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**Problems of Export Oriented Woven Fabric in
Bangladesh**

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Declaration

I hereby declare that the work which is being presented in this thesis entitled, “Problems of Export oriented woven fabric in “Bangladesh” is original work of my own, has not been presented for a degree of any other university and all the resource of materials uses for this thesis have been duly acknowledged.

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This is to certify that the above declaration made by the candidate is correct to the best of my knowledge.

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-The Author

Abstract

The RMG Industry is the warship and a success story of Bangladesh in spite of its ups and downs. Mainly two types of garments are exported from Bangladesh e.g. Knit and Woven. Fortunately we can manufacture nearly 100% of woven fabrics while only 30-40% woven fabrics are being produced locally while rest of the woven fabrics are imported. As a result huge amount of our foreign currency goes to the countries from where we import woven fabric. Thus weaving sector is a real problem for our export oriented RMG sector. Apart from this as population is very large we also need huge amount of woven fabric to meet the local demand. The work reported here is a study of the problems of our weaving sector. Data and Information were gathered from entrepreneurs of various sectors, merchandisers, weaving experts and related official web sites. The study suggests that we are efficient in producing coarser yarns. The production denim are being increased very rapidly while have lacking in production of light weight fabrics. There are mainly some reasons for it e.g. (i) supply of fine count yarn having good quality is quite insufficient; (ii) supply of blended yarn is also extremely poor; (iii) weaving entrepreneurs should be given more support from the Govt. side. (iv) it is widely believed that garment makers have to import some excess fabric from abroad and after completion of their order they sell excess fabric to the local market at a nominal price this is a threat for the local weaving factories to grow so that they can try for export market. As variety woven fabrics are huge therefore a research cum training center is also needed to develop specialty fabrics locally.

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1. Introduction

1.1 Background of Study

The history of the Readymade Garments Sector in Bangladesh is a fairly recent one. Nonetheless it is a rich and varied tale. The recent struggle to realize Workers' Rights adds an important episode to the story.

The RMG industry of Bangladesh has expanded dramatically over the last three decades. Traditionally, the jute industry dominated the industrial sector of the country until the 1970s. Since the early 1980s, the RMG industry has emerged as an important player in the economy of the country and has gradually replaced the jute industry.

Although Bangladesh is not developed in industry, it has been enriched in Garment industries in the recent past years. In the field of Industrialization garment industry is a promising step. The sector now dominates the modern economy in export earnings, secondary impact and employment generated. It has given the opportunity of employment to millions of unemployed, especially innumerable uneducated women of the country. It is making significant contribution in the field of our export income.

Bangladesh exports 35 types of garment products to about 31 countries around the world. The RMG sector is a 100% export-oriented industry.

That Bangladesh today is considered an economic competitor in terms of international garment manufacturing by other countries of the region and beyond is the country since gaining independence in 1971. It appears much of the socio-economic development in the first decade of the twenty-first century for Bangladesh and its approximately 1.5 million women workers depends on the continuing success of the RMG industry.

Orders from new global markets and a decline in buy orders from China by global customers have boosted Bangladesh exports of woven garments by 13.6 percent for the first seven months of the 2012-2013 fiscal year.

Driving the spike in exports are Bangladesh's low labor costs, a diversity of products, competitive pricing and increased demand for woven apparel. The healthy appetite for woven garments has not declined despite lackluster economies in both the U.S. and Europe.

Bangladesh exports of woven garments rose from July last year to January 2013 from U.S.\$5.39 billion to the current level of U.S.\$6.12 billion.

Among the global brands and retailers buying from Bangladesh are Gap, H & M, JC Penney, Kohl's, Marks & Spencer, Tesco and Wal-Mart. An ambitious export goal of U.S. \$28 billion for fiscal year 2013 has been set by the government.

1.2 Rational of the Study

The main objective of this study is to examine and identify the problems of export oriented woven fabrics in Bangladesh and analysis the effective steps to minimize these problems.

Beside this, the research targeted to achieve the following specific objectives:

- To identify the exact procedure of produce woven fabric.
- To analyze the resources and aspect of woven fabric producing factories.
- To find out the quality of imported woven fabric
- To identify the problems faced by importers, exporters and factories.

1.3 Limitations of the Study

Problems related with export oriented woven fabric get very few attention rather than readymade garments. So during survey the surveyed personnel do not provide us with any written information about their opinion or any strategy about their activities. So there may be some short comings.. Above all, this study is weak in some points. The notable ones are as follows:

- The survey was conducted in a very short time so it is not able to collect more information.
- Only the big and the reputed factories, suppliers are consider here as sample.

- Huge amount of people are engaged in fabric export business but it was not possible to communicate widely, so there are some limitations in this report.
- Without buying /selling fabrics suppliers are not interested to share information's. Also they didn't want to disclose their business policy. This was unavoidable scenario in maximum case.
- Another limitation of this study is the person's private information were notdisclosing here, which could be very much useful.
- Lack of experience in this field.
- Lack of proper personnel to conduct this interview program.
- Lack of appropriate sufficient data regarding export oriented woven fabric in internet.

1.4 Significance of the Study

With the latest demand of textile fashion trend our weaving sector should run fast to clasp the trends. They should know about the customers' needs, choice, products varieties and buying behavior as well as the latest technology. Holding the successful reputation and good relations with the buyer help weaving factories to stay long time in business market. To develop this sector we should minimize our regular problems and try to improve our present condition. After conducting this study we must be able to understand these issues. As well as by which one can fix up the strategies for minimizing problems with implementation ways, which will be profitable for our weaving sector.

1.5 Scope of the Study

Economy of Bangladesh almost fully depends on Readymade garments sector. This sector is booming in these days. Knit garments section of our country already has a quality level but woven sector should be improved to fulfill our order demand as well as local market demand. To compete with the current competition of world fashion trade & business we should take necessary steps to develop this sector. This study will help to recognize the scope of woven sector, area of improvement, different shortcoming and brief scenario of export oriented woven fabric. Beside this, it will be helpful for the companies who are in this business era of woven sector. They will be able to make a successful business plan in the area of woven

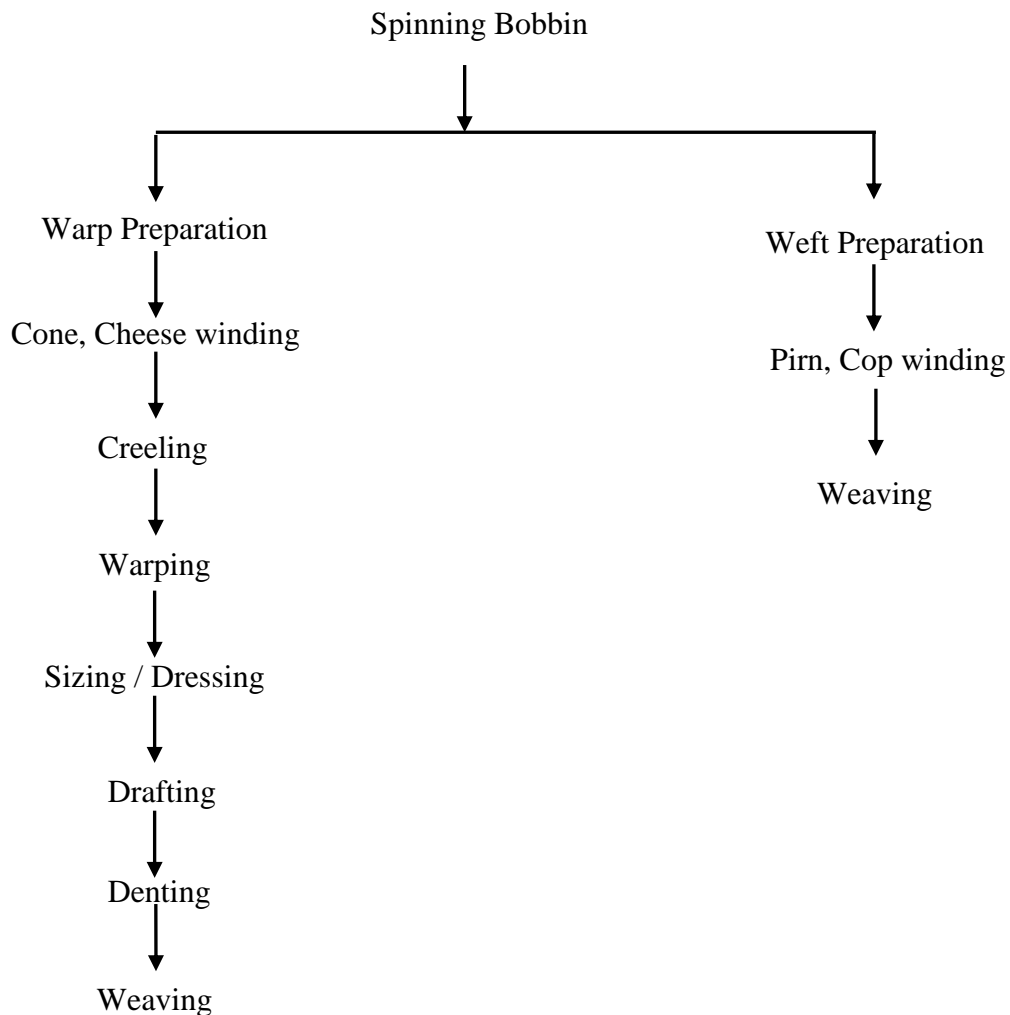
factories according to the demand of their valued customers. This study will help them to formulate & implementing the appropriate strategies to develop export oriented woven fabric

2. Literature Survey

2.1 Concept of weaving

Weaving is the process of fabric manufacturing technology. The final product of weaving i.e. cloth or fabric is obtained by interlacing of warp & weft yarns disposed in perpendicular direction. The warp yarns are placed in the longitudinal in woven fabrics & the weft yarns are used for cross wise interlacing with the warp yarns. Cloth is produced on loom or weaving machine.

Flow chart of weaving (for Cotton or Jute):

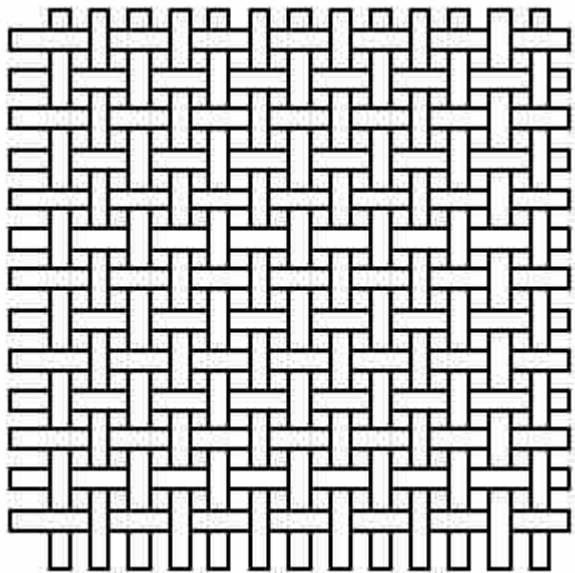


2.1.1 Woven Fabric:

Various kinds of fabrics are made from the yarns. Two dominant types of fabric are woven and knit. The woven fabric is produced through a process called weaving (Trade, 1992). The fabric produced by the process intersecting of two sets of straight yarns, warp and weft, which cross and interlace at right angles to each other is known as woven fabric. The lengthwise yarns are known as warp yarns and widthwise yarns are known as weft or filling yarns.

Example: Plain, Twill, Satin/Sateen

Application: Poplin, Gabardine, Denim etc.



2.2. History of clothing industry in Bangladesh

The economy of Bangladesh is largely dependent on agriculture. However the Ready-Made Garments (RMG) sector has emerged as the biggest earner of foreign currency. The RMG sector has experienced an exponential growth since the 1980s. The sector contributes significantly to the GDP. It also provides employment to around 4.2 million Bangladeshis, mainly women from low income families.

1950 was the beginning of RMG in the Western world. In order to control the level of imported RMG products from developing countries into developed countries, the Multi Fiber Agreement (MFA) was made in 1974. The MFA agreement imposed an export rate 6 percent increase every year from a developing country to a developed country. In the early 1980s Bangladesh started receiving investment in the RMG sector. Some Bangladeshis received free training from the Korean Company Daewoo. After these workers came back to Bangladesh, many of them broke ties with the factory they were working for and started their own.

In the 1980s, there were only 50 factories employing only a few thousand people. Currently, there are 4490 manufacturing units. The RMG sector contributes around 76 percent to the total export earnings. In 2007 it earned \$9.35 billion. This sector also contributes around 13 percent to the GDP, which was only around 3 percent in 1991. Of the estimated 4.2 million people employed in this sector, about 50 percent of them are women from rural areas. In 2000, the industry consisting of some 3000 factories employed directly more than 1.5 million workers of whom almost 80% were female. USA is the largest importer of Bangladeshi RMG products, followed by Germany, UK, France and other E.U countries.[Ref#5]

2.3 Clothing sector in our country

The textiles and clothing sector is segmented into two section

- The Textiles Sector (locally known as Primary Textiles Sector or PTS)
- The export-oriented clothing (or RMG) sector.

The finished garment produced by following the three major steps:

Converting fibers/cotton to yarns,



Converting yarns to grey fabrics



Converting gray fabrics to dye printed of other finished fabrics.

These three steps are integrated into each other. The final manufacturing stage of apparels sub-sector is called the clothing (RMG) sector.

Out of three steps, Bangladesh is only capable of knitting, finishing in knitwear sectors but far behind in producing yarn, fabrics which is a major factor for woven section. Only success came to accessories where 80% demand of our country was fulfilled. The domestic market is self-sufficient in capacity in almost all phases of the value-added chain, though the output garments fail to meet the export quality criteria. Thus the domestic supplies remain separate from the export-oriented clothing market.

2.4. Backward Linkages of clothing sector

The success of the garment industry very much depends on how effectively RMG sector linkages may operate backward and forward. If the manufacturer has effective control over the supply of raw materials, components and ancillary services needed to produce final product, then the production flow is likely to be interrupted. If the company develops an effective marketing service strategies that provide right signal, and if marketing and distributing systems as a whole are effective for having the products reach the target markets, then the sales revenue for the company is likely to be maximized. It means that to minimize cost of production and maximize sales revenues both backward and forward linkages need to be integrated. Here the issue of developing backward linkages is discussed with reference to the desirability of having control over the supply of inputs of RMG industry, mainly, fabric, yarn and processing status.[Ref#8]

The textiles sector spans everything from the conversion of raw cotton to yarn through spinning yarn to weaving gray fabrics as well as finishing, dyeing and printing of gray fabrics. The textiles sector (PTS) is the backbone of the clothing industry because it provides the backward linkage for both the knit and woven sectors. Textile mills set-up in the 1990s and later have the latest equipment and machinery and are thus able to provide top-quality yarn and fabrics. The textile mills produce the inputs needed by the RMG industry, so there are substantial cost savings. The domestically produced inputs hence play a significant role in reducing lead time. A correlation between the pattern of export trade in clothing and the

growth in spindle capacity shows that whenever PTS achieved substantial growth, apparel exports received a boost. This demonstrates that availability of local inputs not only reduces the lead time but also increases the competitiveness of RMG Units. However, recent change in GSP facilities will increase the cost of textile millers & cut down the profit margin (competitive price, use of diesel oil to use their full capacity due to the energy crunch, marketing cost). But, this loss of profit for the Bangladesh textile mills could be for short term period. In the longer run, it would help the industry to upgrade itself and compete with the best in the world. In any case, they will continue to enjoy the logistic benefit.

The domestically produced inputs hence play a significant role in reducing lead time. The success of the export-oriented clothing industry has depended on four key factors:

- quality,
- price,
- lead-time and
- Reliability.

This profile will mainly focus on the export-oriented sub-sector, highlighting the domestic market characteristics.

2.5. Reasons behind developing clothing industry

The industry grew rapidly and became an economic powerhouse for several reasons. Of them the most important was the interest of the foreign buyers to have apparels made in Bangladesh under subcontracting arrangements because the production cost (labor-intensive cutting, stitching, trimming and packing, etc.) was lowest in Bangladesh. Beside, unskilled trainable labor was abundantly available at a low cost. On the top of it, foreign buyers and partners ensured technological and marketing support, and provided an innovative financing vehicle, Back-to-Back L/C facility that solved the problem of working capital for the Bangladeshi exporters. On the other hand, Bangladeshi entrepreneurs got interested because it was a low technology and low-investment industry, and marketing- the most difficult task- was the responsibility of the foreign buyers. In addition, reforms in international textile trade regime, particularly Multifiber Arrangements and its off-shoot Quota System opened up an

unprecedented opportunity for the least developed countries. This opportunity provided Bangladesh with almost captive markets for export of apparels to USA and some other countries. This played an important role to facilitate the growth of this industry. In addition, the GSP privileges granted by EU helped this industry grow rapidly. Because of these reasons, the large retailers in European Union and USA found it much more profitable to have their merchandises made in Bangladesh, and then import from Bangladesh back to their own counties for retailing. However the apparels exported from Bangladesh were for low end of the markets concentrating on shirts for men, later on adding a smaller quantity jackets, trousers, women's wear and other items.

Both external and internal factors contributed to the phenomenal growth of RMG sector. One external factor was the application of the GATT-approved Multi-fiber Arrangement (MFA) which accelerated international migration of garment production from high-cost to low-cost countries comparative advantage Bangladesh enjoyed in garment production because of low labor cost. The domestic policies of the successive governments contributed to the rapid growth of this sector. The governments provided various kinds of incentives such as duty-free import of fabrics under back-to-back L/C, bonded warehouse facilities, concessionary rates of interest; cash export incentive, export processing zone facilities, etc. The governments also took a number of pragmatic steps to streamline export-import formalities.

There are several weaknesses the RMG industry of Bangladesh suffers from. This industry is highly vulnerable because it is almost completely dependent on the mercy of two large markets, namely, EU (48%) and US (46%) markets. More than 94% of its apparels are shipped to these two markets. As a separate market Canada is also a cherished destination for Bangladesh apparels. However, volume is very small, around 3% of the total apparel export. The rest 3% are exported to more than 40 small markets. If for some reason, the consumers in these two markets cannot or do not buy Bangladesh garments large enough quantity, the industry which is the largest employer is likely to collapse, and in turn Bangladesh economy will be in jeopardy. The industry leaders individually and also through BGMEA collectively with the support of EPB and Government are trying to diversify markets.[Ref#8]

2.6. Barriers of export oriented woven fabric production

Bangladesh facing two types of problems in these days.

- Crucial problems
- Tributary problems

2.6.1 Crucial problems

1. Raw materials

Raw materials are the main dependency for exporting garments. Maximum amount of yarn, fabric, dyes, chemicals, accessories etc. We need to import for making garments. This dependency hampers the development of garments industry in our country. Additionally foreign suppliers sometimes supply low grade materials which brings low quality products.

2. Inexpert workers

Most of the factories recruit workers who have no working experiences .Unskilled workers produce lower quality products as well as less production happen with lots of errors. So that unskilled workers reduce productivity and bring problem for this sector.

3. Inadequate working environment

Taking the advantages of workers' poverty and ignorance the owners forced them to work in unsafe and unhealthy work place overcrowded with workers beyond capacity of the factory floor and improper ventilation.

Most of the garment factories in our country lack the basic amenities where our garment workers sweat their brows from morning to evening to earn our countries the major portion of our foreign exchange. Anybody visiting the factory the first impression he or she will have that these workers are in a roost.

Improper ventilation, stuffy situation, filthy rooms are the characteristics of the majority of our factories. The owners profit are the first priority and this attitude has gone to such an extent that they do not care about their lives.

4. Lack of managerial knowledge

There are some other problems which are associated with this sector. Those are- lack of marketing tactics, absence of easily on-hand middle management, a small number of manufacturing methods, lack of training organizations for industrial workers, supervisors and managers, autocratic approach of nearly all the investors, fewer process units for textiles and garments, sluggish backward or forward blending procedure, incompetent ports, entry/exit complicated and loading/unloading takes much time, time-consuming custom clearance etc.

5. Gendered disunion of labor

In the garment industry in Bangladesh, tasks are allocated largely on the basis of gender. This determines many of the working conditions of women workers. All the workers in the sewing section are women, while almost all those in the cutting, ironing and finishing sections are men. Women workers are absorbed in a variety of occupations from cutting, sewing, inserting buttons, making button holes, checking, cleaning the threads, ironing, folding, packing and training to supervising.

Women work mainly as helpers, machinists and less frequently, as line supervisors and quality controllers. There are no female cutting masters. Men dominate the administrative and management level jobs. Women are discriminated against in terms of access to higher-paid white collar and management positions.

When asked why they prefer to employ women for sewing, the owner and managers gave several reasons. Most felt that sewing is traditionally done by women and that women are more patient and more controllable than men.[Ref#6]

6. Wages

The government of Bangladesh sets minimum wages for various categories of workers. According to Minimum Wage Ordinance 1994, apprentices' helpers are to receive Tk500 and Tk930 per month respectively. Apprentices are helpers who have been working in the garment industry for less than three months. After three months, Apprentices are appointed as helpers. Often female helpers are discriminated against in terms of wages levels, and these

wages are also often fixed far below the minimum wage rate. A survey conducted in 1998 showed that 73% of female helpers, as opposed to 15% of their male counterparts, did not receive even the minimum wage.

7. Insufficient of loan

Insufficiency of loan in time, uncertainly of electricity, delay in getting materials, lack of communication, problem in taxes etc. Often obstruct the industry. In the world market 115 to 120 items of dress are in demand whereas Bangladesh supplies only ten to twelve items of garments. India, South Korea, Hong Kong, Singapore, Thailand, Taiwan etc, have made remarkable progress in garments industries. Bangladesh is going to challenge the garments of those countries in the world market.[Ref#2]

8. Unit labor cost

Bangladesh has the cheapest unit labor cost in South Asia. It costs only 11 cents to produce a shirt in Bangladesh, whereas it costs 79 cents in Sri Lanka and 26 cents in India. Clearly, Bangladesh's comparative advantage lies in having the cheapest unit labor cost.

9. Working hours

Though the wages are low, the working hours are very long. The RMG factories claim to operate one eight-hour shift six days a week. The 1965 factory Act allows women to work delivery deadlines; however, women are virtually compelled to work after 8 o'clock. Sometimes they work until 3 o'clock in the morning and report back to start work again five hours later at 8 o'clock. They are asked to work whole months at a time the Factory Act, which stipulates that no employee should work more than ten days consecutively without a break.

10. Poor accommodation facilities

As most of the garment workers come from the poor family and comes from the remote areas and they have to attend to the duties on time, these workers have to hire a room near the factory where four to five huddle in a room and spend life in sub human condition.

For four to five workers there is one common latrine and a kitchen for which they have to pay from Taka=2000 to Taka=2500/-.They share this amount among themselves to minimize the accommodation expense.

One cannot believe their eyes in what horrible condition they have to pass out their time after almost whole day of hard work in the factory. After laborious job they come into their roost, cook their food and have their dinner or lunch in unhygienic floor or bed and sleep where they take their food. They share the single bed or sleep on the floor.

The owners of these factories must not treat the workers as animals. The owners of these factories who drive the most luxurious car and live in most luxurious house do ever think that these are the workers who have made their living so juicy. Will these selfish owners ever think of these workers of their better living for the sake of humanity by providing better accommodation for these workers in addition to providing with the job?

11. Safety Problems

Because of the carelessness of the factory management and for their arrogance factory doors used to be kept locked for security reason defying act

Safety need for the worker is mandatory to maintain in all the organization. But without the facility of this necessary product a lot of accident is occur incurred every year in most of the company. Some important cause of the accident are given below-

- Routes are blocked by storage materials
- Machine layout is often staggered
- Lack of signage for escape route
- No provision for emergency lighting
- Doors, opening along escape routes, are not fire resistant
- Doors are not self-closing and often do not open along the direction of escape
- Adequate doors as well as adequate staircases are not provided to aid quick exit
- Fire exit or emergency staircase lacks proper maintenance
- Lack of proper exit route to reach the place of safety

- Parked vehicles, goods and rubbish on the outside of the building obstruct exits to the open air
- Fire in a Bangladesh factory is likely to spread quickly because the principle of compartmentalization is practiced

12. Political crisis

Garments industries often pay dearly for political unrest, strike and terrorism etc.

The international market has withdrawn quota advantage over garments export from Bangladesh since December 2005.

Bangladesh has to advance cautiously for getting better position of her garments in the world market. Finally destruction of twin tower in 11 September 2001, invasion on Afghanistan and Iraq and depression in world Economy have seriously affected the export trade of Bangladesh.

13. Price competitiveness

China and some other competitors of Bangladesh have implemented sharp price-cutting policies in exporting garment products over the last few years, but Bangladesh has failed to respond effectively to such policies. China was able to drop the export price of 29 garment categories by 46 per cent on average in the United States within a year, from \$6.23 per square meter in December 2001 to \$3.37 per square meter in December 2002. Bangladesh needs to respond to such price-cutting policies of its rivals in order to remain competitive in the quota-free global market.

14. Lead time

Lead time refers to the time required for supplying the ordered garment products after the export order has been received. In the 1980s, the usual lead time in the garment industry was 120-150 days for the main garment supplier countries of the world; it has been reduced to 30-40 days in the current decade. However, in this regard the Bangladesh RMG industry has improved little; for example, the average lead time is 90-120 days for woven garment firms and 60-80 days for knit garment firms. In China, the average lead time is 40-60 days and 50-

60 days for woven and knit products respectively; in India, it is 50-70 days and 60-70 days for the same products respectively.

Bangladesh should improve its average lead time to compete in the international market.

15. Investment problem

Initial investment of a woven factory is higher than knit factory. At least 3% back log added with set up cost for machineries and others are high for woven factory.

16. Bonded ware

The bonded warehouse facility gives scope to clear the imported goods against export orders without paying import duty from customs. This ensures that the export oriented RMG unit can access imported inputs at zero tariff. Almost 75% of the value of the product can be stored on factory premises. Complications related with paying the duty & later putting claims on those taxes reduces by this system.

Import tax free products for re-export that is called bonded ware. Some people import tax free fabric by bonded ware house system and sell that in black market.

Fabric that imports in our country most of them having tax rate 130% that means if cost of 1 yard fabric is 100tk then tax will be 130tk, but in garments factory fabric imported as a raw materials don't need to pay tax. By using this facility some people sell this fabric in local market. Although this facility was given to clear export oriented industries (packaging industries) for making garments which are of export quality fast & easily. But some companies are misusing this facility.

In the area of garments industry some group of people work for passing fabrics. Sometimes owner of mills also help them.

One observation was found that when giving bond license to a industry proper monitoring not done. That's why after getting license maximum industry import fabric much more than calculated. As a result Government loss almost 5 thousand corers tax every year. By doing

misuse of this facility almost 70% industry corrupting taxes from government. Some factories are available on papers only but not on board, sometimes by showing capacity of machineries much bigger huge amount of fabrics imported.

2.6.2 Tributary Problems:

1. Failure to cope with changing technology

Shortages in product quality and uncompetitive cost of production are the result of failure to keep pace with the changes in production process and adaption of latest technology.

Some factories have made initial investments in labor-based production processes to take advantage of relatively low labor costs. However, the state of technology changed and such methods could not provide the quality and precision now required in finished products. Investment in more automated production methods becomes necessary. Those factories that failed to make these investments lost their markets because they could not meet the product quality demands of export markets.

There are several factors which inhibited investments in improved technologies. Some factories do not have search mechanisms for information on changing technological and market conditions and do not keep abreast of the technological trends in their industries. The gap had not been filled by any institutional arrangements initiated by governments or industry associations. Some factories had not made any investments in improved technology for lack of foreign exchange or of accumulated profits which could be ploughed back into the enterprises. Such factories have either accumulated losses or have failed to generate profits for a long time. Some factories have been suffering from the effects of rigid price controls but others have been operating at low capacity utilization rates for a long time for various reasons. Factories which have been in financial problems for a long time have eroded their capacity to make any significant investments in capital equipment, training and innovations. Investment in general has been low or stagnant.

2. Problems of reliability of supply and quality of local inputs

Substitution of local inputs for imported inputs has been one innovative step taken to cut down costs or as a survival strategy in the face of import controls.

These modifications have resulted in a considerable reduction in production costs, as import content was lowered. But these are one-off cost cutting innovations and do not necessarily represent continuous efforts. In the past some of these innovations were made in response to foreign exchange constraints. As competitive pressures build up, with import liberalization and competition from export markets, product quality considerations are gaining in importance. Where such import substituting innovations had compromised product quality, these innovations are being reversed.

3. The lack of specialization

The case studies have indicated that the degree of specialization in many factories are limited by two considerations: the size and stability of the markets which the factories have decided to target and the supply conditions in the supportive industries, especially those producing inputs.

Target market conditions are crucial determinants of specialization for factories which are primarily targeting domestic markets and became exporters at a later date. While supplying the domestic markets, these factories adopted the diversification strategy as a growth path where domestic markets for particular products are very small. While these factories extended from domestic markets to exports they retained the wide variety of products they are manufacturing. Factories which targeted the export market from the outset tended to be more specialized than those which were primarily catering for the domestic market.

Product diversification has presented further challenges: shorter production runs, the associated loss of economies of scale and having to cope with requirements of marketing.[Ref#26]

4. Failure to cope with changing market conditions

Employment of high technology may be a necessary condition but it is by no means sufficient. Faulty marketing strategy and failure to develop the necessary marketing capabilities have led to disaster in spite of having invested in modern and advanced technology.

5 Inter-firm linkages

In our country internal linkages (i.e. within the country) are limited. While there are some linkages among factories which shared premises in the industrial estates, there are only isolated cases of subcontracting arrangements outside these networks. There is little subcontracting or local procurement of manufactured inputs in the exporting factories. Large factories have only infrequent relations with small factories except for the purchase of some repair and maintenance services. Information and technology diffusion among factories is minimal except for very informal channels.

6. Buyer-consumer links

The buyers and consumers of the factories' products provided useful market information. They are very instrumental in inducing product quality improvements. The interactions with export markets, which are more demanding, are particularly effective in this respect.

Linkages with marketing agents have been common among exporting factories which are not large enough to afford large investments in building their marketing capabilities.

7. Infrastructural problems

Various problems of infrastructure have been pointed out in the country as obstacles to the attainment and maintenance of competitiveness in export markets. Supportive infrastructure is an important prerequisite for successful exporting. Expensive, sporadic and unreliable transport and communications are a serious impediment to the exporters of non-traditional goods. Reliability of delivery is also critical. High transport costs contribute greatly to the lack of competitiveness of exports. Poor telecommunications and constant power and water interruptions also raise the costs of doing business and compound the problem of lack of information. To obtain electricity, some factories have to purchase generators or other equipment which is ordinarily supposed to be purchased by the national electricity supply authorities. This added unnecessary costs to the operations of the factories.

2.7 Growth of export hampered due to unavoidable reasons

Political turmoil and deadly industrial accidents have not hampered growth in the Bangladesh apparel sector, with woven garment exports rising more than 14% in the first 11 months of the current fiscal year. Woven garment exports rose to US\$9.92bn during the 11 months ended May 2013, up from \$8.70bn in the same period of the previous year. Knitwear accounted for \$9.39bn, a 9.56% increase, according to statistics from the state-run Export Promotion Bureau (EPB). Bangladesh's knitwear exports moved into positive territory in October, amid signs that global buyers are slowly increasing their orders, with the rise continuing through May. The country's overall exports grew by 10.67% to \$24.32bn during the period, despite the economic slowdown in the European Union (EU) and the US.

Meanwhile the Earnings from jute and jute goods stood at \$ 947.91 million in July-May period of the current fiscal, marking a growth of 6.57 per cent compared to that of the corresponding period of the last fiscal year. The frozen food sector faced a negative growth

of 11.56 per cent during the first eleven months of the current fiscal over the corresponding period of the last fiscal. It also fell short of the target by 22.20 percent. Export of agricultural products grew by 35.29 per cent, pharmaceuticals by 23.93 per cent, leather by 19.83 per cent, leather goods by 63.83per cent, handicrafts by 28.47 per cent, footwear by 25.14 per cent, and furniture by 15.23 per cent and engineering products by 6.02 per cent during the July-May of FY 2012-13. It however was still 3.54 percent less than the targeted at \$2.63 billion export, according to data from the state-owned Export Promotion Bureau (EPB)

Experts believe the bad impact of political violence and some accidents in the garment sector could be understood at least three months later. Despite that Finance minister said economic growth will accelerate next fiscal year. He expects the garment-export industry to weather safety concerns and economy will expand 7.2 percent in the 12 months through June 2014,

Europe and the U.S. have called for better safety after the April 24 accident. The nation depends on export earnings from clothing sales to retailers such as Wal-Mart Stores Inc. to sustain growth and cut poverty. About 77 percent of the population lives on less than \$2 per day, according to the latest available data from the World Bank. A legacy of political volatility and corruption are among the obstacles to faster development in the South Asian country. The main reason for this increased export is duty-free access offered by western countries and low wages have helped make Bangladesh the world's second-largest apparel exporter after China, with 60 percent of clothes going to Europe and 23 percent to the United States.

The export growth indicates that market potentiality is still there in Bangladesh and what we need to do is to exploit this potential. Bangladesh should take necessary measures to ensure workers' safety standards and improving working conditions in the export-oriented industries particularly cloth and apparel industries of Bangladesh to maintain this rise in export sector and to sustain a healthy economy.

2.8 Export development is trying to move

The exports of readymade garments from Bangladesh increased by 14.83 percent to US\$ 22.178 billion during the first eleven months of the ongoing fiscal year 2013-14, as against \$19.313 billion worth of exports made during the corresponding period of the previous fiscal, as per the latest data released by the Export Promotion Bureau (EPB).

Segment-wise, woven apparel exports grew by 13.46 percent year-on-year to \$11.258 billion during July-May 2013-14 period, whereas knitwear exports soared by 16.28 percent to \$10.919 billion.

Knitwear and woven garments together accounted for 81 percent of total \$27.376 billion exports made by the South Asian nation during the eleven-month period beginning July 1, 2013.

The 14.83 percent growth in clothing exports was greater than the 12.56 percent growth registered in overall exports from Bangladesh during the period under review.

In the first half of the current financial year, Bangladesh's garment exports grew at 19.95 percent year-on-year. But, the growth rate has dropped a little bit thereafter, mainly due to the implementation of the 76.66 percent rise in minimum wage for entry-level workers in the clothing industry since December 1, 2013.

To help continuation of the development of the garment industry, the Bangladesh Government has reduced the duty on flex fiber, a raw material used to make the fabrics bright, from 10 percent to 5 percent for fiscal year 2014-15 that begins on July 1, 2014. Likewise, the duty on artificial staple fiber has also been reduced to 3 percent from the existing 5 percent.

For fiscal year 2014-15, the supplementary duty on almost all woven fabrics has been reduced from the existing 30 percent to 20 percent, on most knitted or crocheted fabrics from 45 percent to 30 percent, on track suits and other garments from 45 percent to 30 percent, and on various clothing accessories from 60 percent to 45 percent.

With the presence of more than 5,000 garment factories that together employ nearly 4.2 million workers, Bangladesh is currently the second-largest garment exporter in the world, next only to China.

In last fiscal year 2012-13, Bangladesh exported \$11.039 billion worth of woven garments and \$10.475 billion worth of knitwear. The Government has set a target of achieving \$24.147 billion in garment exports in fiscal year 2013-14.

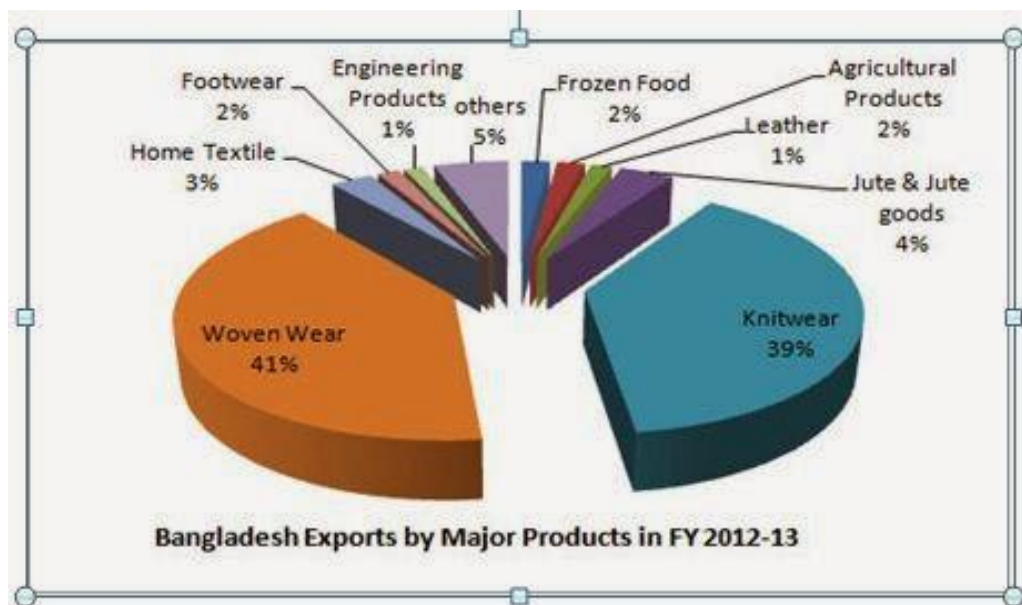
Bangladesh is a developing country where textile and garment industries provide the single source of economic growth in its rapidly developing economy.

Textiles, Clothing and RMG cover about 77% of total exports. About 4 million people, most of them are women, work to this sector, earned 21.51 billion USD in the Fiscal Year 2012-13 (Source-Export promotion bureau).



The country has more than 5,500 woven garment factories, 1,700 knitwear factories and 1,300 spinning, finishing and dyeing factories. At present, the sector employs 3.5 million workers, 80 percent of whom are women. The country's 60 percent RMG products enter the EU, 23 percent goes to the USA, 4.8 percent to Canada and 12.1 percent to other destinations worldwide. Bangladeshi Knitwear is exported to 93 countries of the world where EU and the USA are the major importers.

Figure-2.1. Bangladesh Exports by Major products



3. Methodology

3.1 Overview

This thesis is conducted in order to determine the present's status and problems of export oriented woven fabric in Bangladesh. Comparative study between local fabric and imported fabric as well as the advantages and disadvantages of using the different fabrics also part of this thesis. In order to

Answer these research goals I need to select respondents and obtain their view in line with this topic. Selected participants answered a survey questionnaire structure. Along with primary data I also made use of secondary resources in the form of published articles and literatures to support the survey.

The Descriptive method of research is used for this study. It means the method is to gather information's about the present existing condition. The emphasis is on describing rather than on judging or interpreting. The aim of descriptive research is to verify formulated suggestions that refer to the present situation in order to expound it. The descriptive approach is quick and practical in terms of the financial aspect. Moreover, this method allows a flexible approach, thus, when important new issues and questions arise during the duration of the study, further investigation may be conducted.

Descriptive research on the other hand is a type of research that is mainly concerned with describing the nature or condition and the degree in detail of the present situation. This method is used to describe the nature of a situation, as it exists at the time of the study and to explore the cause/s of particular a phenomenon. The aim of descriptive research is to obtain an accurate profile of the people, events or situations. With this research type, it is essential that the researcher already has a clear view or picture of the phenomena being investigated before the data collection procedure is carried out. The researcher used this kind of research to obtain first hand data from the respondents so as to formulate rational and sound conclusions and recommendations for the study. The descriptive approach is quick and practical in terms of the financial aspect.

This study is based on the information's given by the employees from 30 companies in Bangladesh. The descriptive method is then appropriate as this can allow the identification of the similarities and differences of the respondents' answers. For this research, two types of data were gathered. These included the primary and secondary data types. The primary data were derived from the answers the participants gave during the survey process. The secondary data on the other hand, were obtained from published documents and literatures that were relevant to personality questionnaire. With the use of the survey questionnaire and published literatures, this study took on the combined quantitative and qualitative approach of research. By means of employing this combined approach, the study was able to obtain the advantages of both quantitative and qualitative approaches and overcome its limitations.

3.2. Study Participants

To achieve pertinent information, certain inclusion criteria were imposed. I collect data from 30 different companies including

- Weaving factories
- Woven garments manufacturing factories
- Fabric suppliers
- Bangladesh Garment Manufacturers and Exporters Association (BGMEA)
- Bangladesh Specialized Textile Mills & Power loom Industries Association

The interview and discussion is carried out with some Owners, GM, Senior Managers, Managers, Production officer (weaving floor, dyeing floor, and garments floor), Quality manager, Merchandiser, Entrepreneurs etc. According to their discussion I listed the product range, price, product categories, customer types, quality parameter, composition of products etc.

They are asked about their marketing and sourcing strategy, customer's attitude, women contribution, problems, threats, challenges etc.

Finally from the primary data according to the answer of respondents I have prepared the various kinds of data in percentage for graphical presentation in data analysis.

3.3. Research Questionnaire for Key Informant Interview & Discussion

The selected questionnaire type was as this enabled the respondents to answer the survey easily. In addition, this questionnaire allowed me to carry out the quantitative approach effectively with the use of statistics for data interpretation.

The questionnaire for the key informant interview and discussion was random. Questions are asked when they are free from their official works. There are lots of questions asked to them frequently. The questions types are as follow

- Nominal questions.
- Short questions.
- Multiple choice questions.
- Descriptive type.

Nominal questions are of the following types-

- Do you import fabric for making products?

Short questions are of the following types-

- Which product you have manufactured?
- What types of fabric you used to use?

Multiple questions include-

- Which one is your target product?
- Which level of customer you target?
- Which types of marketing strategy you take?
- Which types of sourcing strategy you take?

Descriptive types of questions include-

- How you generally maintain customer satisfaction about fabric?
- Which quality parameters you get from imported fabric?
- Threats and challenges faced during making export oriented garments?
- Products line and price related issues?

4. Data Collection

4.1. Primary Sources

After gathering all the completed questionnaires from the respondents, total responses for each item were obtained and tabulated. Physical visit, personal contacts, participant's willingness to participate in the discussion help to get proper information's for the analysis.

4.2. Key Informant Interview

I have selected senior managers, production managers of weaving, dyeing, & garments floor, merchandiser, quality managers, executives, sales personnel, production people, and entrepreneurs to interview as key informants. This interview will focus on the information like the process, objective, current performance in markets, competitors, products, customers, problems, strategies, cost analysis and so on.

4.3. Secondary Sources

I have explored the following secondary sources to meet the objectives of the report-

- Data inventory of different weaving factories in Bangladesh.
- Data inventory of different government organizations regarding clothing, trading houses.
- On-line news archive of newspapers and news agencies home and abroad.
- Annual report of different factories.
- Books, journals, magazines available in online and library.

5. Data Analysis

5.1. State of yarn Production in our country

Most spinning mills of Bangladesh produce low-grade yarn. The existing capacity is capable to produce & supply good quality combed yarn and polyester/cotton blended yarn for meeting the requirement of the clothing industry. The products of the spinning sub-sector are cotton yarn, polyester, synthetic yarn, woollen yarn and blended yarn mixed of cotton and

polyester of different counts (mostly up 80s count). Yarns are being used by the weaving sub-sectors like specialized textiles, handlooms, and knitting and hosiery.

The growth in the export of clothing with the phasing out of MFA in 2005 has led to the setting up of 350 spinning mills. Since 2001 there has been a boost in investment. The private sector spinning mills can now meet around 100% demand of yarn at the domestic level as well as 95% of the demand for yarn for export oriented knit fabrics mills. In addition, almost 85% of cotton yarns, and 50% demand for synthetic and blended yarn of export-oriented fabric producing mills are being met by the private sector spinning mills. [Ref#28]

Table -5.1. Bangladesh: Production and Consumption of Yarn and Fabric Rise

Years	Production		Consumption	
	Yarn (1,000 tons)	Fabrics(million meters)	Yarn (1,000 tons)	Fabrics (million meters)
2006/07	550	2,850	720	5,200
2007/08	602	3,000	760	5,600

Table-5.2. Bangladesh: CY 2013 Textile Industry Overview Number of Mills that are BTMA Members (Source: Bangladesh Textile Mills Association (BTMA))

Textile Mills	Number
Textile Spinning Mills	392
Textile Weaving Mills	783
Woven Mills	635
Denim Mills	22
Home Textile Mills	20
Knit Fabric Mills	100
Dyeing-Printing-Finishing Mills	240
Total	1415

Table-5.3. Bangladesh: CY 2013 Textile Industry Overview Number of Mills that are BTMA Members (Source: Bangladesh Textile Mills Association (BTMA))

Textile Mills	Number
Spindle Capacity	9,800,000 kg
Rotor / Open-end	250,000 kg
Yarn Manufacturing Capacity (Subject to 100% Capacity Utilization)	2,075,000,000 kg
Fabric Manufacturing Capacity	2,650,000,000 meters
Fabric Processing Capacity	2,425,000,000 meters

Table-5.4. Bangladesh: CY 2013 Textile Industry Overview Number of Mills that are BTMA Members (Source: Bangladesh Textile Mills Association (BTMA))

Textile Mills	Number
Raw Material Requirements	
Raw Cotton	8 million bales (maximum processing capacity)
Raw-Cotton Import / Consumed	4 million bales
Raw Cotton Source	Australia, China, CIS, Russia, India, Pakistan, United States, Central America, and East and West Africa
Type of Raw Cotton Imports	1-1/8", 1-1/16", 1-32", 1-5/32", other
Other Raw Material Used	<input type="checkbox"/> Polyester, Viscose and Acrylic Staple Fiber, Pet-Chips, Cotton Waste, and Waste Cotton <input type="checkbox"/> Yarn 5-10 counts (both for knit and woven) <input type="checkbox"/> Synthetic and Filament Yarn <input type="checkbox"/> Other Cotton and Knit Fabrics

Table-5.5. Bangladesh: Foreign Currency (F.C) Retention by Primary Textile Sector USD millions

	FY 2009/10*		FY 2010/11*		FY 2011/12*	
	Exports	Retention of F.C.	Exports	Retention of F.C.	Exports	Retention of F.C.
Woven export using local input	\$2,405	\$1,804	\$3,373	\$2,530	\$3,841	\$2,881
Woven export using imported input	\$3,608	\$902	\$5,059	\$1,265	\$5,762	\$1,441
Home Textile export using local input	\$301	\$226	\$592	\$444	\$680	\$510
Home Textile export using imported input	\$101	\$26	\$197	\$49	\$228	\$57
Total	\$12,898	\$7,010	\$18,703	\$10,214	\$19,997	\$10,818
Retention of F.C	54.35%		54.61%		54.10%	

5.2. Source of yarn

The spinning sub-sector of the primary textile sector (PTS) has been witnessing robust growth over the past decade due to growing demand for yarn from both the domestic textile market and the export-oriented ready-made garment (RMG) sector. Yarn production in MY 2009/10 is estimated at 731,000 tons and fabric production is estimated at 3.45 billion meters,

up by 14 percent and about 6 percent respectively from MY2008/09 productions. Bangladesh domestically produced 640,000 tons (around 80% of total requirement) of cotton yarn in MY 2008/09 while total cotton yarn requirement is 820,000 tons. The yarn shortfall of 180,000 Metric tons (around 20%) is met through imports from different sources of which prominent are India 75%, China 9%, and Taiwan 3%, Pakistan only 2%. [Ref# 27]

Table-5.6.Prominent Source of yarn.(Source different weaving factories.)

Country	Percentage
India	75%
China	9%
Taiwan	3%
Pakistan	2%
Others	1%

Figure-5.1.Prominent Source of yarn.(Source different weaving factories.)

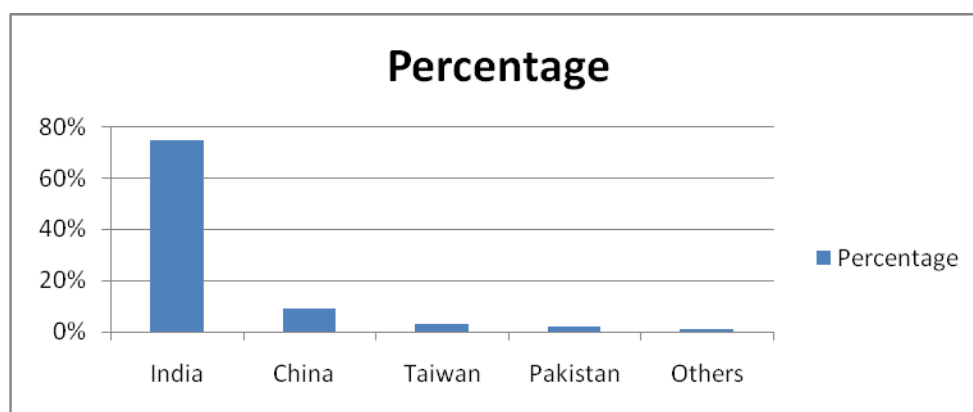


Table –5.7. The duty structure for importing Yarn is as bellows.(Source: National Board of Revenue (NBR), GOB)

Item	Import Duty	Vat	Advanced Income tax	License fee	Total
Raw cotton/ manmade fibers	10%	15%	3%	2.5%	30.50%
Yarn	10%	15%	3%	2.5%	30.50%
Fabric	25%	15%	3%	2.5%	45.50%
Textile dyes chemicals	15%	15%	3%	2.5%	35.50%

5.3. Government facility for yarn

Yarn & fabric imports for the export oriented RMG sector enjoy a duty draw back incentives provided by the government. There are no quantitative restrictions on imports of textile raw materials including fabrics. The Government on last November has announced a stimulus package to the tune of Taka 1000 core (\$149 million) covering textile and clothing industry to mitigate the negative impact of the recent global recession. The package provides the primary textile industry with bank loan rescheduling facilities, 5 percent cash incentive for export of yarn, and access to Export Development Fund (EDF) for import of raw cotton.

5.4. Market condition

The total demand for yarn by RMG producers and producers operating in the local market are more than the existing production capacity and there is requirement for an enormous increase in capacity if Bangladesh wants to ensure adequate supply of yarn locally. Handloom products may be suitable for the domestic market, but RMG producers cannot consider handloom as competitive because of consistent and large quantity demanded by quality fabric markets. On the other hand, power looms were originally targeted to serve the domestic market but to upgrade them for export quality is very difficult and costly. Weaving and Knitting Mills The next stage is weaving and knitting where yarn are converted to fabrics. Fabric is main raw material for making garment and accounts for 75 percent of the garment cost. Both hand looms and power looms are suitable for the domestic market, but a large demand of quality fabrics cannot be met by hand loom production. But in case of power looms, they may increase the production capacity to satisfy part of the RMG sector demand with a large investment.

In the long run, Bangladesh weaving mills need a high volume of yarn production to fulfill the demand for domestic and export markets. In year 2000, fabric demand was 830 million meters, and soon after in year 2005 the demand almost doubled. In about 5 years of time, the demand would increase to 1600 million meters. To fill these huge demands and the fabric shortfall, the weaving industry needs to increase the production capacity by developing number of new weaving industries. Both new and reconditioned machines must be added in this sector. The associated large involvement required is almost \$ 3.9 billion, \$ 2.7 billion for new machines and \$ 1.2 billion for reconditioned looms. (CPD in the 12th EXPO)

Table -5.8. Comparative Statement on Export of RMG and total export of Bangladesh.(Data Source Export Promotion Bureau Compiled by BGMEA)

YEAR	EXPORT OF RMG (IN MILLION US\$)	TOTAL EXPORT OF BANGLADESH (IN MILLION US\$)	% OF RMG'S TO TOTAL EXPORT
2000-01	4859.83	6467.30	75.14
2001-02	4583.75	5986.09	76.57
2002-03	4912.09	6548.44	75.01
2003-04	5686.09	7602.99	74.79
2004-05	6417.67	8654.52	74.15
2005-06	7900.80	10526.16	75.06
2006-07	9211.23	12177.86	75.64
2007-08	10699.80	14110.80	75.83
2008-09	12347.77	15565.19	79.33
2009-10	12496.72	16204.65	77.12
2010-11	17914.46	22924.38	78.15
2011-12	19089.69	24287.66	78.60
2012-13	21515.73	27027.36	79.61
2013-14	24491.88	30186.62	81.13

Figure -5.2. Comparative Statement on Export of RMG and total export of Bangladesh.(Data Source Export Promotion Bureau Compiled by BGMEA)

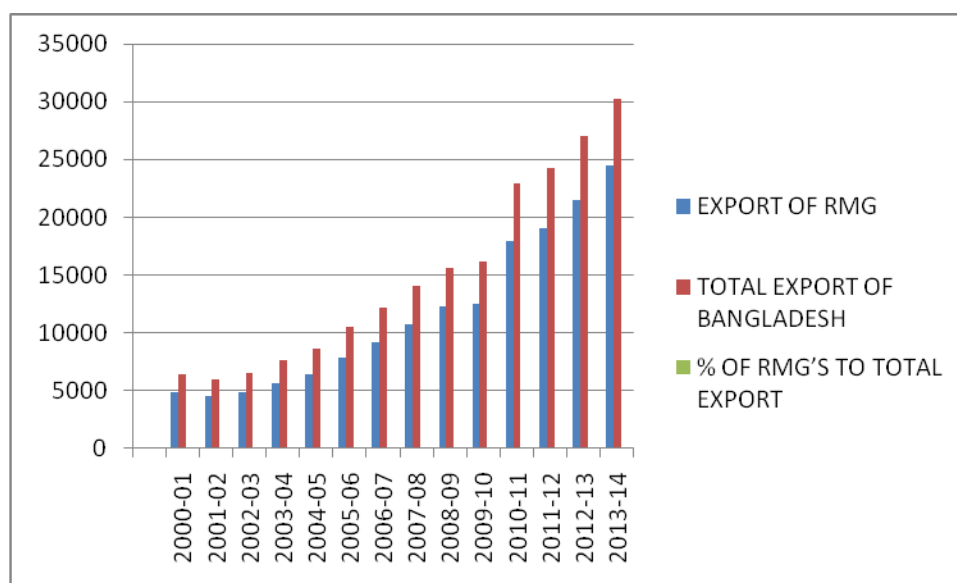
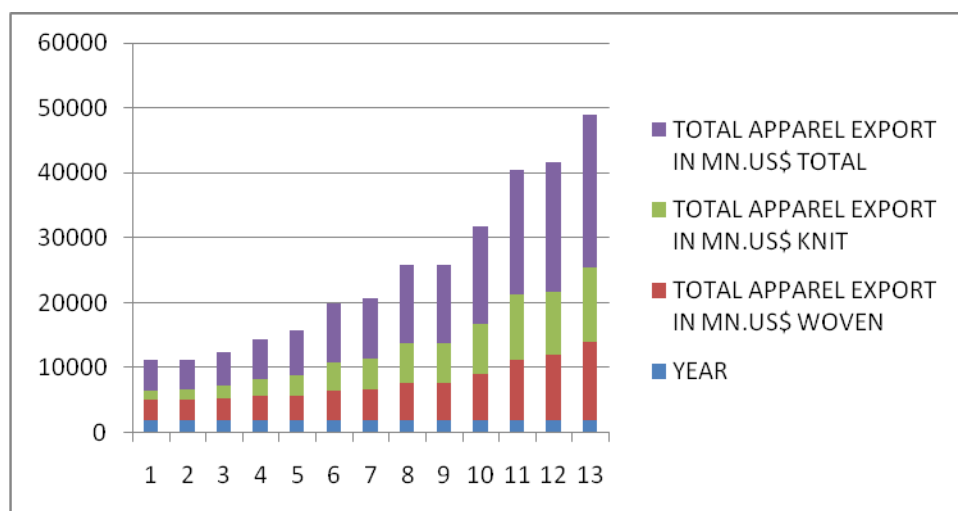


Table-5.9. Year Wise Apparel Export (Data Source Export Promotion Bureau Compiled by BGMEA)

YEAR	TOTAL APPAREL EXPORT IN MN.US\$		
	WOVEN	KNIT	TOTAL
2001	3162.28	1432.72	4595.00
2002	3076.28	1573.40	4649.68
2003	3398.84	1850.36	5249.20
2004	3686.78	2532.62	6219.40
2005	3689.60	3210.48	6900.08
2006	4544.79	4388.72	8933.51
2007	4608.40	4741.93	9350.33
2008	5654.12	6222.95	11877.07
2009	5695.42	6196.58	11892.00
2010	7067.04	7787.76	14854.80
2011	9252.80	9961.67	19214.47
2012	10117.43	9670.71	19788.14
2013	12052.30	11448.68	23500.98

Figure-5.3.Value of total Apparel Export calendar year basis. (Data Source Export Promotion Bureau Compiled by BGMEA)



5.5. Main Export oriented woven products

According to the statistics of BGMEA, BKMEA and Bangladesh Hand Loom Board, Bangladesh exports different woven items. Some statistical data are given below.

Table-5.10. Installed Textile industries in Bangladesh (Source BGMEA, BKMEA and Bangladesh Hand loom board)

Industry Type	Total No of Industry
Spinning Mills	400
Weaving Mills	1500
Knit Composite	1700
Garments Industry	5600
Hand loom Unit	0.183

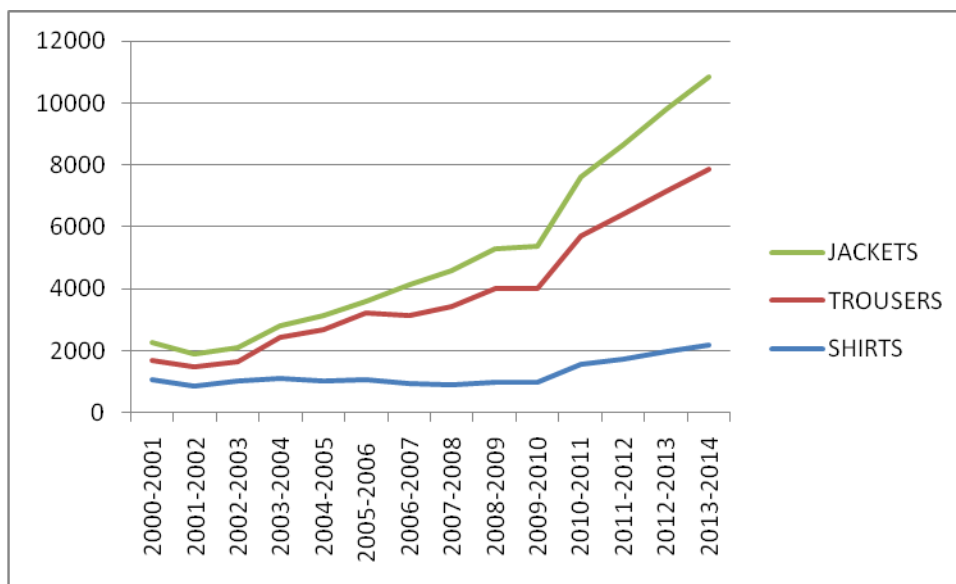
According to BGMEA, BKMEA and Export Promotion Bureau Bangladesh has exported the below in the previous 12 years.

Table-5.11. Item wise Apparel items exported (Woven) from Bangladesh (Value in MN.US\$)(Source Export Promotion Bureau Bangladesh)

YEAR	SHIRTS	TROUSERS	JACKETS
2000-2001	1073.59	656.33	573.74
2001-2002	871.21	636.61	412.34
2002-2003	1019.87	643.66	464.51
2003-2004	1116.57	1334.85	364.77
2004-2005	1053.34	1667.72	430.28
2005-2006	1056.69	2165.25	389.52
2006-2007	943.44	2201.32	1005.06
2007-2008	915.6	2512.74	1181.52
2008-2009	1000.16	3007.29	1299.74

2009-2010	993.41	3035.35	1350.43
2010-2011	1566.42	4164.16	1887.50
2011-2012	1733.54	4686.39	2231.16
2012-2013	1972.89	5185.48	2634.28
2013-2014	2173.73	5690.78	2973.16

Figure- 5.4.Main Apparel items exported from Bangladesh (Value in MN.US\$) (Source Export Promotion Bureau Bangladesh)



5.6. Countries generally exported by Bangladesh

Traditionally, the exports basket of Bangladesh has been leaning towards EU and the USA. So far the EU is the largest destination for Bangladesh knitwear, worth of value \$7.3 billion with share of 69.74% exported in the year 2012-13 followed by the USA with \$1.13 billion and a share of 10.79%. The one-stage transformation requirement of ROO in 2011 boosted signs for market penetration in the EU further; hence a growth of 46.63% in the FY 2010-11 over 2009-10 was remarkably noticeable. Bangladesh RMG sector mainly comprises of Knit and woven garments competing vigorously to surpass each other for taking up the leadership yoke within the economy.

It was in FY 2003-04 the knit garments for the first time exceeded woven wear and became the leader in terms of quantity exports with 91.6 million dozens as against 90.48 million dozens of woven garments. And from FY 2007-08, knitwear continues to widen the gap with woven both in terms of value and quantity. To the end the RMG sector, engine of our economic growth, has largely compensated with evolutionary mechanism in the overall designing of factory management - successfully leaving aside all the bottlenecks and making the economy a resilient one despite of natural disasters, poor infrastructure, weak governance and political turbulence.[Ref#35]

Table-5.12. Bangladesh's RMG Export to World (FY 11-12, FY12-13 & FY13-14)
(Source EPB)

Million US\$	Woven			Knit			Total		
	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
Major EU Countries									
Austria	17.50	23.07	25.33	34.49	29.26	31.81	51.99	52.33	57.15
Belgium	238.61	248.61	335.29	320.46	317.19	440.63	559.07	565.80	775.92
Denmark	86.80	125.91	145.24	318.72	375.62	450.71	405.51	501.52	595.94
Finland	7.85	10.81	10.07	29.25	25.55	26.10	37.10	36.36	36.18
France	416.72	498.00	579.52	855.18	892.45	964.27	1271.90	1390.44	1543.79
Germany	1,358.92	1,509.79	1,803.85	2039.97	2,168.49	2,573.70	3398.89	3678.28	4377.55
Greece	8.14	4.14	5.59	21.17	12.77	14.16	29.31	16.91	19.76
Italy	291.15	358.26	447.23	571.46	554.94	731.91	862.62	913.20	1179.14
Ireland	63.03	67.51	68.36	123.92	133.44	149.87	186.95	200.95	218.24
Netherlands	226.76	252.99	294.52	325.28	331.48	385.48	552.04	584.47	680.00
Spain	410.39	515.33	651.29	660.73	702.90	856.28	1071.12	1218.23	1507.56
U.K.	1,026.77	1,189.09	1,262.79	1103.30	1,259.84	1,335.25	2130.07	2448.93	2598.04
Czech Republic	37.99	39.38	66.65	25.77	32.92	43.69	63.75	72.30	110.33
Latvia	0.29	0.12	0.50	1.22	1.90	2.05	1.51	2.01	2.56
Poland	112.77	159.73	204.57	209.96	240.79	304.99	322.74	400.52	509.57
Slovakia	20.31	30.25	30.19	36.54	40.54	43.60	56.85	70.79	73.79
Sub-Total (EU)	4446.87	5173.86	6072.91	6928.69	7390.99	8672.47	11375.56	12564.85	14745.39
EU % of World	46.31	46.87	48.81	73.04	70.55	71.97	59.59	58.40	60.21
Growth%	23.18	16.35	17.38	0.27	6.67	17.34	8.13	10.45	17.35

USA	3515.45	3,865.68	3,943.52	1013.95	1,130.90	1,197.85	4529.40	4996.58	5141.38
<i>% of USA</i>	36.61	35.02	31.70	10.69	10.80	9.94	23.73	23.22	20.99
<i>Growth%</i>	0.27	9.96	2.01	-9.39	11.53	5.92	-2.07	10.31	2.90
Canada	473.04	518.29	556.87	401.82	461.97	445.10	874.85	980.26	1001.97
<i>% of Canada</i>	4.93	4.69	4.48	4.24	4.41	3.69	4.58	4.56	4.09
<i>Growth%</i>	2.44	9.57	7.44	-7.18	14.97	-3.65	-2.21	12.05	2.22
<i>% of Non-Traditional</i>	12.16	13.42	15.02	12.04	14.24	14.39	12.10	13.82	14.71
<i>% Growth of Non-Traditional</i>	36.62	26.89	26.10	11.91	30.66	16.24	23.17	28.75	21.15
GRAND TOTAL	9603.34	11039.85	12442.07	9486.35	10475.88	12049.81	19089.69	21515.73	24491.88
<i>% Growth</i>	13.88	14.96	12.70	0.05	10.43	15.02	6.56	12.71	13.83

5.7. Present condition of weaving sector

Despite many difficulties faced by the sector over the past years, it continued to show robust performance, competitive strength and, of no less importance, social commitment. RMG's contribution to Bangladesh economy is well-known, well-appreciated and well-respected. However, often times the magnitude of its multiplier impact and implications will justify the support that this sector has been given over the past years and also the support it is currently seeking from the government?

Table-5.13. Value of Total Apparel Export Fiscal year basis.(Data Source Export Promotion Bureau Compiled by BGMEA)

YEAR	TOTAL APPAREL EXPORT IN MN.US\$		
	WOVEN	KNIT	TOTAL
2001-2002	3124.82	1458.93	4583.75
2002-2003	3258.27	1653.82	4912.09
2003-2004	3538.07	2148.02	5686.09
2004-2005	3598.20	2819.47	6417.67
2005-2006	4083.82	3816.98	7900.80
2006-2007	4657.63	4553.60	9211.23
2007-2008	5167.28	5532.52	10699.80
2008-2009	5918.51	6429.26	12347.77
2009-2010	6013.43	6483.29	12496.72
2010-2011	8432.40	9482.06	17914.46
2011-2012	9603.34	9486.35	19089.69
2012-2013	11039.85	10475.88	21515.73
2013-2014	12442.07	12049.81	24491.88

Figure-5.5. Value of Total Apparel Export Fiscal year basis.(Data Source Export Promotion Bureau Compiled by BGMEA)

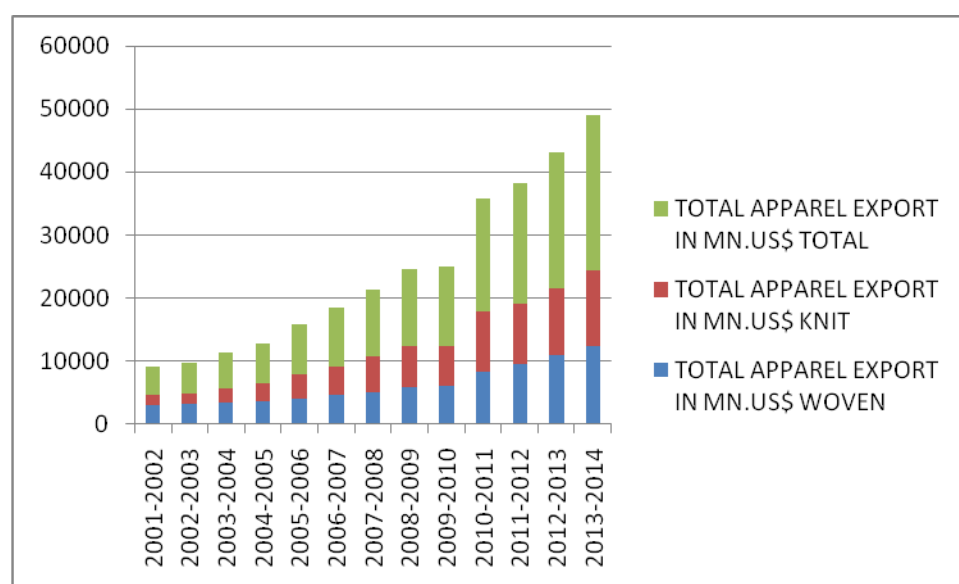


Table-5.14. Export performance for the Month of July-January 2013-2014 (Source Export Promotion Bureau, Bangladesh)

Products	Export Performance July-June. 2012-13	Export Target for 2013-14	Strategic Target for July-Jan. 2013-2014	Export Performance July-Jan 2013-2014	% Change of export Performance Over Strategic Target	Export Performance for July-Jan 2012-2013	% Change of export performance; July-Jan 2013-14 Over July-Jan 2012-13
Terry Towel	81.96	86.06	47.75	44.62	-6.55	47.94	-6.93
Special Woven Fabric	10.93	11.80	6.55	6.95	6.11	6.24	11.38
Knitted Fabrics	24.01	25.21	13.99	13.04	-6.79	12.90	1.09
Other	7.62	9.14	5.07	4.16	-17.95	3.64	14.29
Knitwear	10475.88	11575.85	6423.44	6994.52	8.89	5920.85	18.13
Woven Garments	11039.85	12571.46	6975.90	7178.71	2.91	6118.70	17.32

All the data are gathered from three different categories sources.

They are

Weaving factories

Woven garments manufacturing factories.

Woven fabric suppliers (Imported fabric & local fabric)

5.8. Production condition of different factories.

1. Thermax Yarn Dyed Fabrics Ltd& Thermax Check Fabrics Ltd.

Business Office:

Road # 25/A, House # 93, Block – A,

Banani, Dhaka – 1212, Bangladesh.

Mob: 01755-537082; 01922-957525

Phone: +88-02-8832808, Fax: +88-02-8833329

No of machine: No of loom 270

Production capacity: 2.2 Million per month.

Order quantity: 1.7 Million Per month.

Fabric produced for local market or export oriented garments [Ref#13].

Thermax generally supply export oriented fabric to the following factories:

- Babylon Dress Ltd;
- Dress men Apparels;
- Russell Garments;
- New age Garments Ltd;
- Vision Garments Ltd;
- Park star Apparels Ltd;

Quality of fabric: the quality parameters are maintained according to the buyer's requirement.

Best Quality Parameter, Like

- H&M,
- C&A,
- TEMA,
- NEXT,
- Olympic,
- M&S,
- Solver,
- Tom Tailor,
- Esprit,
- American Eagle,

- G-Star,
- George,
- Brascan

- **2.Partex Denim Ltd**

- Banglabazar, Gazipur, Dhaka
- No of machine: In Unit 1 no of loom 180 Air jet loom
- and Unit 2 no of loom is 168 (Rapier + Air jet)
- Production capacity: 2.2 Million yards per month
- Order quantity: 1.7 Million yards per month[Ref#14]

Table-5.15.Raw Materials used in Partex Denim Ltd

Yarn	Material	Sourcing
Warp yarn	Cotton	90% from Amber Group
Weft Yarn	Cotton	10% from Pakistan
	Polyester Cotton Blend	
	Cotton Lycra Blend	
	Polyester Lycra Blend	

Buyer

- Lee
- H&M
- REEF
- C&A
- ZARA
- Wrangler
- M&S
- NAUTICA
- Next
- Adams
- TOMMY HILFIGER

- LINDEX
- Vogel
- TOM TAILOR

3. Tania Spinning Mills Ltd.

(Weaving & Spinning Units). Gorai, Mirzapur, Tangail Phone & Fax: 09229-87027.

Nature of Company: 100% Export Oriented. [Ref#15]

Weaving- 800,000 Yards/Month.

Table-5.16. Product list of Tania Weaving Mills Ltd

Composition	Construction	Weight	Width	Weave	Finish
100% Cotton	40X40/120X80	3.6	57/58"	Plain	Regular
100% Cotton	40X40/133X72	3.6	57/58"	Plain	Regular
100% Cotton	40X40/133X76	3.7	57/58"	Plain	Regular
100% Cotton	40X40/133X100	4.25	57/58"	Plain	Regular
100% Cotton	40X40/144X100	4.5	57/58"	Plain	Regular
100% Cotton	40x30/120x80	4.15	57/58"	Plain	Regular
100% Cotton	40x20/140x80	5.4	57/58"	Plain	Regular
100% Cotton	30x30/106x80	4.5	57/58"	Plain	Regular
100% Cotton	30x30/130x70	4.85	57/58"	Plain	Regular
100% Cotton	40X40/133X100	4.25	57/58"	Plain	Micropeach
100% Cotton	40X40/133X100	4.25	57/58"	Plain	Regular
100% Cotton	40X40/133X72	3.6	57/58"	Plain	Regular
100% Cotton	40X40/133X72	3.6	57/58"	Plain	Wresist.
100% Cotton	40X40/110X76	3.4	57/58"	Plain	Regular
100% Cotton	40X40/133X100	3.9	57/58"	Plain	Paper Touch
100% Cotton	30/2X16/96X48	6.5	57/58"	Plain	Regular
100% Cotton	20x20/128x56	6.7	57/58"	Plain	Peach
100% Cotton	16x16/96X58	7.3	57/58"	Plain	Regular
100% Cotton	16x12/108x50	8	57/58"	Plain	Regular
100% Cotton	20//X16///132X60	7.5	57/58"	Plain	Regular
100% Cotton	16//X12///108X56	8	57/58"	Matt	Regular
100% Cotton	20X20/100X50	5.5	57/58"	Plain	Regular
100% Cotton	20X16/100X50	5.9	57/58"	Plain	Regular
100% Cotton	10X10/72X40	8	57/58"	Plain	Regular
100% Cotton	14X14/60X60	6.25	57/58"	Plain	Peach
100% Cotton	16x16/96X58	7.3	57/58"	Plain	Regular
100% Cotton	10X10/72X40	8	57/58"	Plain	Regular
100% Cotton	16//X12///108X56	8	57/58"	Matt	Regular
100% Cotton	40/2X40/2/108X58	6	57/58"	Plain	Peach
100% Cotton	40//X40/160X60	4	57/58"	Plain	Regular
100% Cotton	40//X10/100X50	5.5	57/58"	Plain	Regular
100% Cotton	30//X20/100X60	4.6	57/58"	Plain	Regular
100% Cotton	7X7/72X42	11.8	57/58"	3/1 twill	Regular

4. Inter Fabric Shirt Manufacturing Ltd.

302/547 (G. Floor & 1st Floor), Kunai, Gaza Union, K.B. Bazaar, National University
GazipurSadar, Gazipur

100% Export oriented woven garments.

Monthly capacity: 950000pcs/month

Total workers: 4950

Total line: 47

Inter fabric source fabric according to the buyer requirement. Some buyers don't allow local fabric, Some buyer don't have any requirement about fabric but have some special requirement about finishing or something else. So different reasons are behind during fabric selection locally or imported.[Ref#16]

Buyers:

- Hugo boss,
- MNS,
- H&M,
- Next,
- American Eagle

Table-5.17.Fabric Sourcing percentage for making garments both local & imported.(Source marketing person of Inter fabric Shirt Manufacturing Ltd.)

Sourcing area	Factory/Country	Percentage
	Thermax	4%
	Zaber&Zubaier	4%
	Paramount	6%
Local	Akij	1%
	Total	15%
Imported	China	54%
	Thailand	5%
	Malaysia	20%
	India	5%
	Europe/Pakistan	1%
	Total Important	85%
Total		100%

Figure-5.6.Fabric Sourcing percentage for making garments local. (Source marketing person of Inter fabric Shirt Manufacturing Ltd.)

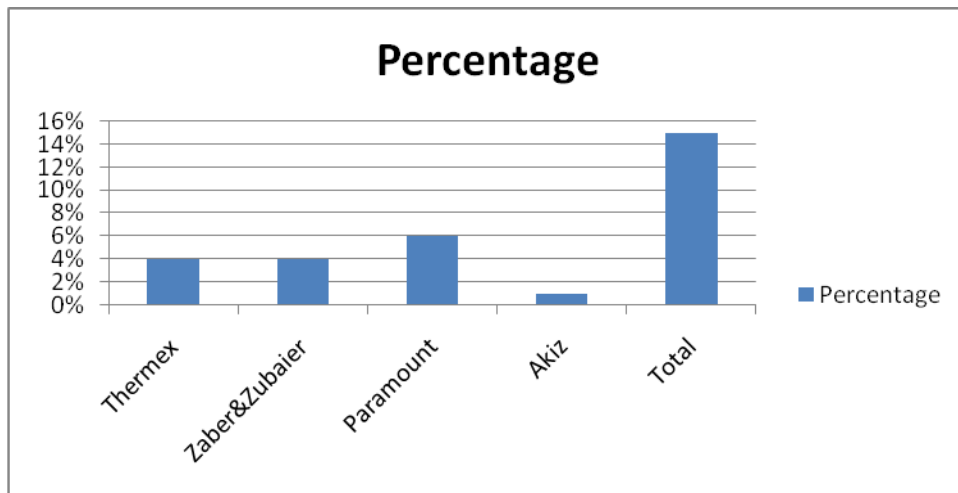
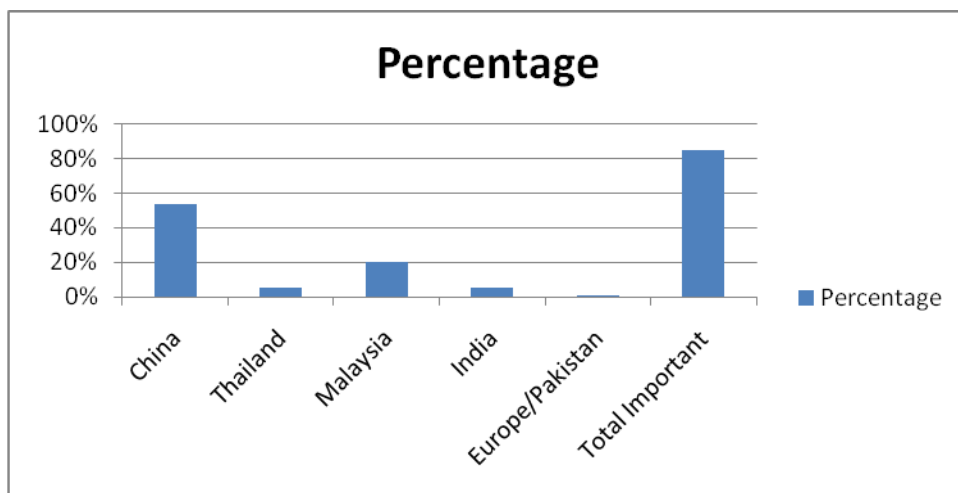


Figure-5.6.Fabric Sourcing percentage for making garments imported.(Source marketing person of Inter fabric Shirt Manufacturing Ltd.)



5. Biwas Group

Product Range- Men's, Women's, Boys, Girls , Kids and Toddlers-Shirts, Polo Shirts, Woven Women's Blouses, Men's Shirts, Pants/Shorts Casual/Denim Men's, Women's and Kids ,Jogging Suits, Swimwear, Nightwear, and Winter wear.

Monthly Capacities:

- woven bottoms: 430,000 piece
- woven tops:300,000 piece
- pants:380,000 piece
- Weaving Capacity : 100,000 yards

Table-5.18. List of Weaving Machines in Biwas Group

SL	Machine Name	M/C Quantity	Capacity (Per day)	Origin	Brand
1	Weaving M/C	10 Set	2628 yards	Japan	Nissan Dobby M/C
2	Weaving M/C	50 Set	13143 yards	Japan	Tsudakoma Dobby M/C (big)
3	Weaving M/C	50 Set	13143 yards	Japan	Tsudakoma Tappet M/C (big)
4	Weaving M/C	32 Set	8411 yards	Japan	Tsudakoma Tappet M/C (Small)
5	Weaving M/C	50 Set	13143 yards	Japan	Yean Chuan Tappet M/C
6	Sizing M/C	1 Set	30240 yards	Japan	IL Shin Korea
7	Sizing M/C	1 Set	30240 yards	Japan	Kawabata Japan
8	Beaming M/C	1 Set	77600 yards	Japan	IL Shin

9	Beaming M/C	1 Set	77600 yards	Korea	IL Shin
10	Tricot Beaming M/C	1 Set	36000 yards	German	Kara Mayer
11	Warping M/C	1 set	57600 yards	Japan	IL Shin
12	Sectional Warping	1 set	5000 yards	Japan	Yung Hung
13	Reaching M/C	2 Set		Japan	Wada
14	Leno Bib in M/C	2 Set	300 piece	Japan	Wada
	Total=	203 Set			
1	Drawer Stand	6 Set	35000 ends	Bangladesh	Bangle
2	Weaving M/C	43 Set	11266 yards	Japan	Tsudakoma Dobby (Small)
3	Weaving M/C	11 Set	2882 yards	Japan	Tsudakoma Tappet
4	Weaving M/C	45 Set	11790 yards	Japan	Computer Dobby M/C
5	Inspection M/C	2 Set	30000 yards	Japan	Hong Chyi
6	Weaving M/C	4 Set	1048 yards	China	P.R.C
	Total=	111 Set			

Table-5.19. List of Weaving Machines in Biwas Group**(Floor B)**

SL	Machine Name	M/C Quantity	Capacity	Origin	Brand
1	Drawer Stand	6 Set	35000 ends	Bangladesh	Bangla
2	Weaving M/C	43 Set	11266 yards	Japan	Tsudakoma Dobby(Small)
3	Weaving M/C	11 Set	2882 yards	Japan	Tsudakoma Tappet
4	Weaving M/C	45 Set	11790 yards	Japan	Computer Dobby M/C
5	Inspection M/C	2 Set	30000 yards	Japan	Hong Chi
6	Weaving M/C	4 Set	1048 yards	China	P.R.C
	Total=	111 Set			

6. NZ Group

Balaikha, Vulta, Rupgonj, Narayangonj, Bangladesh.

Purba Gram, Vulta, Rupgonj, Narayangonj.

6.1 Joni Textile Mills

Joni Textile Mills is producing 8000 yards. Fabric per day with its high speed Rapier Machine. In course of time it has gathered technical knowhow to weave quality fabrics.

Fabric produced

- 100% Cotton,
- Twill,

- Canvas,
- Panama Canvas,
- Bedfordcord,
- Oxford,
- Rib stop,
- Poplin,
- Viol,
- Stress Twill and
- Dobby Design

Production Capacity:

Production Per Day	8,000 yards
Production Per Month	2, 40,000yds.
Production Per Year	28, 80,000yds.

6.2 NZ Fabrics

NZ fabrics produce 17,000 yards. High quality fabric per day through its 60 Toyota Air Jet Machine (Japan). It is well equipped in terms of compressor, warping and sizing.

Primary Products:

- Linen Fabrics,
- Cotton Linen,
- Blend Linen,
- Twill,
- Canvas,
- Poplin,
- Bedfordcord,
- Check Fabrics.

Production Capacity:

Production Per Day	17,000yds.
Production Per Month	5, 00,000yds.
Production Per Year	60, 00,000yds.

Specialized on Linen and cotton fabric manufacturing. Our experts are producing

- 100%Linen,
- Cotton
- Linen, Blend Linen Fabric and
- Different types of cotton fabric for Shirting and Trouser Industry.

7. VERTEX WEAR LTD

Varari, Raj fulbaria, Saver, Dhaka

Product of supply:

- Plain shirt
- Long sleeve shirt.
- Multi-color shirt
- Check shirt
- Multi.

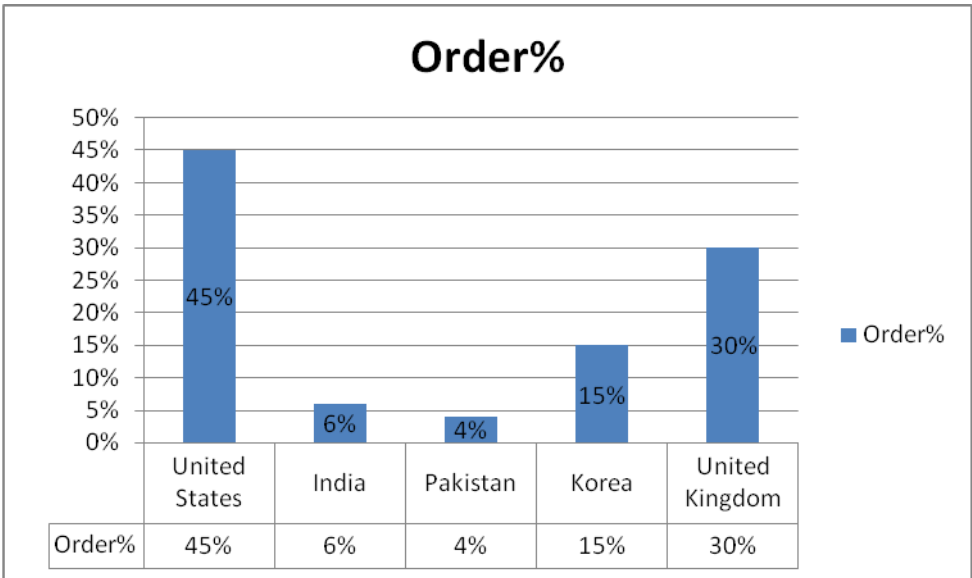
Buyer

- United states
- India
- Pakistan
- Korea
- United kingdom

Table-5.20. List of order percentages according to buyers

Buyer	Order%
United States	45%
India	6%
Pakistan	4%
Korea	15%
United Kingdom	30%

Figure-5.7. List of order percentages according to buyers



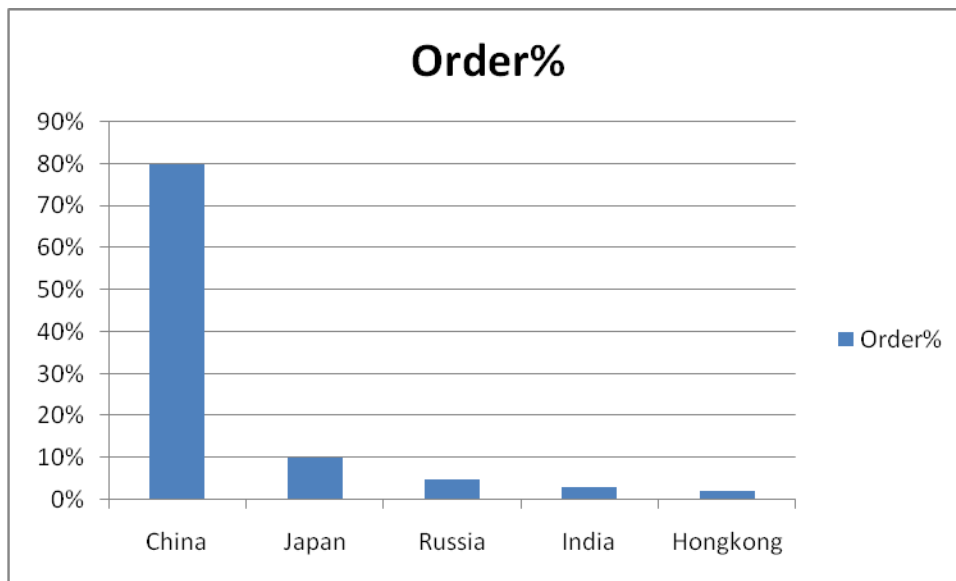
Supplier

- China
- Japan
- Russia
- India
- Hong Kong

Table-5.21. List of order percentages according to suppliers

Supplier	Order%
China	80%
Japan	10%
Russia	5%
India	3%
Hong Kong	2%

Figure-5.8. List of order percentages according to Suppliers:



8. Messalina Textile Mills Ltd

Messalina Textile Mills Ltd. is the most modern weaving mills in Norshingdi of Bangladesh. It has an installed capacity of 45 high-speed rapier looms (Tsudokoma 20 looms, Saucer S 400 25 sets) and 95 no's medium speed looms as described below. Messalina Textile Mills Ltd have been producing about 40,000 yards of grey woven fabrics per day ranging from 120GSM to 450GSM of the medium and heavy plains, Twills, Poplins, Herringbone, Bedford, Ottoman, Dobby etc. to meet the standards of the most discerning international buyers.

Factory Details:

- Year of establishment: 1996
- Product line: 100% Cotton & Synthetic, Woven Fabrics
- Investment: BDT 50 million
- Total Factory Area: 125,000 sft.
- Production Space: 50,000 sft.
- Production Capacity: 20,000 yards per day
- Total Number of loom: 140 Sets

Table-5.22. List of machinery quantity with RPM

Brand	Quantity with RPM
Toyota	50 (Average RPM 200-220)
Ishikawa	45 (Average RPM 200-220)
Tsudokoma	20 (Average RPM 320-330)
Saucer S 400	25 (Average RPM 250-260)

Table-5.23. List of fabric produced in Muslin Textile Mills Ltd.

Name of Items	Construction	Finished Width	Remarks
Twill	108x58/20x20	57"-58"	
	128x60/20x16	57"-58"	
	128x60/20x16	57"-58"	R/D+ Pigment Print
	108x56/16x12	57"-58"	
	72x42/7x7	57"-58"	
	72x40/10x10	57"-58"	
	112x42/20x7	57"-58"	
	72x40/10x7	57"-58"	
Herringbone	16x12/108x56	57"-58"	
Canvas	72x42/10x10	57"-58"	
	72x42/10x7	57"-58"	
	110x40/20x16	57"-58"	
	100x50/20x20	57"-58"	
	96x50/16x16	57"-58"	
	110x40/16x10	57"-58"	
Fancy Canvas	20x16/108x68	57"-58"	
Rib-Stop	20x20/108x56	57"-58"	

Ottoman	120x50/20x7	57"-58"	
	120x50/20x10	57"/58"	
	108x56/16x12	57"-58"	
Broken Twill	120x60/16x12	57"-58"	
Bedford Cord	76x44/10+10x7+7	57"-58"	
Panama	100x50/20+20x10+10	57"-58"	
	70x40/10+10x10+10	57"-58"	
	112x54/16+16x12+12	57"-58"	

9. Paramount Textiles

Steeper, Gazipur, **Bangladesh**

100% export oriented woven fabric.

Production Item:

- 100%cotton yarn dyed woven fabric.
- 100% cotton solid white fabric.
- Both stripe & check shirting.
- Basic weave:
 - Plain.
 - Twill
 - Satin
 - Canvas
 - Oxford
 - Matt
 - Bedford cord
 - Decorative twill (Herringbone, Zigzag, Diamond)
 - Stretch & Different types of structured Dobby fabric.

Yarn Count

16s, 20s, 30s, 40s, 50s, 60s, 80/2s, 100/2s

10. PADMA WEAVING LIMITED

Address: Bhutan Rupgonj, Narayangong, Bangladesh

Factory Space: 100,000 sft

Production Item: All kind of cotton & elastic& Yarn Dyed Fabrics

Production Capacity: 01 million yards per month

No. of Labor & Manpower: 200 persons

Table-5.24. List of machinery of Padma Weaving Mills Ltd.

SL No	Name of machine	Year of Manufacture	Suppliers Name	Country
1	Recondition Toyota Air jet 106 nose	1999	Chan woo Industry co (Korea)	Japan
2	Brand new SMIT weaving M/C 24 nose 6-8 colors	2008	SIMIT textile SPA	Italy
3	Reconditioned Ramatex weaving M/C 18 nose colors	2000	Imeotex	Italy
4	Direct warping 2 set (Rota +Menninger)	2000	Seated SRL	Switzerland /Italy
5	Juicer Muller sizing M/C	2006	Chan woo Industry co (Korea)	Germany
6	Chiller & Humidification Plant 2 nose	2009	Qingdao peters Textile co	China
7	Bagel Air compressor 6 nose (New)	2006/2008	Bagel compressor	Germany
8	Overhead Travel cleaner 15 sets	2008	Smite Machinery Pvt	India

Table-5.25. List of fabric produced in Padma Weaving Mills Ltd

SL.	FABRICS DESCRIPTION
1	100% CTN COMBED TWILL 0/2X10/124X64 - 3/1 – (Z-TWILL)
2	100% CTN COMBED DOBBY 20X10/140X75
3	100% CTN COMBED DOBBY STRIPES 20X20+12 /130X60
4	100% CTN COMBED CANVAS 20+20X12+12/130X60
5	100% CTN COMBED DOBBY STRIPES 30X7/144X58
6	100% CTN COMBED TWILL 20X7/118X60
7	100% CTN COMBED OTTOMAN 20X7/120X44
8	100% CTN COMBED BROKEN TWILL 40/2X7/120X54

9	100% CTN COBED OTTOMAN 30X16/130X66
10	100% CTN TWILL 40/2X16/130X64
11	100% CTN TWILL 20X16/134X68
12	100% COTTON COMBED CANVAS 40/2X40/2/108X58
13	100% CTN COMBED POPELINE 40X40/133X72
14	100% CTN TWILL 20X16/128X60
15	100% CTN TWILL 20X20/108X58
16	100% CTN CANVAS 20X20/108X58
17	100% CTN TWILL 30X30/130X70
18	100% CTN TWILL 30X20/130X70
19	100% CTN TWILL 20/2X10/72X66
20	100% CTN BEDFORD CORDUROY 120X58/16X12

11. Reza Fashions Limited

Monthly production capacity: 500,000 piece

Exporting country

- Europe,
- Turkey

Products:

Major products are any kind of woven bottoms/Outer-wear for Babies / Kids /Ladies& Men's.

Types of fabric

- Cotton
- polyester mix,
- T/C,
- Cotton/stretch etc in non-denim and denim also can do any kind of garment washing based on buyer's requirements.

Business Partners:

- H&M,
- Tama ,
- C&A,
- Obverse,
- Ned,
- Pizza Italia etc..

5.9. Comparative study between imported fabric and local fabric.

5.9.1. Imported fabric

Advantages

1. High Quality product

Buyers who recommend for higher quality product is easily achieved by imported fabric. In our country different quality parameters can be achieved up to a certain limit. Lack of advanced machineries, latest technology and skilled worker we can't the buyer requirement all the time. So that for quality we are badly depend on imported fabric although some factories are trying to modernize.

2. Special effect on product

Sometime specific requirement like special finish or adding extra effect on fabric etc are demanded by the buyers. For an example Olympia buyer ordered garments made by non-iron fabric which can be done by mechanizing or applying liquid ammonia. Only few factories of China are capable of making this kind of fabric. So that in this case we have no other choice except importing fabric from china.

3. Buyers recommended factories: Some factories have good long time relation with the specific buyers. And buyers also feel comfort working with them. Due to these beneficial relationships we are sometimes bound to import fabric from the recommended factories.

Disadvantages

1. Lead Time

Lead Time for delivering of apparels to the overseas buyers will be a major component in the field of competition during the period of manufacturing. Quickly respond with the

changes of market condition is common practice in US buyer so lead time is one of the major factors that would lead to increased competitiveness in apparel trade.

Table-5.26. Lead time of Apparel Export from Bangladesh for Local & Imported fabric.

Components	Local Fabric (Days)		Imported Fabric (Days)	
	Optimal	Non optimal	Optimal	Non optimal
Producer receives LC	0	0	0	0
RM Supplier Receives BBLCs	0	0	4	6
Readymade supplier produces & ships goods.	10	15	25	30
RM sails & reaches Ctg port	0	0	21	30
Port clearance & Inland Transportation	0	0	5	9
Garments produced & shipped	20	30	20	30
Finished Goods, Sails & Reaches Buyers	25	30	25	30
Total	55	75	100	135

2. High production cost

When buyer ordered big volume goods then minimum decrease of cost brings great benefit for buyers. If garments made from imported fabric then manufacturing cost become higher than garments made from local fabric.

5.9.2. Local Fabric

Advantages

1. Minimum lead time

Lead Time is one of the major advantages for locally produced fabric. Comparatively less time required for producing garments locally rather than garments from imported fabric. Now a days people are too much conscious about fashion trend and style selective than before. Considering the fact buyers ordered varieties of styles with small quantity. So large

volume of order for same style now split into small amount of different orders. Buyers want variations in garments with shortest possible time. So huge volume buyers like H&M, Wal-Mart etc want fabric produced locally to minimize lead time. If we produce best quality fabric locally rather than imported fabric it will definitely bring us a great benefit.

2. Cost minimization

Garments manufacturing cost become less when we get fabric locally. As carrying cost added with the total cost during the use of imported fabric. When order quantity is high then 1cent decrease brings huge amount of money saving.

3. Develop factory condition

With the increase of demand our local factories will get scope to be developed day by day. They will be more cautious about quality requirement, using latest technology and will try to fulfill buyer obligations more accurately. To compete with the world's most comparative sector factories will be developed day by day.

4. Competitive market create

To compete with the foreign fabric supplier we need modernized factories with required quality level. If we minimize our shortcomings and achieve desired quality level then we can create a competitive market for fabric arrangement. As well as we can convince the specific buyers who generally recommend for imported fabric from their selective fabric suppliers.

Disadvantages

1. Limited area of scope

In our country export oriented woven fabric manufacturing factories are limited. Among them some factories are equipped with modern machineries. Factories produce some common fabrics widely. Varieties of fabric with special qualities can't be produced in our country. So diversification scope is limited here. It is one of major problems we generally face.

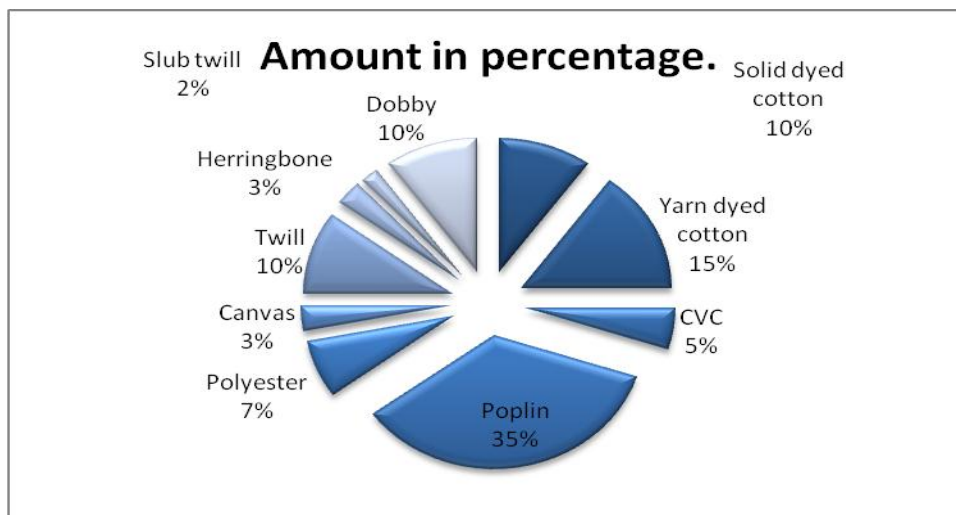
List of fabrics generally produced in our country.

- Solid dyed cotton
- Yarn dyed cotton
- CVC
- Poplin
- Polyester
- Canvas
- Twill
- Herring bone
- Slub twill
- Dobby

Table-5.27. Percentage of fabric produce in our country.

Fabric	Amount in percentage.
Solid dyed cotton	10%
Yarn dyed cotton	15%
CVC	5%
Poplin	35%
Polyester	7%
Canvas	3%
Twill	10%
Herringbone	3%
Slub twill	2%
Dobby	10%

Figure-5.9. Percentage of fabric produces in our country



5.10. Quality Check in our country

During bulk production and sampling, regular and meticulous supervision of the process by skilled staff is ensured at every step to avoid any discrepancy between the actual product and the approved sample.

A final quality inspection is carried according to buyers AQL level. The quality report is sent to the buyer for approval prior to shipment upon request.

Quality check is done in two stages like

- On line check: Checking done during the process run.
- Off line checking: Checking done after the production complete.

5.3.1. Raw Materials Check

1. Raw materials hand feel

The way the fabric feels when it is touched. Terms like softness, crispness, dryness, and silkiness are all terms that describe the hand of the fabric. A good hand refers to shape retention without stiffness.

2. Weight per square meter

The weight of a fabric can be expressed in two ways, either as the 'weight per unit area' or the 'weight per unit length'; the former is self-explanatory but the latter requires a little explanation because the weight of a unit length of fabric will obviously be affected by its width. In woven fabric, the weight per unit length is usually referred to as the 'weight per running yard'. It is necessary therefore to know the agreed standard width upon which the weight per running yard is based. Usually this width depends upon the width of loom. Before coming the term 'GSM' there was another term called 'lb/100 yards'. This expression is used by British Standard. For measuring this there are a template and a quadrant balance. The template area is 1/100 square yards of which each arm is 1/10 yards in length. For measuring GSM, a GSM cutter is used to cut the fabric and weight is taken in balance. Both of these measurement and method is equally used for both woven and knitted fabrics.

3. Light fastness

Nowadays the criteria of light fastness are a major concern amongst the dyers. The stringent requirement of light fastness is getting more and more importance in the European as well as in the American market. It is very much essential to understand the different test methods, grading and factors affecting light fastness.

Generally it is difficult to achieve good grade of light fastness in light, medium, tricky shades viz., khaki, olive, grey, browns etc. A proper combination always helps to arrive at the customer requirement.

Generally two methods of testing are widely accepted by most of the customers.

They're:

American Test Method (AATCC16E)

British Test Method (ISO 105/BO2)

Some more points that affect the fastness of a printed fabric:

The fastness to light of a print is not governed solely by the colorant. It is also very dependent on the colorant concentration, the thickness of the layer and the binder; other factors such as the spectral composition of the incident light and the atmospheric humidity also play a role. Consequently, it is very difficult to exactly quantify fastness to light. The values are merely given as a guide to formulators in carrying out their own tests.

3. Shrinkage after first third wash

Shrinkage is the process in which a fabric becomes smaller than its original size, usually through the process of laundry. Novice users of modern laundry machines sometimes experience accidental shrinkage of garments, especially when applying heat. Others may intentionally shrink a garment to their size. Some may purchase a garment one or more sizes larger in anticipation of shrinkage.

4. Dimensional stability

Dimensional stability is one of the major terms for fabrics as well as garments. Washing, ironing etc should not change the dimension of fabric. So that it should be carefully handled.

5. Wash fastness

Color fastness is a term used in the dyeing of textile materials, meaning resistance of the material's color to fading or running. The term is usually used in the context of clothes. The first known use of the word colorfast was in 1916. In general, clothing should be tested for colorfastness before using bleach or other cleaning products. Light fastness, wash fastness, and rub fastness are the main ones that are standardized.

The light fastness of textile dye is categorized from one to eight and the wash fastness from one to five. The higher the number the better fastness is obtained.

5.11. Garments Quality Control

- Workmanship check as per customer's specification
- Measurement check
- Assortment check
- Access labeling & tagging check
- Packing & Markings check
- Product safety requirement (Metal Detector)

Fabric Inspection method used in factories:

Table- 5.28.Four points system generally used for fabric inspection:

Length of defects	Point considered
0'-3'	1
3'-6'	2
6'-9'	3
Above 9'	4
In case of hole	
0"-1"	2
Above1'	4

5.12. Costing problem

Costing of a Women's Jacket

Costing with Imported fabric

98% Cotton, 2\$ Lycra. Kassel GRFD3039

Fabric width 52”
Fabric (+Finance) = \$5.21
Trims = \$1.99
Washing = \$2.00
C&M = \$2.30
Packaging = \$0.32
Test Report = \$0.05
Settle discount = 3%
Settle discount cost = \$0.36

Total FOB cost = \$12.23

Costing with Local fabric

100% Cotton Denim.Partex Art-GSD14
Fabric width 52”
Fabric (+Finance) = \$4.56
Trims = \$1.99
Washing = \$1.85
C&M = \$2.30
Packaging = \$0.32
Test Report = \$0.05
Settle discount = 3%
Settle discount cost = \$0.33
Total FOB cost = \$11.40

Here we can see that for this specific woven garments we have to pay at least \$.083 extra for using imported fabric.

5.13. Quality problem

Fabric faults are responsible for major defects found by the garment industry. Due to the increasing demand for quality fabrics, high quality requirements are today greater since customer has become more aware of “Non-quality” problems. In order to avoid fabric rejection, mills have to produce fabrics of high quality, constantly. Often inspectors are given the responsibility of inspecting finished garments without adequate training in fabric defects

and their causes. The ultimate solution, of course, is to provide actual examples or photographs of both major and minor defects.

The following definitions are central to fabric inspection:

Major Defect:

A defect that, if conspicuous on the finished product, would cause the item to be a second. (A "second" is a garment with a conspicuous effect that affects the salability or serviceability of the item.

Minor Defects:

A defect that would not cause the product to be termed a second either because of severity or location. When inspecting piece good sprier to cutting, it is necessary to rate questionable defects as major, since the inspector will not know where the defect may occur on the item.

Major quality problem we generally face are given below

- Slub yarn
- Knot
- Miss yarn
- Reed mark
- Spot(chemical spot during finishing and dyeing)
- Dirty yarn(most for white fabric)
- Foreign yarn
- Dead cotton yarn
- Shading problem (Roll to roll shading, running shading like after few yards shade change, selvedge shade ,width to width shade change, lot to lot shading in case of yarn dyed fabric)
- Color fastness after wash
- Shrinkage problem.
- Bowing problem means horizontal check line deflects

They are discussed below:

Fabric Fault

- 1. Burl Mark:** When a slub or extra piece of yarn is woven into the fabric, it is often removed by a "burling tool. "This will usually leave an open place in the fabric.
- 2. Drawbacks:** Caused by excessive loom tension gradually applied by some abnormal restriction. When there striation is removed the excess slack is woven into the fabric. Usually the ends are broken
- 3. Dropped Pick:** Caused by the filling insertion mechanism on a shuttle less loom not holding the filling yarn, causing the filling yarn to be woven without tension. The filling yarn appears as "kinky."
- 4. Missing end:** End Out Caused by yarn breaking and loom continuing Torun with missing end.
- 5. Jerk-in:** Caused by an extra piece of filling yarn being jerked part way into the fabric by the shuttle. The defect will appear at the selvage.
- 6. Knots:** Caused by tying spools of yarn together
- 7. Mixed End (Yarn):** Yarn of a different fiber blend used on the wrap frame, resulting in a streak in the fabric.
- 8. Mixed Filling:** Caused by bobbin of lightweight yarn or different fiber blend used in filling. Will appear as distinct shade change.
- 9. Warp yarn deflection:** Open Reed Results from a bent reed wire causing wrap ends to be held apart, exposing the filling yarn. Will become spacious on fabrics that use different colored yarns on wrap and shuttle.
- 10. Slub: Usually** caused by an extra piece of yarn that is woven into fabric. It can also be caused by thick places in the yarn. Often is caused by fly waste being spun in yarn in the spinning process.
- 11. Smash:** Caused by a number of ruptured wrap ends that have been repaired. Major Soiled Filling or End Dirty, oil looking spots on the wrap or filling yarns, or on package-dyed yarn.
- 12. Stop Mark:** When the loom is stopped, the yarn elongates under tension; when loom starts again' the slack ness is woven into the fabric.
- 13. Thin Place:** Often caused by the filling yarn breaking and the loom continuing to run until the operator notices the problem.

Dyeing and finishing defect

- 1. A skewed or Bias Condition:** where filling yarns are not square with wrap yarns on woven fabrics or where courses aren't square with wale lines on knit
- 2. Back Fabric Seam Impression:** Backing fabric is often used to cushion fabric being printed. If there is a joining seam in the backing fabric, an impression will result on printed fabric.
- 3. Bowing:** Usually caused by finishing. Woven filling yarns lie in an arc across fabric width; in knits the course lines lie in an arc across width of goods. Establish standards of acceptance. Critical on stripes or patterns; not as critical on solid color fabrics.
- 4. Color Out:** The result of color running low in reservoir on printing machine. Major Color Smear the result of color being smeared during printing.
- 5. Crease Mark:** Differs from crease streak in that streak will probably appear for entire roll. Crease mark appears where creases are caused by fabric folding in the finishing process. On napped fabric, final pressing may not be able to restore fabric to original condition. Often discoloration is a problem
- 6. Dye Streak in Printing:** Results from a damaged doctor blade or blade not cleaned properly. Usually a long streak until the operator notices the problem. Major Mottled Color applied unevenly during printing
- 7. Pin Holes:** Holes along selvage caused by pins holding fabric while it processes through tender frame.
- 8. Sanforize Pucker:** Results from uneven wetting out on sanforize; usually caused by defective spray heads. Fabric will appear wavy or puckering when spread on cutting table. Difficult to detect during inspection machine with fabric under roller tension
- 9. Scrimp:** The result of fabric being folded or creased when passing through printing machine. There will be areas not printed.
- 10. Selvage Torn:** Usually caused by excessive tension while processing through tender frames.
- 11. Water Spots:** Usually caused by wet fabric being allowed to remain too long before drying; color migrates leaving blotchy spots.

6. Discussion

6.1 Production condition of yarn

Number of spinning mills is increasing and as a result quantity of yarn production has been grown up in these days. With the increasing demand of fabric yarn productions are increasing. (Table-5.1). To meet the local demand of fabric and to reduce the import cost of yarn number of spinning mills are increased. Also our weaving mills and home textiles mills have been increased.

Competing with the knit industry to meet the present demand. (Table-5.2 & Table-5.3). Although our yarn production is increasing but production area is limited. Maximum amount of yarn produced is cotton and amount of synthetic fiber like polyester, viscose, acrylic etc are limited. (Table-5.4).

6.2 Imported yarn and their sourcing

Although Bangladesh is producing yarn but the amount is very few comparing with the demand. Huge amount of yarn are imported from different countries and from them India supply the maximum amount. (Table-5.6). We need to pay almost 30.50% duty for raw materials and yarn but we have no other option except import them. (Table-5.7)

6.3 Growth of RMG sector

RMG sector of Bangladesh is booming from last decades. Different unavoidable problems hampered the growth definitely but we always try to overcome them after all of short comings. Export of RMG increased almost 6 times from 2000 to 2014. And percentage of Export to total export of Bangladesh is reaching to the top during this period. (Table-5.8. & Figures 5.2 & 5.3) both knit and woven sector are growing but growth of these two sectors are not similar. Knit sector increased almost 8 times during 2001 to 2013 but woven sector increased only 3.5 times which is very small as compared to knit sector. (Table-5.9, 5.10 & Figures 5.4 & 5.5)

6.4 Export oriented woven products

In Bangladesh number of weaving mills has been increased. (Table-5.11) But Still product variations are limited. Shirt, Jacket and trousers are the main export oriented woven products. Number of shirt production increased only 2 times from 2000 to 2014. On the other hand number of trouser increased almost 9 times and number of jacket increased almost 6 times (Table-5.11, 5.12 & Figure 5.5). This data shows that we are improving our quality in coarser fabric rather than finer fabric.

6.5 Exporting country of Bangladesh

Bangladesh exports garment almost all over the world. But maximum garments exported to the European countries, 48.81% which is increasing and second position holds USA, 31.70% which decreased from last three years. (Table-5.13) Different unavoidable occurrences hamper our total export percentages of our country.

6.6 Production condition of different factories of Bangladesh.

In Bangladesh maximum factories use cotton as maximum amount of raw materials. Very few amount of polyester, viscose and blend yarn are also used. (Table-5.14) .Our general factories generally equipped with tappet and dobby looms. Factories developed with modern machineries using Air jet and rapier looms for better productivity. (Table-5.15, Table-5.16 & Table-5.17) Newly set up factories are using modern machineries to match with the competitive market.

Although our weaving sector is trying to increase their productivity but they are weak in producing varieties. Variations are very limited in the produced fabric as we generally produce plain, twill, herringbone, canvas, poplin, dobby stripes etc (Table-5.14, Table-5.21, Table-5.23 & Table-5.26) Other observation, which is very important that we generally produce coarser fabric. Fabric made from fine yarn production is very few in our country. That's why our denim production sector is booming day by day.

6.7 Countries we generally import fabric:

We import maximum amount of woven fabrics for making export oriented woven fabrics. Our main importer is China. We also import fabric from India, Pakistan, Europe, Thailand etc. (Table-5.15 & Table-5.19)

6.8 Comparative study between imported fabric and local fabric

We import fabric for different parameter requirement rather than only fulfilling the order demand. We import maximum amount of fabric only for the quality. Because we can't produce the fabric according to the buyers requirement all the time.

6.9. Some steps to improve the sector

To improve the present condition of our woven sector we can implement some steps .Bangladesh Specialized Textile Mills &Power loom Industries Association recommended some steps for the betterment of this sector.

BSTMPIA generate some steps for improving the growth rate of export of Home & specialized textiles. They think that these steps are essential for improving the export rate.

They are given below:

1. The main raw materials yarn should be found in internal market at global market price. For this there should be build a committee including the members of yarn producers, businessman, government and the users. This committee should fix the market rate and also confirm that yarn is selling on that price in the market.
2. In local market yarn price should not increase unethically. For getting yarn in local market at global market price yarn can be imported without tax by the ports during purchasing period. As woven sector is under development so for giving priority internal woven sector should get same facilities like export oriented woven factories.

3. Factories buy yarn by using back to back LC from local market in these days. Small quantity manufacturing factories get yarn from local yarn producing factories by cash or pay order. Factories should get cash amount during export garments form buying yarn from local market by using cash memo.
4. Specialized home textiles materials like woven fabric & cloths should be exported with cash help 15% instead of 5%.
5. As weaving industry is lower profit capital intensive industry so necessary investment is not happening. Steps should be taken to expand & modernize the textile mills. Development policies should be building. Bank interest for export oriented industry & local market should be same. For increasing investment in this sector investment ratio should be 20% * 80%.
6. Productivity certificate should be given to BSTMPIA for the improvement of weaving sector. It also should be applicable for cash
7. By minimizing Interest of close to dead company scope should be given to solve the bank loan and improve their company growth.[Ref#39]

6.10. The influence of policy on factories export activity

The macro and sartorial policy environment in which exporting factories have been operating has an influence on decisions taken by factories.

6.10.1. Import policies

Import policies have been mentioned as important in influencing the performance of exporting factories. The competitiveness of some exporting factories was damaged by high duties on imported inputs or difficulties of access to quality inputs required to meet export orders. Changes in import policies will help to overcome this present situation.

6.10.2. Pricing policies

Pricing policies may influence the prices of inputs or outputs of factories. Price controls on inputs affect the cost competitiveness of factories. While price controls on outputs affect the revenue side.

6.10.3. Financial and monetary policies

High interest rates reduced economic access to export finance and other working capital requirements. High interest rates made working capital and fixed investments more expensive, leading to the postponement of some investments in technology. Affordability becomes more of a problem than availability. In such situations subsidiary companies have an advantage in receiving soft loans from their mother companies.

Provisions for tax rebates or drawback schemes implementation have not been appropriate with the intentions of such schemes. The problem of practical delays in paying export incentives is particularly noted in the case of exporting factories. The effect of practical delays is to reduce the effectiveness of whatever export incentives has been put in place.

6.10.4. Relationship between government and the enterprise sector

The relationship between government and the enterprise sector influences cooperation with the enterprise sector and the effectiveness of government policy. The need to adapt and innovate led to the development of a wide range of technical skills, particularly in various branches of engineering. The strong orientation to market requirements led to a proliferation of products, often produced within large, vertically integrated conglomerates.

6.11. Policy implications

6.11.1. Building core capabilities: towards competitiveness

In the context of new technologies and the rapidly changing world market conditions, the process of restructuring for export orientation poses a challenge to Bangladesh. We should set out restructure and develop our industrial sectors towards export orientation.

One major consideration which will influence the way the industrialization problem is conceptualized relates to the changing character of innovations and their role in international trade and competitiveness.

6.11.2. Economic reforms and industrialization

The nature of the problems that exporting firms face in their struggle to remain competitive in world markets suggests that, although exchange rate action and import liberalization and incentives for improving tradable can help, it is difficult to sustain an export recovery without additional steps being taken to assist factories in the export sector to improve their international competitiveness. Some factories have found it difficult to maintain their position in export markets because of a lack of complementary supportive investments by government.

6.11.3. Export orientation or import substitution

The policy implication in this is that, if import substitution is effective in providing for the development of technological capabilities, it can establish the basis for building a competitive export sector. In the process of exporting, factories can develop efficient linkages and acquire technological capabilities. The challenge is to blend efficient import substitution and export orientation through a mix of policies which aim at maximizing the benefits from increased domestic demand and at stimulating both substantial (and efficient) import substitution and increased export orientation on the basis of growing technological capabilities.

6.11.4. Local or foreign investment

Foreign factories in some form of partnership with local firms, or non-indigenous entrepreneurs have sometimes been instrumental in initiating the process of building up the capabilities that are necessary for improving competitiveness. This occurred where these outsiders were incorporated into the national accumulation process and their capital and know-how were transferred to others.

In some cases foreign investment preceded investment by local firms but the latter developed and gradually took over ownership from foreign-controlled factories. In other cases, foreign factories had been buying out local factories. Foreign investment and other industrialization agents have a role in building technological capabilities. Foreign investment, in particular, could make a contribution to filling some important gaps in the capabilities of our factories.

6.11.5. Regional cooperation and trade agreements

The volume of trade to countries in the region was found to be influenced by the nature of the regional cooperation and trade agreements. This finding is grounds for a reassessment of the viability of small-scale import substitution and far more consideration for regional cooperation and regional trade, which enable economies of scale to be tapped.

The factories have mainly targeted local markets, with smaller volumes being exported to international markets. This study has found that even to sustain local markets, competition with other regions of the world will have to be faced sooner or later. There is always a danger of losing the local markets to competitors from international market. Even if imported products are not as suitable to local conditions, competitors from outside have sometimes penetrated the market by supplying their products at lower prices or by supplying products with a better finish. Thus specific local and international markets can be lost to others if continuous efforts are not made to develop competitiveness in terms of quality and price. The study has revealed some cases in which competitors from other regions have made products. Thus the specificity of regional markets may make the competition for various products less intense but it does not guarantee a monopoly. The

need to exert continuous effort to attain and maintain competitiveness in such markets does not seem to be obviated by any specific characteristics of international demand.

7. Conclusion

This study is focused on the present condition of weaving sector in Bangladesh. Primary and secondary resources were used in the study. The results of the computation are used as basis for the data analysis. Secondary resources derived from various publications including books and journals were integrated to support the findings.

Bangladesh is facing some unavoidable problems like investment problem, lack of technical support, insufficient raw material supply, environmental problem, poor labor condition, political unrest etc .But after all of that growth rate is increasing. With different problem Local fabric is mainly facing quality problem. In Bangladesh we are far behind in quality matter. We can't reach up to the quality level for fine quality products. But we are improving quality in coarser fabric like bottom part .So that day by day graphical line is moving upwards.

For improving the export oriented woven fabric sector, we should consider the advises provided by BSTMPIA & BGMEA so that we can take benefit of lower lead time and costing facilities.

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