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# GARMENT EXPORTS FROM BANGLADESH: AN UPDATE AND EVALUATION

Munir Quddus  
Professor of Economics and Chair  
University of Southern Indiana, USA

Salim Rashid  
Professor of Economics  
University of Illinois, Urbana-Champaign, USA

## *ABSTRACT*

The success of readymade garment exports from Bangladesh over the past two decades has surpassed the most optimistic expectations. The paper reviews the literature on this industry, presents recent data on the sector's performance, and evaluates future trends in the international and domestic clothing industry. More specifically, the paper evaluates the negative impact of the 1998 floods on the industry. It concludes that although the impact of the flood was unexpectedly benign, the entrepreneurs face important challenges from the health of the domestic banking sector, the East Asian economic crisis, and the deregulation of the global clothing business as a result of the phasing out of the Multi-fibre agreement in the year 2005.

## **Introduction**

The tremendous success of readymade garment exports from Bangladesh over the last two decades has surpassed the most optimistic expectations. Today the apparel export sector is a multi-billion-dollar manufacturing and export industry in the country. The overall impact of the readymade garment exports is certainly one of the most significant social and economic developments in contemporary Bangladesh. With over one and a half million women workers employed in semi-skilled and skilled jobs producing clothing for exports, the development of the apparel export industry has had far-reaching implications for the society and economy of Bangladesh.

## **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 female workers have received the greatest attention. There are several studies including the Bangladesh Institute of Development Studies (BIDS) study by Salma

Chowdhury and Protima Mazumdar<sup>1</sup> (1991) and the Bangladesh Unnayan Parisad<sup>2</sup> (1990) study

on this topic. Both of these studies use accepted survey and research methodology to analyze a wealth of data on the social and economic background, problems and prospects of female workers in the RMG sector. Professor Muzaffar Ahmad looks at the industrial organization of the sector and discusses robustness and long-term viability of apparel manufacturing in Bangladesh.<sup>3</sup> Wiig (1990) provides a good overview of this industry, especially the developments in the early years.<sup>4</sup> One of the few studies on the Bangladesh apparel industry to be published in a reputed journal in the U.S. is that of Yung Whee Rhee (1990) who presents what he calls a "catalyst model" of development. The Bangladesh Planning Commission under the Trade and Industrial Policy (TIP) project also commissioned several studies on the industry.<sup>5</sup> Hossain and Brar (1992) consider some labor-related issues in the garment industry.<sup>6</sup> Quddus (1993) presents a profile of the apparel sector in Bangladesh and discusses some other aspects of the industry.<sup>7</sup> Quddus (1996) presents results from a survey of apparel entrepreneurs and evaluates the performance of entrepreneurs and their contribution to the success of this industry.<sup>8</sup> Islam and Quddus (1996) present an overall analysis of the industry to evaluate its potential as a catalyst for the development of the rest of the Bangladesh economy.<sup>9</sup>

## **The 1998 Floods**

The floods that affected Bangladesh between July and September 1998 were among the worst natural disasters impacting Bangladesh in recent history. With the benefit of hindsight it is apparent that the damage to the manufacturing base and the general infrastructure was neither as severe nor as permanent as was estimated at the time of the crisis. Once again the spirit of entrepreneurship and survival that characterizes the ordinary citizens of Bangladesh brought about a remarkably quick recovery in the economic and commercial lives of the people. This was also true for the apparel export sector that has in the past repeatedly demonstrated its resilience and sturdiness.

The floods directly impacted thirty million people for three long months, caused 1100 deaths, and destroyed partially or completely 15,000 kilometers of roads, 14,000 schools, hundreds of bridges and as many as 500,000 homes. The total damage to private and public property is estimated to be about \$3.4 billion. In addition, the shock to the economy may reduce GDP growth from about 6 per cent to 2 per cent. The total loss to the economy was estimated to be at least Tk. 12,000 crore.<sup>10</sup>

The manufacturing sector was disrupted because many urban areas were inundated by floodwaters for a long period. The floods affected many areas where manufacturing is concentrated, such as Dhaka, Narayanganj, Savor, Tongi, Rupganj, and Narsindi. Eighty percent of the 500,000 handlooms sustained damage, of which 50 percent were seriously affected in terms of assets and raw materials. As a result, manufacturing was expected to grow at only 3% during this fiscal year compared to 6.7 percent in the previous year. Fueled by higher food prices, the inflation rate shot up and was expected to be around 8 percent for the year.<sup>11</sup>

## **The Bangladesh Garment Industry**

For Bangladesh, the readymade garment export industry has been the proverbial goose that lays the golden eggs for over fifteen years now. The sector now dominates the modern economy in both export earnings, secondary impact and

employment generated. The events in 1998 serve to highlight the vulnerability of this industry to both internal and external shocks on the demand and supply side. Given the dominance of the sector in the overall modern economy of Bangladesh, this vulnerability should be a matter of some concern to the policymakers in Bangladesh. Although in gross terms the sector's contributions to the country's export earnings is around 74 percent, in net terms the share would be much less partially because the backward linkages in textile have been slow to develop. The dependence on a single sector, no matter how resilient or sturdy that sector is, is a matter of policy concern. We believe the policymakers in Bangladesh should work to reduce this dependence by moving quickly to develop the other export industries using the lessons learned from the success of apparel exports. Support for the apparel sector should not be reduced. In fact, another way to reduce the vulnerability is to diversify the product and the market mix. It is heartening to observe that the knit products are rapidly gaining share in overall garment exports as these products are sold in quota-free markets and reflect the strength of Bangladeshi producers in the fully competitive global apparel markets. Preliminary data and informal evidence indicate that this sector seems to have weathered the devastating floods relatively well. The floods did create a crisis for the tightly scheduled export industry, but to its credit the firms responded swiftly and creatively to the unexpected dislocation and transportation disruptions. The industry is one hundred percent export-oriented and therefore insulated from domestic demand shocks; however, it remains vulnerable to domestic supply shocks and the smooth functioning of the banking, transportation and other forward and backward linkage sectors of the economy. The Dhaka-Chittagong road remains the main transportation link connecting the production units, mostly situated in and around Dhaka and the port in Chittagong, where the raw material and the finished products are shipped in and out. Despite increased dependence on air transportation, trucks remain the main vehicles for transporting raw materials and finished products for Bangladesh garment exports. The floods disrupted the normal flow of traffic on

this road. Eventually, this road link was completely severed for several days when large sections of the road went under water for a few weeks during the latter phase of the floods. This delinking of the road connection between Dhaka and the port in Chittagong was as serious a threat as one can imagine for the garment exporters. The industry responded by calling upon the Bangladesh navy to help with trawlers and renting a plane from Thai Air that was used to directly fly garment consignments from the Dhaka airport to the Chittagong airport several times a day.

According to industry sources, the list of flood-related damage to the garment industry is extensive.<sup>12</sup> According to the September 1998 BGMEA newsletter, garments worth taka 1,000 crore (\$208 million) could not be exported on time due to the disruption of the Dhaka-Chittagong road. Finished products worth \$231 million were stockpiled and twenty percent of these may end up in a “stock-lot” situation.<sup>13</sup> The estimated production loss was put at \$120 million. As many as 250 apparel factories were partly or completely submerged during the floods. Attendance and worker productivity in factories was down as much as 35 percent during the worst period of the floods. As many as 300,000 workers were unable to work as their homes and families were stricken by the flood conditions. Many more workers fell sick from waterborne diseases.

Besides natural disasters, there were several other crises that impacted the garment industry in 1998. The disruption of the Chittagong port due to labor disputes was certainly one of them. BGMEA, the industry association, has repeatedly requested the government to ban labor strikes in the Chittagong port for national security reasons. Another source of disruption for the industry was the perennial problem of hartals or general strikes called for and enforced by the political opposition. Although the leader of the main opposition party has declared, in a major concession to this industry, that the garment industry would be exempt from such hartals, in practice the situation is more difficult. Lastly, the psychological impact of these events on the existing and potential buyers cannot be overstated. Buyers in the global garment

markets remain highly sensitive to the risks of unfulfilled orders. As a result of the floods, the image of Bangladesh as a somewhat unpredictable supply source may have been strengthened since the floods received considerable world media attention.

Historically, apparel exports have grown at an average rate of 24 percent annually, roughly doubling every three years since 1984. In 1996-1997 the exports in gross terms equaled three billion dollars. These should reach the six-billion-dollar range by the year 2,000 and in the ten-billion-dollar range by the year 2004 when the Multi-Fiber Arrangement (MFA) quotas are expected to end, ushering in a truly global and competitive market. Among the many factors, the one most responsible for the success of this industry is the entrepreneurial spirit it has displayed. The garment entrepreneurs should receive a national “innovators” award for taking creative initiatives to overcome the crises in 1998. The list of the hurdles the industry had to overcome this year includes not only the floods related dislocations but other internal constraints as well. Among the steps taken by the entrepreneurs to improve the competitiveness of the industry were initiation of monthly meetings with the union leadership, implementation of child labor agreement, and attempts to gain market share as a result of the East Asian crisis by asking the U.S. to increase its quotas for Bangladeshi apparels.

### **Recent Performance of the Apparel Export Sector**

From Table 1, it is clear in both value and volume terms that during the months of July and August, when the country was in the grip of floods, the industry was able to continue production and exports at a somewhat normal pace. From the production and export data for the period, there is little indication of the disruptions caused by the floods. On the contrary, monthly data for the flood period reveals an increase in exports over the average monthly exports for the previous fiscal year. In current dollar terms, the average monthly exports of \$369 million in the July-August period was 17 percent higher than the \$315 million average monthly exports over the entire

1997-1998 fiscal year. In volume terms, the numbers also support this conclusion. The monthly exports of 9,325 (000 dozen) over the July-August 1998 period exceed the monthly average of 8,182 (000 dozen) for the 1997-1998 fiscal year by 14%. What explains this seeming contradiction? One possible explanation is that anticipating the disruptions, some of the producers may have accelerated their production efforts. The doubling of efforts by individual manufacturers as well as the industry as a whole may have paid off. Perhaps the numbers also indicate that the steps taken by the industry to overcome the crisis were by and large successful. Lastly, the garment export industry is somewhat seasonal and these may be in the high volume season. Even though the production and export schedule was maintained by the industry, this does not imply that the floods were inconsequential. The apparel exports industry has a built-in lag between orders and delivery. It is expected that the orders that would have normally been received in the summer months would be adversely affected due to the negative publicity and uncertainty about the outcome during the months when floods submerged the country. This would show up in exports several months later.

Table 1 also reveals that during the 1997-1998 fiscal year (before the floods), apparel exports from Bangladesh grew by twenty-six and twenty-one percent in value and volume terms, respectively, over the previous year. There is some indication that the profit margins for the industry may be improving. This is surprising given the very difficult trading environment during this period resulting from the East Asian economic crisis. To further investigate, we calculate the value per unit for apparel exports. From the information in Table 1, we find that the average unit value for all categories of apparel exported in 1997-1998 was \$38.51 per dozen or \$ 3.20 per apparel unit. This represents a four percent increase in prices over the previous year when the average price per unit was \$37.05 per dozen or \$ 3.08 per apparel unit. Given the fact the Bangladeshi currency was repeatedly devalued against the U.S. dollar over this period, the export price of the Bangladeshi apparels seems to be holding up rather well. There is no doubt that Bangladesh

is no longer the new kid on the block producing only the simplest and the least sophisticated designs. Some of the larger companies have started producing for the upper end of the retail market for department stores such as J.C. Penney.

The garment exporters have used their considerable political clout with the policymakers to ask for devaluation in the local currency against the U.S. dollar. Their demand does have merit as the recent East Asian economic crisis caused sudden and substantial depreciation in the currencies of competing nations that export apparel to the same markets. However, the policymakers are constrained since devaluation, although helpful for the local garment exporters in regaining their competitiveness, would certainly increase the import bill and adversely impact import of capital products. The connection between devaluation and profit margins for the exporters is also unclear as profits also depend on labor costs, price paid for the intermediate accessories and world market conditions.

Table 2 presents export figures on the major apparel items from Bangladesh. Especially in sweaters and Jackets, but generally in every item, the monthly average exports have increased. Table 3 shows the share of the major markets for Bangladesh made apparel. The European Union share is the largest for the most recent fiscal year (51.26 percent over 43.6 percent for the U.S. market). Table 4 presents the export figures of woven and knit products from Bangladesh in each of the sixteen market destinations that are important for Bangladesh. Table 5 shows that in Europe, Germany is the biggest market for the made-in-Bangladesh garments.

What implications does the success of the apparel exports have for the economy of Bangladesh? The positive impacts are considerable and their significance cannot be overemphasized. This is the largest industry in the manufacturing sector and also the biggest earner of foreign exchange. In terms of gross foreign exchange receipts, in the most recent period for which there is data (July 1997- May 1998) export of readymade garments earned

\$3392.45 billion or 73.18 percent of the total export earnings of Bangladesh. This relative share of apparel exports has steadily increased for several years now indicating that, in both absolute and relative terms, the industry has dominated the modern economy of Bangladesh for some time now. In addition, the positive sociological, demographic, political and economic impact of employing 1.5 million in the manufacturing sector is huge. This is especially true since ninety percent of these workers are women, many of whom have migrated from the countryside. The forward and backward linkage industries and services such as textiles, accessories, transportation, and packaging have also been large beneficiaries. The public exchequer has also gained and foreign investors have been exposed to Bangladesh as a result of this success. However, the biggest gainer must be the private entrepreneur in Bangladesh who now has a role model to follow. The spirit of entrepreneurship is thriving in Bangladesh. The proof for this view is the success of the apparel export sector.

### **The Future of Garment Exports and the Economy of Bangladesh**

Growth in overall exports from Bangladesh peaked in 1994-1995 at 40 percent a year, but growth has remained strong. In the July 1997-February 1998 period, total export earnings equaled \$3.3 billion or 16.4% above the exports over the same period in the previous year.<sup>14</sup> The garment and knitwear exports accounted for the bulk of these exports. The knitwear sector especially has been highly dynamic in recent years. Given the fact that this market is outside the purview of MFA and not protected by quotas, this bodes well for the post MFA future of the industry. Bangladesh apparel exports can now point to a proven track record of successfully competing in a non-protected global competitive environment. Unfortunately, other potentially promising exports from Bangladesh such as leather, jute goods, and frozen foods have not fared as well over this period. This has accentuated the already narrow export base of the country and is certainly a matter of concern. The excess dependence on foreign exchange earnings and export growth on garments and

knitwear calls for policy attempts to diversify the export base of Bangladesh.

What can be said about the future performance of the apparel export industry in Bangladesh? What are the downside risks for apparel exports from Bangladesh? Focusing on the most recent disaster, the debilitating floods of 1998 that shaved off several percentage points from the expected GDP growth this year, we have ignored another major crisis the industry seems to have weathered very well. We refer to the East Asian economic debacle of 1997-1998. The financial panic and the following economic meltdown that afflicted scores of dynamic economies neighboring Bangladesh - Malaysia, Indonesia, Thailand, Philippine and South Korea- certainly have been a restraining element in the economic performance of this sector.

What are the links between the East Asian economies and garment exports from Bangladesh? There are several avenues by which negative economic shocks from these emerging economies have impacted Bangladesh. First, several of these nations are also big apparel exporters to the same markets where Bangladesh sells its apparels. The steep depreciation in their currency has made them more competitive, especially in the quota-free apparel markets. Even in the markets protected by quotas, this would be a deflationary force pulling down the unit prices and the profit margins for Bangladesh exporters. Second, using the time-tested formula, most of these economies are trying to export themselves out of their severe recessions. This has greatly increased competition for Bangladesh exports. Third, to assist them in their time of need, the U.S. and other developed nations have already relaxed quota restrictions on exports from the worst affected economies, making the playing field less level for Bangladeshi exporters. Fourth, prior to this crisis some of these nations were potentially big investors in Bangladesh in the textile and infrastructure projects. Their economic troubles have meant a dramatic scaling back in their direct investments in Bangladesh.

On the plus side, the return of expatriate workers from this region has swelled the urban labor

force from which garment factories recruit their workers. Next, if some of these economies weaken, causing an economic or political collapse, their ability to compete in the global markets would be impaired. This could mean new opportunities for their competitors in the short run. Finally, Bangladesh has tried to leverage the crises by demanding from the U.S. equal quota concessions, pointing out that it has been very successful in reducing the child worker problem in the apparel manufacturing sector. The lobbying for a thirty percent (same as given to others for relief) increase in quotas has yet to bear fruit, but the prospects look good.

In our view, the biggest threat to apparel exports in Bangladesh comes from the financial sector. Although we do not anticipate a financial panic similar to the Asian crises as the foreign investment (hot money) and short-term borrowing has been rather limited in Bangladesh, the common element is that of a weak banking sector with very little transparency and accountability. Elements of crony capitalism and moral hazard are certainly present in Bangladesh, especially in the nationalized banking sector and in credit markets. According to the World Bank-Asian Development Bank report, the financial sector in Bangladesh remains fragile with 33 percent of the portfolios of the Nationalized Commercial Banks (NCBs) and domestic private banks in the non-performing category.<sup>15</sup> Notwithstanding the fifty billion taka of taxpayers money, that was used to re-capitalize the NCBs in the early 1990s, the system-wide capital inadequacy today is estimated to be taka 133 billion.<sup>16</sup> This situation could cause the entire banking system to collapse as a result of an external shock or even a domestic event such as a run on a major bank. One important lesson from the East Asian crisis is that moral hazard and the resulting financial panic can be deadly for any economy, even one whose fundamentals are otherwise sound. Without fundamental reforms in the banking sector and the financial sector, the economy of Bangladesh remains susceptible to a financial panic where a speculative price bubble crashing in the real estate sector or elsewhere could start a systemic self-fulfilling type of panic. Such a collapse would seriously impact apparel exports, which are critically dependent

on the workings of a healthy banking system for the institutional set up for exports and for short-term financing.

Other potential hazards include an overvaluation of the taka compared to the currency of its competitors. Despite the repeated devaluation in the recent past, according to the World Bank the taka remains overvalued in real terms. This could undermine the long term competitiveness of the industry. Finally, in 2004, under the Uruguay Round Agreement on Textiles and Clothing, the MFA quotas would be phased out. Bangladesh would lose its preferential access to its most important markets and would have to compete with India, China and other apparel exporters in a truly global competitive environment. Many apparel entrepreneurs in Bangladesh are not ready for this change although the industry as a whole probably would hold its own in the post MFA world.

Finally, we would like to emphasize that the biggest source of potential problems for apparel exports are likely to be home grown, not external. First, the politicians could seriously damage this sector by creating instability and attempting to achieve their goals by violent means in the streets instead of the parliament. Second, the bankers and the bureaucrats and the politicians in power remain a source of threat. In their attempt to further extract rent from this sector, they could undermine the dynamic entrepreneurship that has characterized this industry. Third, the law enforcement agencies, by allowing the mastans and toll collectors to create a climate of terror, may debilitate commerce and production in the economy. Labor disturbances and frequent disruptions in the Chittagong port remain a source of concern to the apparel exporters. The practice of monthly meetings with union leaders and factory owners initiated by BGMEA is a step in the right direction. Garment workers remain one of the hardest working segments of the labor force in Bangladesh, and their working conditions and benefits must improve as the industry matures. In the long-run, this would be the best defense against union agitation. Investing in worker training and in improved working conditions would certainly enhance productivity. The



apparel factory owners must be proactive instead of being reactive on this important issue.

According to a recent World Bank publication, “exports and job-oriented manufacturing must hold the key to national development over the next quarter century. To make this possible, the limited but important industrial success achieved so far, mainly in an export enclave environment, needs to be replicated throughout the economy.”<sup>17</sup> The document goes on to suggest that the maximum gains in industrial production are not expected from the traditional sectors like jute, but from the labor-intensive export-oriented production that brings the benefits of global integration to the nation. Another virtue of this sector is that it is largely driven by private entrepreneurs who have in many ways become the models for entrepreneurs in other industries of the economy.

**Table 1: Apparel Exports from Bangladesh in Value and Volume**

YEAR	TOTAL APPAREL EXPORT (Millions of \$)						TOTAL APPAREL EXPORT (Thousands of dozens)						
	WOVEN		KNIT		TOTAL		WOVEN		KNIT		TOTAL		Growth in Monthly Totals
	Total	Monthly	Total	Monthly	Total	Monthly	Total	Monthly	Total	Monthly	Total	Monthly	
1992-93	1,240.48	103.37	204.54	17.05	1,445.02	120.42	36,053.88	3,004.49	10,663.56	888.63	46,717.44	3,893.12	
1993-94	1,291.65	107.64	264.14	22.01	1,555.79	129.65	34,351.00	2,862.58	10,815.00	901.25	45,166.00	3,763.83	-3.32%
1994-95	1,835.09	152.92	393.26	32.77	2,228.35	185.70	47,210.00	3,934.17	15,301.90	1,275.16	62,511.90	5,209.33	38.40%
1995-96	1,948.81	162.40	598.32	49.86	2,547.13	212.26	48,820.04	4,068.34	23,185.45	1,932.12	72,005.49	6,000.46	15.19%
1996-97	2,237.95	186.50	763.30	63.61	3,001.25	250.10	53,450.33	4,454.19	27,536.07	2,294.67	80,986.40	6,748.87	12.47%
1997-98	2,844.43	237.04	937.51	78.13	3,781.94	315.16	65,590.00	5,465.83	32,604.37	2,717.03	98,194.37	8,182.86	21.25%
1998-99(JULY-AUGUST)	561.54	280.77	177.21	88.61	738.75	369.38	12,186.00	6,093.00	6,464.00	3,232.00	18,650.00	9,325.00	13.96%

Source: Bangladesh Exports Promotion Bureau (EPB)  
 RDTI Cell of Bangladesh Garment Manufacturers and Exporters Association (BGMEA)  
 Our own calculations of monthly averages and growth factors

**Table 2: Major Items of Apparel Exported from Bangladesh**  
 (Millions of \$)

YEAR	SHIRT		T-SHIRT		TROUSERS		JACKET		SWEATER	
	Total	Monthly Average	Total	Monthly Average	Total	Monthly Average	Total	Monthly Average	Total	Monthly Average
1993-94	805.34	67.11	225.90	18.83	80.56	6.71	126.85	10.57	0.00	0.00
1994-95	791.20	65.93	232.24	19.35	101.23	8.44	146.83	12.24	0.00	0.00
1995-96	807.66	67.31	366.36	30.53	112.02	9.34	171.73	14.31	70.41	5.87
1996-97	759.57	63.30	391.21	32.60	230.98	19.25	309.21	25.77	196.60	16.38
1997-98	961.13	80.09	388.50	32.38	333.28	27.77	467.19	38.93	296.29	24.69
1998-99 (JUL-AUG)	201.12	100.56	49.05	24.53	60.51	30.26	105.25	52.63	81.61	40.81

Source: Bangladesh Exports Promotion Bureau (EPB)  
 RDTI Cell of Bangladesh Garment Manufacturers and Exporters Association (BGMEA)  
 Our own calculations of monthly averages and growth factors

**Table 3: Export Markets for Bangladesh Apparels**

<b>YEAR</b>	<b>EXPORTS TO THE U.S. (millions, \$)</b>	<b>U.S. MARKET SHARE (%)</b>	<b>EUROPEAN UNION SHARE (%)</b>	<b>CANADA AND OTHERS (%)</b>
1991-1992	581.1	49.14	46.62	4.23
1992-1993	703.96	48.71	46.46	4.82
1993-1994	592.46	38.08	55.96	5.95
1994-1995	1006.08	45.07	49.67	5.08
1995-1996	1001.68	39.33	54.12	6.56
1996-1997	1245.14	41.49	54.11	2.1
1997-1998	1494.02	43.6	51.26	5.14

Source: Bangladesh Exports Promotion Bureau (EPB)

RDTI Cell of Bangladesh Garment Manufacturers and Exporters Association (BGMEA)

Our own calculations of monthly averages and growth factors

**Table 4: Apparel Exports to Major Markets (1997 - 1998)**

COUNTRY	TOTAL APPAREL EXPORT IN MILLION US\$			
	WOVEN	KNIT	TOTAL	% OF TOTAL
USA	1,443.21	228.69	1,671.90	44.21%
CANADA	66.89	27.88	94.77	2.51%
AUSTRIA	12.13	5.84	17.97	0.48%
BELGIUM	78.91	60.37	139.28	3.68%
DENMARK	16.69	23.81	40.50	1.07%
FINLAND	9.55	4.23	13.78	0.36%
FRANCE	206.78	137.43	344.21	9.10%
GERMANY	352.78	130.09	482.87	12.77%
GREECE	2.40	1.41	3.81	0.10%
IRELAND	5.17	3.30	8.47	0.22%
ITALY	171.42	46.11	217.53	5.75%
NETHERLANDS	127.94	75.47	203.41	5.38%
PORTUGAL	1.97	0.83	2.80	0.07%
SPAIN	32.26	10.75	43.01	1.14%
SWEDEN	31.34	14.63	45.97	1.22%
UK	226.33	144.78	371.11	9.81%
OTHERS	58.66	21.89	80.55	2.13%
<b>TOTAL</b>	<b>2,844.43</b>	<b>937.51</b>	<b>3,781.94</b>	<b>100.00%</b>

Source: Export Promotion Bureaus (EPB)

**Table 5: Top Five European Destinations for Bangladesh Apparel (July 1997- May 1998)**

RANK	COUNTRIES	VALUE (Millions, \$)
1	Germany	434.77
2	United Kingdom	343.89
3	France	305.72
4	Netherlands	183.63
5	Italy	195.82

Source: Bangladesh Exports Promotion Bureau (EPB)  
RDTI Cell of Bangladesh Garment Manufacturers and Exporters Association (BGMEA)  
Our own calculations of monthly averages and growth factors

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<sup>9</sup> Islam, Anisul M, and Quddus, Munir, "The Export Garment Industry in Bangladesh: A Potential Catalyst for Breakthrough," in Wahid and Weis (edited) The Economy of Bangladesh: Problems and Prospects, Praeger, Westport, 1996.

<sup>10</sup> Reports published in the Amitech (News from Bangladesh) (<http://216.32.117.57/news/>), Internet editions of various daily newspapers in Bangladesh.

<sup>11</sup> BGMEA Newsletter, September 1998, Special Issue, November 1998, and other issues.

<sup>12</sup> BGMEA Newsletter, September 1998 issue.

<sup>13</sup> This loss would be less than 5 percent of the total production that is in the \$3.7 billion range.

<sup>14</sup> According to Tofail Ahmed, the Commerce Minister, the readymade garment sector's gross earnings in 1997-1998 financial year were \$3.78 billion or 73 percent of total export earnings of Bangladesh. BGMEA Newsletter, Special Issue, 1998, page 8.

<sup>15</sup> The World Bank and The Asian Development Bank, Bangladesh, Economic Trends and the Policy Agenda, May 1998, page 16.

<sup>16</sup> Ibid.

<sup>17</sup> World Bank 2020 Report.