

Business

RMG: China's market share goes up, Bangladesh's down



Staff Correspondent Dhaka



Participants at the IPS-CPD dialogue. Courtesy: CPD

As the coronavirus pandemic hit the world, imports of ready-made garments fell by 23 per cent globally during January-August last year.

Despite the fall in imports, China keeps its market share growing. In December of 2019, China's market share in global knitwear exports was 34 per cent. Its share increased to 39 per cent in June 2020. At the same time, China's market share in woven garments export increased to 45 per cent from 36 per cent.

While China keeps its stronghold in the international market, Bangladesh's share in

Bangladesh as one of the top RMG suppliers in future.

This was recently highlighted during an international dialogue titled ‘Recovery of the Apparels Sector of Bangladesh and Sri Lanka: Is a Value-chain-based Solution Possible?’

Institute for Policy Studies of Sri Lanka (IPS) and a Bangladesh-based research organisation Centre for Policy Dialogue (CPD) jointly organised the virtual dialogue on 20 April.

CPD’s distinguished fellow professor Mustafizur Rahman moderated the dialogue. The organisation’s executive director Fahmida Khatun delivered the opening remarks.

In the keynote presentation, CPD research director Khondaker Golam Moazzem and IPS research economist Kithmina Hewage said RMG work orders have been cancelled and postponed in Bangladesh and India. As a result, the RMG workers have suffered immensely.

But initiatives from buyers to face the challenge are not visible. While giving work orders during the pandemic, several big suppliers including Bangladesh and Sri Lanka have been deprived.

If the buyers give orders worth USD 2 billion to exporting countries including Bangladesh, it would be easier for them to turn around. Bangladesh has the capacity to meet the RMG work orders offered to China.

They added that a major shift in the distribution of export orders by buyers during the COVID-19 period has deprived a number of major supplying countries, including Bangladesh and Sri Lanka.

Sri Lankan entrepreneur Husni Salieh said that the value chain is truly optimised when its stakeholders work collaboratively particularly during the crisis.

Another Sri Lankan entrepreneur Binu Wickramasinghe stated that smaller entrepreneurs faced comparatively more difficulties during the crisis, particularly in accessing to credit, adapting to the new normal.

Mostafiz Uddin, managing director of Denim Expert Limited, however, said that there is a lack of responsible business practices among the brands during the ongoing crisis ✕

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for the vulnerable situation.

CPD chairman professor Rehman Sobhan said that the International Labour Organization could take an initiative in bringing together international buying and supplying countries to restructure the global demand management.

He further added that unemployment insurance could be introduced as a solution to long-term unemployment. He placed emphasis on collaboration among the government and employers to address the issue.

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