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Bangladesh will lead global apparel market by 20

Achieving $50 b export benchmark

Zarif Mahmud: Bangladesh is going to be global apparel market leader by the year 2023 by achieving US$ 50 billion export-earning benchmark. Moreover, most of the raw materials will be produced locally, so the earnings from the sector could be taped almost 70 percent.

The main problem of the sector is high gas and power price and foreign buyers lower cutting and making charges. Most of the buyers press to reduce prices raising many issues like delay in shipment, quality sub-standard, labour issues.

India is the main competitor of Bangladesh in the textile industry. The importance of textile industry in the economy of the country is immense. However, the textile business in India has not been going very well for several years. From 2015 to 2019, the country's textile exports decreased by 3 percent. In 2020, the rate stood at 16.6 percent. The country is setting a record by exporting readymade garments as buyers flock to Pakistan by canceling purchases from Bangladesh and India. It is expected to reach a record $ 21 billion, up 40 percent from a year ago.

At the same time, affordable countries like Bangladesh and Vietnam have done business unexpectedly. Domestic industry insiders say that although gas prices are up to 30 per cent higher than in Bangladesh, the price of yarn, the main raw material for the textile industry in India, is about 20 per cent lower. At the same time the price of low dye chemicals. As a result, even after adjusting the gas or electricity bill, their cost will be less than that of Bangladesh. However, even if the buyer (foreign buyer) returns to India or Pakistan, the quality of Bangladeshi products is good.

Buyers have a lot of confidence in the garment industry. By utilizing this power, the country will lead the garment industry in the world market in the future – this is the hope of the local industrialists.

According to a report in The Economic Times, India's textile business is not doing well. From 2015 to 2019, the country's textile product exports decreased by 3 percent. In 2020, it stands at 16.6 percent. The reason given is that rising costs are a major problem for the Indian textile industry.

India consumes 30 to 40 percent more electricity than Bangladesh. India lacks free or preferential trade agreements with major importers. India is imposing higher prices on exporters who have no such agreement with the European Union, the United Kingdom, Canada and Bangladesh for textiles. In India, high capital expenditure and import dependence on almost all textile machinery has made it difficult to achieve satisfactory profits.

India, which takes more time to produce than Chinese manufacturers, lags behind in the race.
The tendency of western countries to invest in relatively close manufacturing plants has also led to losses for the Indian textile industry. Free or preferential trade agreements with importers, service sector reform, digitization, capacity building and sustainable investment. India's performance in the textile industry over the next five years could set the pace for many years to come.
India needs to act quickly as its position in the world market and millions of jobs are at risk. But at the same time affordable countries like Bangladesh and Vietnam have done business unexpectedly.

According to a report in the US media Bloomberg, Pakistan's textile industry is recovering from a fragile economy. The country is going to set an export record by taking the opportunity to cancel the order of the rival country of Asia in the epidemic. Exports are expected to reach a record $ 21 billion, up 40 percent from a year earlier. The country expects exports to grow to $ 26 billion in the next fiscal year. Although the factories of India and Bangladesh were closed due to the coronavirus epidemic in 2020, Pakistan reopened the factories earlier. As a result, Pakistan received orders from various global brands such as Target Corporation and Hansbrand. It is believed that this industry will revive the weak economy of the country.

On the other hand, the Bangladesh Export Promotion Bureau (EPB) has released the export data for July-January of 2021-22 fiscal year. According to the published report, the trend of turning the growth of garment exports in the country continues. According to the latest data, exports increased by 30.30 percent in the same month of FY 2021-22 as compared to July-January of FY 2020-21. In December 2021, garment exports were valued at $4.04 billion, and increased slightly to $ 4.8 billion in January.

According to the product category, knitwear exports grew by 32.69 percent during July-January. On the other hand, the export of oven garments has increased by 26.23 percent. As a result, the positive trend in the export of all products has continued.

However, garment industry entrepreneurs believe that the surge in exports is due to post-Covid market changes.

Mohiuddin Rubel, director of the Garment Owners and Exporters Association (BGMEA), told that despite the positive trend in the garment sector, there are many challenges. The market for various raw materials such as textiles, shipping costs, dyes and chemicals is very high. But the price of garments is not rising in proportion to the increase in the cost of production of goods.

In addition, the transmission of new variants of Covid is spreading like a tsunami in the major markets of our garment exports. So, it is difficult to predict the future market. The pace of transmission in the future will depend on the nature of this trend. But to make the most of the opportunity, the most important thing now is to increase the capacity by keeping the supply chain in order. If this can be done, the garment industry of Bangladesh will lead the world market in future.

In India, rising gas prices have led to the closure of many industries, especially the textile industry. Fazle Shami Ehsan, vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), spoke about the rise in gas and electricity prices, declining exports, at the same time getting buyer export orders in Pakistan's garment industry and increasing exports.

He told that the price of gas in India is up to 30 percent higher than in Bangladesh. However, the price of yarn, the main raw material of the industry, is about 20 percent lower than ours. The price of Dice Chemical is also low there. As a result, adjusting gas or electricity bills will cost them less, not more than us. Once again, Pakistan's Prime Minister Imran Khan meets with economists and exporters every month, exploring problems and possibilities.

In this way, exporters can report their problems to the government, there is an opportunity to share the policy. The price of yarn in our country is high. However, buyers from India or Pakistan have a lot of confidence in the potential of Bangladesh's garment industry, which is our main strength.

He said some buyers were trying to build Pakistan as an alternative to Bangladesh. There is nothing to bring back those who are gone.

They want to keep another country with Bangladesh because of their business policy. He does not want to depend only on Bangladesh. Our exports have increased as we have tackled the Corona epidemic challenge well. About five billion dollars' worth of goods are being exported every month. There are also several challenges to further increase this upward trend in exports. But of course, with service and quality we believe we can keep the lion's share of orders in our country.