



AID-FOR-TRADE: CASE STORY

BANGLADESH



Support to Bangladesh Readymade Garments (RMG) Sector



Case Story

Title : Support to Bangladesh RMG Sector in the Post MFA.

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Executive Summary:

1. Issues Addressed :

The RMG Sector Plays an important role in the economy of Bangladesh by contributing about 40% to the value of the industrial sector , 63% to the industrial employment and 78% to total export –earnings of the country. The primary textile industry i. e spinning , weaving , knitting dyeing & woven fabrics processing units as well as handloom and silk industry are the significant suppliers of yarn and fabrics to the export –oriented Readymade Garments (RMG) industry (including the export – oriented RMG, handloom and silk sub-sectors) employed more than 4.0 million people , majority of whom are women .

Despite a remarkable export growth of the RMG sector during the 1990s, garment exports increased at 11% in the 1st year of Post MFA situation. It may be mentioned here that, EU is the highest export destination of Bangladesh. In order to promote export , the present Government has launched an extensive programme for Product and Market diversification.

Bangladesh garment sector is not yet well positioned to compete in the expanded global garment market (US\$ 195 billion in 2001 and a projected US\$ 350 billion by 2007) as most of the companies continue to operate with a manufacturing orientation accepting orders for their stitching capacities at low prices. The sector had also been suffering from multifaceted problem due to inadequate backward and forward linkage between upstream (spinning/ weaving) and downstream (dyeing /printing /finishing/RMG) textile manufacturing activities.

Among these problems shortage of skilled manpower and facilities for training human resource due to non- availability of qualified and experienced trainers in different fields of modern RMG technologies including quality control, fabric and fashion design were the crucial one being faced for long time in making the products competitive in the local and export markets in terms of productivity, quality and prices.

In views of the revolutionary changes in the modern world of RMG technology and its products specially in texture, fashion and design; a new project was taken up for implementation in 1999 under financing of Bangladesh Garments Manufactures and Exporters Association (BGMEA) titled as BGMEA Institute of Fashion and Technology (BIFT) through strengthening technical training of BIFT with the following objectives:

- (a) To develop overall quality of domestic products through continuous implementation of extensive research and training to the selected manpower in the RMG sector.
- (b) To create appropriate training facilities for up-gradation of knowledge and skill of the personal engaged in public and private RMG enterprise of the country.
- (c) To strengthen the facilities for testing and quality control.
- (d) To create facilities for developing fabric and fashion design.

2. Objective Pursued :

The overall objective was to contribute growth and poverty reduction assisting Bangladesh in the Development Strengthening and diversification of its product & export. The immediate objective of the project is to improve the competitiveness of the Bangladesh RMG sector in the post – MFA market environment. The proposed TA project will also assist in undertaking skill development activities and quality assurance programs through BIFT as well as to promote private –public sector partnership. The growth of textile sector will increase which will lead to diversify the export items. GDP growth rate will also increase.

3. For Project and Programmes : Design and implementation :

The Bangladesh Garment Manufacturers & Exporters Association (BGMEA) established BGMEA Institute of Fashion & Technology (BIFT) in 2001 to provide trained personal for the RMG sector. It offers 4 years undergraduate courses in Garment manufacturing and management as well as in pattern Cutting and Design. Six – month certificate courses in Apparel Production Management are also organized.

In BIFT there is a new Centre for Export and Product Development (CEPD), which aims to create new “Value Added” products in Bangladesh.

The essence of this project was to provide appropriate skill development training in different fields of RMG processes for turning out quality products at competitive prices and also to provide support to the Ministry of Commerce for improved private-public partnership. RMG sector will directly share the benefits of this project. Improved performance of the RMG Sector will create demand for the products at upstream markets. i.e. modern spinning and weaving sub-sector of the country.

In view of the acute shortage of human resources for RMG sector assistance project namely, “Support to Bangladesh RMG sector in the Post MFA ” taken up for implementation under Bangladesh Quality Support Programme (BQSP). Decision for implementation of the project was very appropriate to make up the shortages of human resources of the RMG of Bangladesh. The activities taken up for implementation under

this TA project, Such as, strengthening of BIFT's infrastructures and training facilities, strategic alliances of BIFT with the internationally reputed Design Universities/Institutes, acquiring knowledge about the latest educational and training facilities developed by the overseas countries in respect of Garment technologies and processes are the most appropriate approach for achieving the desired goal of the programme.

4. Problem Encountered:

A Consultancy unit was established under Textile and RMG component of BQSP to provide consultancy services for upgrading the performance of the selected units under BTMA, BGMEA and BKMEA, Due to unwillingness of the associations in respect of financing of the fees for consultancy charges as per suggested rules of UNIDO, the programme for providing consultancy services could not be implemented as per schedule. The programme implemented at later part of the project period by changes its modalities.

5. Factors for Success/Failure

(a) Organized of Textile Marketing Training and Information Services at BIFT:

Assessment of industry needs of textile marketing and information:

- The survey report on HRD needs in Textiles & RMG was completed in July 2006 and 500 copies to the abridged version of the report were distributed to relevant stakeholders in April 2007
- The survey investigated the gaps in providing services to the textiles and garment industries in training but also in research, testing, design, business and technical consultancy.
- The study evaluated the capacity and quality of existing training

a1) Design of new training curricula

- The training curricula and modules developed by the expatriate experts from London College of Fashion (LCF), London and Niederrhein University (NU) for providing education and training in the respective following areas.
- Design of Fashion Marketing Training Courses in the under graduate level- 3 Credit hours.
- Design of Strategic Fashion Marketing training program in the post-graduate level -3 credit hours.

(a2) Implementation of Information services

- Assessment of industry needs on textile marketing and information.

- Reviewing existing BIFT IT infrastructure and resource analysis.
- Researching & investigating suppliers of new software and hardware.
- Develop a strategy for strengthening BIFT Library and Internet Service.
- Develop a phase-wise work plan for different activities for implementation.
- BIFT library has been upgraded in three batches with books, trend books and fashion magazines etc.

(a3) Organization of study tours and fellowships

- A study mission having representatives from Textiles & RMG sector was organized by UNIDO to visit 3 European countries namely, Germany, Belgium and the Netherlands in November 2008 to gather knowledge about the latest education/ training facilities and selected modern textile machinery manufacturers & high value textile producers and exporters of these countries.

(b) Strengthening the Centre for Export and Product Development (CEPD) at BIFT

(b.1) On – site technical training provided by international consultants

The expatriate experts from LCF and NU provided on – site technical training for strengthening CEPD at BIFT.

- A concept paper for setting up the Center for Export & Product Development (CEPD) prepared together with BIFT, Experts of London college of Fashions and Experts of Niederrhein University (NU) and UNIDO.
- To build relationship with potential users of the CAD/CAM resources and the views of the industries in respect of the use of the CEPD.
- Workshop on “Industry Institution Cooperation” organized during the missions of the companies can improve their marketing / merchandising capabilities to compete successfully in the global market.
- A follow up knowledge sharing meeting with the large and medium industry owners of garments sector organized by BIFT/ BGMEA on 8th October 2008.

(b.2) Implementation of pilot training courses and bureau services from BIFT and from CEPD

The pilot training courses conducted at BIFT starting in October`08 covering the following areas:

- Training in important fields of RMG technology and its related activities;
- Providing detail information in respect of training needs in different areas of the industry, information services, CAD/CAM, training period etc.

6. Lessons Learned:

RMG sector is the backbone of Bangladesh. The project has established appropriate education and skilled development in different fields of RMG technology and process for productivity and quality improvement of RMG products.

6. Conclusion (applicability to other Programme):

In order to sustain the growth of RMG sector that has to focus on creative capacity and to improve the technical and marketing skills many textile and garment companies by the way of continuation of such projects.

Therefore some follow up projects are required to undertake for the overall development of the RMG sector.