bangladesh must look for ways to improve the productivity of its labor force if it wants to compete regionally if not globally. BKMEA has already introduced educational program on fashion designing. The various private university and training institution has already introduced various program regarding this issue.

The govt. should focus on separate route for the export and import activities. It may be high way, metro line, more cargo ship etc. The existence of sound infrastructural facilities is a prerequisite for economic development.

The development of infrastructure will avoid the problem of safety, unskilled worker, lead time, transportation problem and so on.

Make policies to overcome the problems the labor unrest in garment sector may be minimized.

VIII. CONCLUSION

The Ready-Made Garments (RMG) industries take up a unique position in the Bangladesh economy. It is the largest exporting industry in Bangladesh, which experienced extraordinary growth during the last 25 years. By taking improvement of Multi Fiber Agreement (MFA) of GATT, the industry plays a key role in employment generation and in the condition of income to the poor. To remain successful, Bangladesh needs to remove the entire structural obstruction in the transportation facilities, telecommunication network, and power supply, management of seaport, utility services and in the law and order situation. The government and the RMG sector would have to jointly work together to maintain competitiveness in the global RMG market. Given the remarkable entrepreneurial initiatives and the dedication of its workforce, Bangladesh can look forward to advancing its share of the global RMG market.

Bangladesh has earned nearly \$21 billion in 2013-2014 by exporting garment products, mainly to Europe and the United States. This is about 75 percent of total export earnings of the country. It employs more than 4 million workers, most of whom are poor women. Whenever the country is criticized for its high level of corruption and confrontational politics, its garment industry is held up as a success story. The industry has continued to grow at a healthy rate of 20 percent. The reality is that this increase has been largely due to restrictions imposed on China by the Western nations. Bangladesh's exports are heavily concentrated in the RMG sector, which has been a main driver of growth and poverty reduction. The challenge is therefore to improve competitiveness, both in the RMG sector and economy wide, and diversify exports. Garment industry in Bangladesh has been facing multidimensional problems since its establishment. Acute power crisis followed by non tariff restriction, chronic labor unrest, lack of infrastructural facilities, inadequate supply of material and accessories, inability or lack of efforts to diversify the products and markets, irregularities relating to customs, bond, and shipping, financing and the like are the major problems hampering the production and increasing the cost of production significantly. Due to power shortage shipments are

sent through air, thereby increasing its cost. Unfortunately the government has not taken any step to improve the situation. On the other hand, people have been shot dead for demanding regular supply of electricity. In this context, it is still right time to devote all out efforts by the relevant agencies and authority as to expansion and solutions of numerous problems that it faces now. In fact a well designed plan with diversified product manufacture still provides opportunities to use this sector for socio economic development of Bangladesh. In such a context, it is suggested that appropriate and relevant government and nongovernmental authorities/agencies can take some strategic and effective measures which includes liberal bank loan facilities for reviving sick garment units and BMRE; development of primary textile subsectors for fulfilling the raw materials needs; arrangement for captive power supply for utilization of production and its continuation; adequate fiscal incentive for growing the sector; strategic arrangement or mechanism for quick resolution of labor dispute; creation of separate ministry for garment industry, establishment of cost reduction strategy and labor productivity cell to conduct various study in this field and other supportive policies relevant for the growth, development and survival of garment industry in Bangladesh. These may be helpful to overcome the problems and the contribution of garment industry towards socio economic development of Bangladesh will be improved and sustained through value addition.

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AUTHORS



First Author – Professor Dr. M. Habibur Rahman received his Ph.D in economics from Kharkiv state university in Ukraine. Mr. Rahman has been serving in teaching profession since 1995 to till date. Currently, he serving as a Professor, Department of Economics & Dean, Faculty of Social Science, Jatiya Kabi Kazi Nazrul Islam

University, Trishal, Mymensingh, Bangladesh. His research area is interest in Ready Made Garments Industry. Rahman in not only a renowned Economist but also a Member, Syndicate of Jatiya Kabi Kazi Nazrul Islam University, Trishal, Mymensingh, Bangladesh. Member, Finance Committee. In addition to, there are three students are doing Ph. D under his supervision at Singhanian University, India. It is to be noted that Dr. Rahman is also a member (part time), University Grants Commission of Bangladesh. E-mail: habibur_65@yahoo.com



Second Author – Mr. Sayeed Ahmed Siddiqui obtained his BBA & MBA (Marketing) from Santo Mariam University of Creative and Technology in 2011. Currently he is doing Ph. D under supervision of Professor Dr. Habibur Rahman, Singhanian University, India. He has interest in International Economics. It is to be noted that he has published pre article both National and International Journal. In addition to, Mr. Siddiqui is still contributing Unani Pharma Sectors in Bangladesh. He is also the president of Bangladesh Unani Aushadh Shilpa Samity (Bangladesh Association of Unani Pharmaceutical Industries). Ph. D Research Scholar, ID No-71764, Department of Economics, Singhanian University, India. E-mail: sayeed71@yahoo.com