

'Made in Bangladesh Week 2022' begins

- A Monitor Desk Report

Date: 13 November, 2022



The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is holding the country's biggest-ever event in the apparel sector as it looks to raise the nation's share in the global apparel market to double-digit in 3 years and earn \$100 billion by 2030.

The trade body, in partnership with the Bangladesh Apparel Exchange, is organising the "Made in Bangladesh Week" to promote the garment sector and the country as a safe manufacturing hub and attract more international buyers.

Prime Minister Sheikh Hasina is scheduled to inaugurate the main event at the Bangabandhu International Conference Centre in Dhaka today (Nov 13).

The Made in Bangladesh Week comes at a time when the global apparel supply chain is witnessing a tumultuous period for the severe fallout of the Russia-Ukraine war, which has caused double-digit inflation in Europe and lowered the demand for apparel items.

As a result, major clothing retailers and brands in Europe and the US, which together account for more than 80 pc of Bangladesh's garment exports, are sitting on unsold inventory worth several billions of dollars as consumers have tightened their belts.

"The piling up of unsold clothing items has led to the slowdown of shipment of goods from Bangladesh in recent months," said Faruque Hassan, president of the BGMEA, at a press conference at the Sheraton Hotel in Dhaka on Saturday (Nov 12), marking

the opening of the mega event.

In August, garment shipments surged 36.04 per cent year-on-year to \$3.7 billion, according to data from the Export Promotion Bureau. But it grew at only 3.27 per cent to \$3.67 billion as the sales lost momentum amid deepening of the cost-of-living crisis.

In the first four months of the current fiscal year, which began in July, the overall readymade garment export reached \$13.95 billion, up 10.55 per cent from a year earlier.

Knitwear shipment raked in \$7.72 billion and woven items fetched \$6.22 billion during the four-month period, up 7.14 per cent and 15.08 per cent, respectively, year-on-year.

Owing to the lower sales, western retailers and brands are delaying placing fresh work orders with their Bangladeshi suppliers or deferring payments. In some cases, they are putting orders on hold as they expect policy measures from their governments to cool down runaway inflation, Hassan said.

"We are holding the event to draw international buyers and improve the brand image of the country."

The BGMEA plans to elevate the country's share in the global apparel business to 10 per cent by 2025 from the current 6.8 per cent and has targeted to bring home \$100 billion by 2030 from garment exports.

While replying to a question, Hassan said they are not facing any shortage of US dollars while opening letters of credit despite the volatility in the foreign exchange market, driven by the slide in the international currency reserves for the escalated import bills. He, however, described the ongoing energy crisis as a challenge for the sector, which generated more than 84 per cent of national exports in the last fiscal year.

"The Made in Bangladesh Week will help the sector attract more buyers and generate more revenues for the government since a lot of international businesses are coming to participate."

The representatives of all the major retailers and brands are participating in the event.

Apart from European and American retailers and brands, many companies from other Asian countries are also joining in. Bangladesh's export to a number of countries in the continent has grown a lot over the last few years.

Over the next week, some international events will also take place concurrently at the International Convention Centre, Bashundhara in Dhaka, such as the International Apparel Federation Convention, the Dhaka Apparel Expo, the Green Factory Tour, the Dhaka Apparel Summit, the Bangladesh Denim Expo, the Factory, Fashion & Heritage Expo, the Sustainable Fashion & Design Exhibition, and the Made in Bangladesh Photography Award.

Hassan suggested garment exporters not get involved in any unhealthy price war and asked them to look for better prices while negotiating with international retailers and brands. "This is because buyers no longer say that Bangladesh is a place for manufacturing cheap garments."

-B