



The **apparel digest**

MARCH, 2024

**Turnover or Runover? Analyzing
implication of AI**

Editor's Note

Export growth of apparel sector – relief for Bangladesh economy; room for better economic growth and employment generation

It is indeed a great news – relieving information from Export Promotion Bureau (EPB) of Bangladesh! In contrast to last few months' challenging export revenue, Bangladesh has exported apparel products worth \$4.49 billion in February 2024. This export amount is one of the highest for any single month with year-on-year growth of 13.93 percent. January 2024 was a better month - export reached a record high for a single month in the history of Bangladesh garment industry with \$4.97 billion.

EPB has reported that garment export during the first two months (January and February) of 2024, amounted to US\$ 9.47 billion, having a 13.15 percent year-on-year growth.



It is a very good news that country's garment export to non-traditional markets has grown 11.69 percent year-on-year to US\$ 5.46 billion in July-January period of current fiscal year.

One study has revealed that Bangladesh has the potentials of non-cotton garment export to US\$ 42 billion by the year 2032.

We welcome all these news as positive and encouraging for Bangladesh Readymade Garment (RMG) industry which is the lifeline of country's economy. RMG sector employs 4.4 million workers mostly women. Indirectly, RMG sector employ much more people, considering workforces of the sub-sectors like accessories, packaging, logistics, transportations as well as primary textile sector. Therefore, growth and development of RMG sector bring positive news to all other sectors including country's economy.

Apparel sector has been playing the pivotal role in Bangladesh's export earning, more than 80 percent of the total export revenue of the country. For the Bangladesh economy, the garment sector always matters for employment generation and foreign currency earning. So, the robust growth gives a relief when the country's economy is bleeding due to depleting foreign exchange, ever increasing inflations and various other local as well as global challenges.

While we are pleased to experience consecutive months' export growth, RMG sector shouldn't be complacent but focus more on market and business development, work more on productivity and efficiency and devote further on the sustainability.

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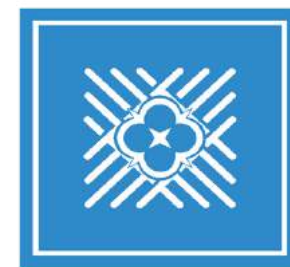
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SIGNIFICANCE OF TECHNOLOGY

The Apparel Digest Report Compilation

Artificial intelligence and automation are causing a revolution in the global garment sector by improving the efficiency of supply chains and the precision of manufacturing. The limits of manual processes are addressed by this transition toward technology-driven production, which promises to reduce environmental impact and increase responsiveness. The importance that artificial intelligence plays in inventory management and bespoke design is highlighted by success stories from Zara and H&M.

It is anticipated that the global clothing business would eventually reach a value of \$2.25 trillion¹ by the year 2025, making it one of the most lucrative sectors in the world. It is anticipated that the value of AI-led product manufacturing would reach \$16.7 billion² by the year 2026, making it one of the industries that is expanding at the quickest rate in the world. The genuine value, on the other hand, may be found at the border between these two different industries.

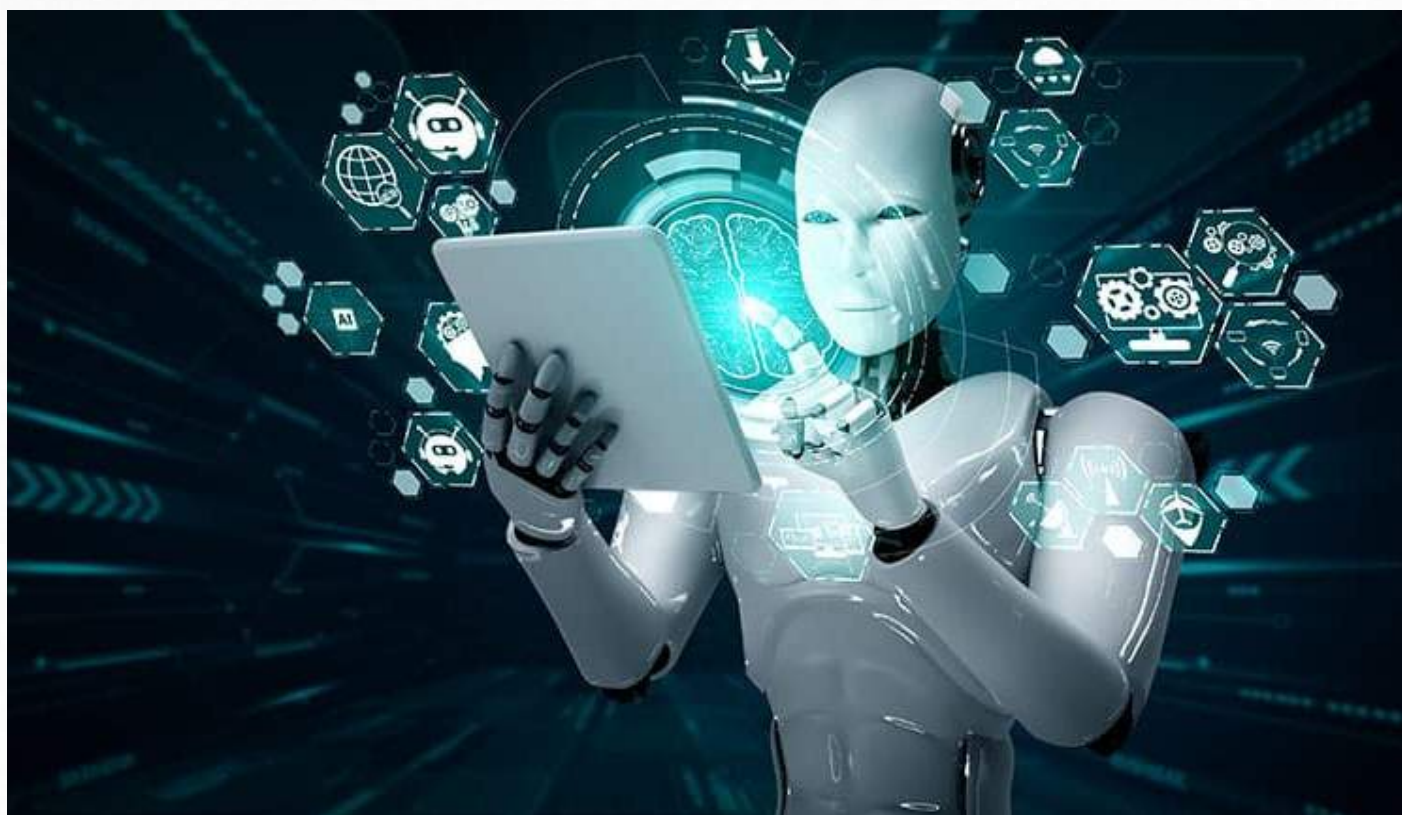
For garment manufacturers to fulfill the ever-increasing demands of modern customers while still retaining their profitability, it is of the utmost importance for them to improve the efficiency and precision of the supply chain and the procurement process. When seen in this light, artificial intelligence (AI) and automation provide novel approaches to resolving issues that have persisted for a long time and bringing about revolutionary change within the sector. And there is already a shift in the air. Artificial intelligence (AI) and automation have been working their magic into the very fabric of manufacturing over the course of the past several years, promising a future that will be astonishing in terms of both efficiency and precision.

There are inherent limits to manual techniques, which have been the basis of garment manufacture for a long time.



Tasks that are performed repeatedly can cause tiredness and mistakes, which can lead to quality that is inconsistent and missed deadlines. Bottlenecks in the supply chain frequently result in production delays, and procurement can be inefficient owing to a lack of knowledge and inaccurate forecasts. A garment industry that is failing to adapt to the needs of a dynamic market is a result of these issues, which translate to high prices, consumers who are disgruntled, and a garment industry.

This is where artificial intelligence and automation come into play, ready to assist in the creation of a new garment that is more efficient. Artificial intelligence, which can analyse massive quantities of data and learn from trends, helps to optimize the supply chain by anticipating demand, controlling inventories, and optimizing procurement procedures. By taking over the reins of repetitive jobs, automation, its robotic partner, can increase production speed and uniformity while also reducing the number of errors that occur.



Manufacturing produced on demand is becoming feasible because of technological improvements. The process of producing clothing on demand involves doing so whenever there is a need for them.

Because of this, firms can keep their production cycles more sustainable, reduce the prices of their inventories, and achieve higher efficiency in meeting the expectations of their customers. Recent technological advancements are finally making on-demand manufacturing processes more efficient and scalable, even though businesses have been experimenting with such approaches for a considerable amount of time.

Currently available robots are outfitted with sophisticated sensors that are managed by artificial intelligence algorithms. These sensors have the capability to automate a variety of operations, including cutting cloth, stitching, and assembling garments. The procedures are carried out with an extraordinary degree of precision and velocity, which results in a rise in both productivity and cost-effectiveness.



It is possible to equip the same robots with computer vision to detect problems in the fabric and automatically reject bad materials. This will result in a reduction in the amount of material waste and an improvement in product quality.

In addition to the shop floor, artificial intelligence algorithms may also facilitate improved production planning. They could optimize production schedules to guarantee resources are allocated effectively and to minimize waste.

Going one step further, artificial intelligence makes it possible to source clothes in a more intelligent manner by analysing enormous datasets, which may include past purchase data, market trends, and supplier performance, to determine which suppliers are the most operationally efficient and cost-effective.

This method, which is driven by data, helps to reduce risks and ensures that sourcing is tailored to meet sustainability objectives. Artificial intelligence helps to close the gap between production and demand. An artificial intelligence system may provide recommendations for production plans that are in line with actual demand by analysing sales data and consumer preferences.

This helps to reduce lead times and minimize overproduction. Data from previous sales as well as influences from the outside world enable it to estimate future demand with an impressive degree of precision.

The ability to make exact purchases, avoid overstocking and understocking, and cut down on waste are all made possible by this.

Zara, a worldwide apparel retailer under Inditex Group of Spain, implements artificial intelligence (AI) in several of its business operations to enhance its efficiency, responsiveness, and contact with customers.

Zara, in contrast to many of its competitors in the fashion industry, employs artificial intelligence across its supply chain and inventory management systems, rather than relying just on analytics of buyer behaviour. Machine learning, real-time analytics, and RFID tagging are some of the cutting-edge technologies that have been utilized by this company.



Zara can optimize its shipping and inventory with the use of these technologies, which allow the company to cut down on waste and guarantee that popular goods are always accessible.

To promote real-time optimization of inventory levels and logistics, Zara has implemented a sophisticated supply chain system known as "Just-In-Telligent." Because of this, the firm has been able to reduce the amount of time it takes to provide new designs to only one week, which is much less than the industry norm of three to six months.

On the other hand, the H&M Group's Creator Studio⁴, which is a one-of-a-kind print-on-demand product service, is the first use of artificial intelligence that the company has used as a tool for the development of customized clothes. Any individual can create a mock up and make items with the help of H&M Creator Studio. When the user enters words into the generative AI tool, the program generates a visual artwork that is unique to the user. Today, everyone can become a fashion designer and develop their own designs that are on par with those created by professionals in a matter of seconds.

When the design is finished, it may be purchased immediately, and it will be fulfilled using H&M's intelligent logistics reads that are even more revolutionary are going to be used in the creation of garments in the future. Developing technologies such as 3D printing have the potential to make it possible to create individualized garments on demand. With the use of AI-driven design tools, individuals will be able to create clothing that are suited to their own preferences and body shapes.

There will be a revolution in supply chain management brought about by blockchain technology, which will promote ethical and sustainable practices. Blockchain technology will provide transparency and traceability. Additionally, the proliferation of smart fabrics and wearable technology marks the beginning of a new age of fashion that is both personalized and environmentally friendly.

This new era will be driven by data-driven insights and the preferences of consumers.



Despite the revolutionary potential, there are still obstacles to overcome. It is necessary to implement proactive tactics for upskilling personnel and cultivating a culture of continuous learning to address concerns around job displacement and workforce reskilling respectively. Furthermore, it is of the utmost importance to guarantee the confidentiality and safety of data in AI-driven operations, which necessitates the implementation of stringent cybersecurity measures and the adherence to legislative frameworks. Through the utilization of effective change management methods, stakeholder involvement, and organizational leadership, it is possible to overcome opposition to change and cultural hurdles to adoption. This is necessary to promote successful implementation.

Artificial intelligence and automation are not about unravelling the fabric of human work; rather, they are about weaving a future of partnership, in which human brilliance directs technology to create astonishing outcomes. Organisations can manage the difficulties of contemporary manufacturing and capitalise on growing chances for innovation and growth if they harness the power of innovative technologies and use them to their advantage.

By embracing these developments, a new age of garment production will be ushered in. This new era will be distinguished by unrivalled efficiency, astounding accuracy, and a sustainable and ethical approach to meeting the ever-evolving requirements of our globalized world. Now is the moment to thread the needle of innovation and begin stitching together a more promising future for the garment industry, one fabric at a time.



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URBAN COUTURE: THE RISE AND INFLUENCE OF STREET FASHION

DEWAN MASHUQ UZ ZAMAN

A fashion aesthetic that develops from the bottom up, as opposed to coming from

established fashion corporations or designers, is referred to as street style. It is a representation of the unique and autonomous looks of individuals.

These individuals come from a variety of lives, financial backgrounds, and cultural backgrounds. The concept of street style is extremely significant in the world of fashion since it can capture the most recent fashion trends, subcultures, and cultural influences in near real time. Street fashion, on the other hand, is not only freely accessible but also constantly evolving, in contrast to haute couture, which is typically inherited from affluent designers.

The purpose of this graphic artwork is to depict the changes that have occurred in society, cultural movements, and individual identities.

As part of its investigation into the evolution of street style, this article examines its beginnings, the influential people who were responsible for shaping it, the key events that occurred, and the long-lasting repercussions that it had on the larger fashion landscape.



It was the hip-hop and punk subcultures that were the driving force behind the development of street style as a distinct form of fashion expression at the beginning of the 20th century.

As a result of the punk subculture, which was known for its defiant attitude and anti-establishment mindset, a one-of-a-kind street style arose in the 1970s. This style featured do-it-yourself fashion elements such as ripped garments, safety pins, and strange accessories.

The 1980s saw the beginning of the hip-hop culture, and it was around this time that streetwear came to symbolize urban identity and cultural pride. The fusion of art, music, and fashion that is characteristic of hip-hop cultures led to the widespread adoption of streetwear elements. People who made their own garments, altered existing items, and repurposed materials to create distinctive ensembles that were distinct from mainstream fashion were the ones that exemplified the do-it-yourself (DIY) part of early street style.



Because they exhibit their one-of-a-kind sense of style and serve as cultural tastemakers, street style idols, who include musicians, artists, and trendsetters, have had a significant effect on the development of street fashion. Street style enthusiasts have the opportunity to showcase their attire and engage in conversation with those who have similar interests on fashion blogs such as The Sartorialist and Street Peeper.

Additionally, photographers such as Bill Cunningham and Scott Schuman have captured candid street style photographs. These forms of media help to democratize fashion by highlighting the variety and originality that can be found in groups that are dedicated to street style.



Luxury fashion companies are forming partnerships with street style stars in order to capitalize on the connection between street style and high fashion brands. This trend is gaining widespread attention as street style continues to gain prominence.

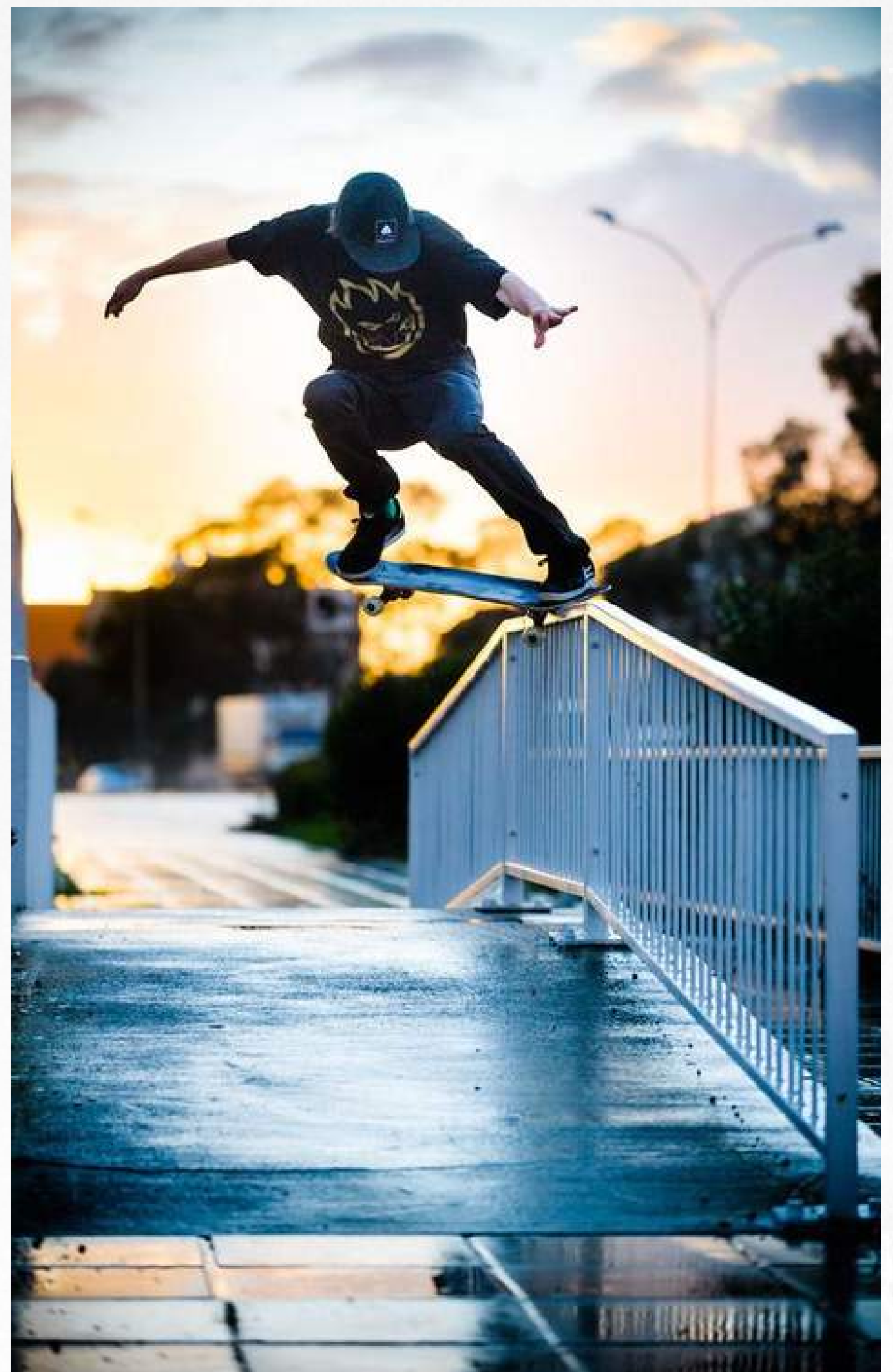
Streetwear motifs have been incorporated into the designs of high fashion designers, who have drawn inspiration from urban culture. On the other hand, urban culture has acted as a source of inspiration for such designers.

Street fashion continues to be as significant as it has always been, pushing the boundaries of fashion and defying the rules that are prevalent in the fashion business. Because of its ability to place a high importance on individuality, diversity, and inclusiveness, it has solidified its position as a significant influence on contemporary fashion. It is anticipated that street style will continue to evolve in the years to come because of ongoing societal shifts and revolutionary technological advancements.

It seems likely that street style will continue to play a significant role in defining how we express ourselves via the clothes that we wear regardless of whether fashion becomes more accessible and democratic. To summarize, street style is much more than just a method to dress; it is a powerful means to express oneself and demonstrate one's cultural identity.

Street style is a growing trend in the United States. What gives it such enduring significance is the fact that it could motivate individuals to accept and admire their individuality and to celebrate their distinctiveness. It can

transcend barriers and bring together people from different demographics via a shared passion for fashion and creativity.



A promotional banner for RMG Bangladesh. On the left is the RMG Bangladesh logo, which consists of a stylized 'R' and 'M' in red and green. To the right of the logo, the text reads: "RMG BANGLADESH World's largest social media platform on Readymade Garment sector with more than 3,00,000 followers. Stay with RMG Bangladesh and be updated daily." Below this text are social media icons for Facebook and a website icon, with the text "Follow Me" and "/RMGBangladesh" and "rmgbd.net". On the right side of the banner, there is a smartphone displaying a social media profile with the text "300K Followers".



MULTITUDE OF THE FASHION WORLD

The Apparel Digest Report

COVID-19 hastened the process of digitalization, which ultimately resulted in the development of the Metaverse. Virtual fashion and gaming are becoming increasingly popular strategies for fashion companies to attract younger customers. Within the gaming industry, luxury businesses are offering digital fashion goods related to fashion. The use of avatars and virtual wardrobes will become widespread, necessitating the modification of business models employed by fashion enterprises. Over the course of the past several years, we have witnessed a level of digitalization that has never been seen before, with the COVID-19 outbreak serving as the major engine.



Economies and all industries were compelled to hunt for rapid and alternative solutions to change their businesses to comply with the restrictions imposed by the government as a result of this completely unforeseen event. The impacts of the pandemic have been one of the most significant challenges for the fashion industry, which was previously based on direct physical contact when it was first established.



The virus remained in the environment for a couple of weeks, which resulted in the shutdown of manufacturing facilities. Additionally, fast fashion and luxury labels were forced to terminate employees and postpone fashion presentations and other events linked to the infection. The retail sales experienced a severe decline as a direct consequence of these stringent limitations. As a result, the digital platform became the new life for consumers.

The decade that followed COVID accelerated the development of digital space and resulted in the creation of the Metaverse. In this real-time virtual environment, fashion enterprises have a plethora of options to communicate with younger consumers who are very coveted. This world also offers new opportunities for creative expression, community building, and commercial activity.

In this ever-changing environment, there are a plethora of chances for virtual fashion. These opportunities include gaming interfaces, digital photography, augmented reality films, and even non-fungible tokens (NFTs). This opens up an attractive opportunity for the sector to expand its customer base and increase its income generating capacity.

It will be necessary for fashion designers and businesses to cultivate the capacity to weave together the real and the imagined to successfully move into the future.

The metaverse is not a new occurrence, as indicated by research that was carried out in the year 2020 by Pilar Gonzalez from the Politecnico di Milano educational institution.

According to the paper, the concept of a virtual world was first conceived in the 1980s and 1990s, but it did not acquire significant traction for a considerable amount of time. In his novel Snow Crash, published in 1992, Neal Stephenson introduced the concept of the "metaverse" for the very first time. In this book, he described a three-dimensional virtual world that was inhabited by avatars of real people. As computing and graphics continued to progress during the 1980s and 1990s, it resulted in the creation of a number of different types of video games, including simulators, shooting games, fantasy role-playing games, and other digital virtual worlds. This creates the basis around which the metaverse of today is built.

There are further examples from the 2000s that may be used to describe social 3D places. Some examples in this category include video games such as Club Penguin and The Sims 2.

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Using a penguin avatar, users of Club Penguin were able to personalize their virtual "houses" or "igloos," chat with their friends, and play online games for cash. Those who played The Sims had the ability to create avatars, houses, communities, and a parallel virtual existence for themselves.

The present fascination of luxury companies with video games may also be explained by the fact that ninety percent of members of Generation Z consider themselves to be gamers. Providing seamless, tailored, and immersive experiences through gaming, such as customized online and offline shopping expeditions, is one of the ways that these firms are aiming to connect with this demographic.



These days, games are a well-liked method of marketing and reaching out to younger people. Not only do games provide fashion companies with the opportunity to create new and unique experiences, but they also allow them to form tighter ties with their customers. The way video games are currently influencing the fashion business is something that cannot be completely ignored. Marc Jacobs, Burberry, Dior, and Guerlain are just a handful of the fashion giants that have previously joined the industry.

Nearly all fashion brands have already entered the market. A few of these fashion houses are presently displaying their most recent collections within video games, while others are collaborating closely with the most prominent corporations in the industry to provide players the opportunity to dress their avatars in outfits that are from the most recent collections. There was a total of \$3.1 million worth of digital trainers that were sold by the online shop RTFKT in just seven minutes in the year 2021. Total sales were 600 pairs.



According to the report presented by Gonzalez, the size of the global fashion market is currently estimated to be close to \$3 trillion. Even though digital fashion is still a relatively new business area, it is rapidly gaining market share. This is since games such as Fortnite generate a significant portion of their annual income of \$2.4 billion through the sale of Avatar skins. You should be interested in the metaverse because skins, which are individualized add-ons that allow you to modify the appearance of an avatar (think clothing, accessories, and so on), are one of the most promising opportunities for in-game revenue. Luxury and mass merchants should be interested in the metaverse.

Through the establishment of a concrete resale economy, the metaverse has provided users of all ages with the potential to produce revenue. Taking the digital Gucci bag on Roblox as an example, which was resold for more than \$4,115 (which is more than the actual version) after the Gucci Garden experience, exemplifies the potentially endless possibilities for companies to generate revenue in the metaverse.

As time goes on, there will be an increasing number of avatars that are on the go. These are going to be three-dimensional depictions of humans, including their behaviours and attitudes. The use of avatars is expected to become as widespread as the use of profile images in the present day. People will have a virtual wardrobe of clothing that have been designed by a variety of designers to suit a wide range of activities and circumstances, according to the predictions of experts.

"Direct-to-Avatar (D2A) refers to an emerging business model to sell things directly to avatars—or digital identities—bypassing any supply chain management such as drop shipping and logistics of how to get a physical object to a consumer's door," says Ryan Gill, co-founder, and CEO of Crucible. "D2A" is an acronym for "direct-to-avatar."¹ D2A brands are made available in social or competitive virtual environments, such as games or open worlds, where users can project themselves as an avatar into the real world.

In the previous year, Ralph Lauren presented a digital clothing collection consisting of fifty pieces that could be purchased through social media. At the same time, American Eagle made the announcement that they will be launching a digital clothing collection for Bitmoji avatars. Gucci and The North Face have introduced a collection of Pokémon GO avatars that are a collaborative effort. In addition, Gucci has developed virtual trainers that can only be worn using augmented reality technology.



Therefore, the metaverse offers a variety of opportunities, and the approach that a firm takes to reap the benefits of it does not necessarily have to be the same for every business. The most successful approach will be determined by several elements, one of which is the size of the brand as well as its overall objective.

The strategy may go in a different direction based on the degree of immersion as well as the platform that is being utilized. Regardless of the approach, all fashion companies are required to begin the process of formulating strategies to adapt their business models to accommodate these new realities. Considering that younger people spend the bulk of their daily lives in digital and virtual environments, this is going to be an extremely important consideration for marketers that are intending to target them.



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EMPOWERING SUSTAINABILITY: THE IMPACT OF RENEWABLE ENERGY

The Apparel Digest Report Compilation

It is becoming increasingly common to use renewable energy because of its capacity to combat climate change. Renewable energy is energy that is derived from natural resources such as sunshine, wind, and water.

The transition to renewable energy sources is being driven by the urgent need to reduce the negative consequences of climate change. One of the most significant indicators of this shift is the carbon footprint, which is a measurement of the total greenhouse gas emissions produced by an individual.

As a result of the trapping of heat in the atmosphere, carbon dioxide emissions, which are mostly caused by the burning of fossil fuels, contribute to climate change. Solar, wind, and hydroelectricity are examples of renewable energy sources that, when utilized, produce very little to no greenhouse gas emissions.

This results in a significant reduction in our overall carbon footprint.

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The carbon footprint demonstrates how difficult it is to reduce the effects of global warming that are caused by the consumption of fossil fuels. Both global warming and the greenhouse effect are caused by this, and both phenomena have an impact on human health, biodiversity, agricultural production, and the availability of water.

In the year 2020, the primary source of 34.2 billion metric tons of carbon dioxide was the combustion of fossil fuels for the purpose of generating energy. Through its work, the Global Carbon Project emphasizes the significance of acting to solve this enormous problem.

In contrast to finite fossil fuels such as coal, oil, and gas, sustainable energy sources are those that are constantly accessible and can replenish resources. Examples of sustainable energy sources include sun, wind, hydropower, geothermal, and biomass. These forms of renewable energy contribute to the reduction of greenhouse gas emissions, air pollution, and overall global warming, which in turn helps to combat climate change.

The Three Gorges Dam in China, offshore wind farms in Denmark and Germany, and the Solar Energy Generating Systems in California are all examples of successful renewable energy projects. These projects utilize less land and have a lower impact on the environment than traditional energy sources.

These initiatives provide evidence that renewable energy sources are both feasible and effective in meeting the need for energy and in achieving environmental policy objectives.

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Since it produces less emissions than fossil fuels such as coal, oil, and natural gas, renewable energy is a vital alternative for significantly lowering carbon footprints. Rather of relying on finite fossil fuels, renewable energy sources such as hydropower, wind, and solar do the job.

It is possible that renewable energy may eventually take the place of fossil fuels in several different economic sectors. Germany, for instance, has shown that it is possible to make the switch to renewable energy sources by making significant investments in wind and solar power, which today fulfill all their electrical requirements.

Automobiles that run on gasoline and diesel, which are the biggest contributors to emissions of greenhouse gases, may be replaced by electric cars that are more environmentally friendly and fuelled by renewable energy sources. Moreover, Costa Rica has made significant strides in lowering its carbon footprint, as evidenced by the fact that it utilized power derived entirely from renewable sources for a total of three hundred days in 2017. Additionally, Iceland has made significant use of its geothermal resources, generating nearly 90 percent of its power and heat from environmentally friendly ways.

Some of the obstacles that stand in the way of the transition to renewable energy include the high initial cost of

Renewable technologies in compared to the infrastructure required for fossil fuels, modifications to the grid, and the many options for energy storage.

In addition to being difficult to attain, grid stability and dependability are made much more challenging by the unpredictable nature of renewable energy sources.

Numerous initiatives are being put into place to address these issues. These actions include providing financing for research and development, linking regional grids, and creating technologies for smart grids. It is essential for the government to implement regulations and incentives to increase the utilization of renewable energy. Policies such as renewable portfolio requirements, feed-in tariffs, and tax benefits are examples of policies that stimulate investment in renewable energy systems.



Countries like Germany and Denmark, who have emerged as worldwide leaders in wind energy because of their Energiewende initiatives, have benefited from strong government policies that have been favourable in aiding the energy transitions of their respective countries. To recapitulate, the shift to renewable energy is not without its difficulties; nonetheless, progress is being made because of initiatives such as the deployment of smart grids, technical breakthroughs, and legislation that facilitate the move.

There is a discussion in this page on the advantages and disadvantages of transitioning to renewable energy sources. Renewable energy sources are sustainable because they make use of resources that are replenished in a natural way, they produce less carbon dioxide, and they contribute to the reduction of both climate change and air pollution. Examples of projects that have been successful on a global scale, such as solar farms and hydropower facilities, illustrate the potential advantages that these technologies may offer. Some of the challenges that renewable energy faces include high initial prices, problems with grid connections, and the unpredictability of renewable energy.

Among the potential answers are the implementation of smart grids, the implementation of appropriate government limitations and incentives, and the ongoing discovery of new technologies. Renewable energy can reduce carbon footprints in a variety of domains, including transportation, heating, and power generation, as demonstrated by case studies from Germany, Costa Rica, and Iceland.

To achieve a more sustainable future, it is necessary to issue a rallying cry to individuals, businesses, and governments to place greater emphasis on renewable resource utilization. Businesses can make investments in renewable technology, people may support the use of renewable energy by installing solar panels or driving electric cars, and governments are required to create legislation to encourage the use of renewable energy that is renewable.



THE TECH REVOLUTION IN GARMENT MANUFACTURING SECTOR OF SRI LANKA

The Apparel Digest Report

The garment sector in Sri Lanka has developed into a significant component of the country's economy, in addition to being responsible for the creation of a significant number of jobs and the generation of cash from exports.

Over the course of time, the sector has seen substantial growth and transformation, and it has emerged as a dominant player in the garment market on a worldwide scale.

There has been a considerable impact that technological developments have had on the Readymade Garment (RMG) business in Sri Lanka. The manufacturing process has been radically transformed because of technological advancements in a variety of areas, including automation, digitization, and technology. These advancements have improved sustainability, quality, and efficiency.

It is necessary for Sri Lankan garment manufacturers to adopt these technologies to maintain their competitiveness in the global market.



These technologies enable them to meet the demands of fast fashion while simultaneously adhering to standards that are both moral and ecologically responsible.

This article will investigate the improvements that technology has brought to the RMG industry in Sri Lanka, including the enhancement of worker well-being and sustainability, as well as the enhancement of productivity and quality.

By investigating these consequences, we will be able to get a comprehensive understanding of the ways in which technology will impact the future of the garment business in the country.



There have been significant technical advancements made in the apparel business of Sri Lanka.

These advancements include the implementation of digital platforms for marketing and sales, the utilization of data analytics for demand forecasting, and the automation of production processes.

Automation improves both productivity and quality while simultaneously reducing the amount of human labour that is required, which in turn makes the garments produced in Sri Lanka more competitive on the global market. Businesses can manage inventory levels, decrease stockouts, and swiftly adjust to evolving market needs owing to data analytics. This is accomplished through the examination of historical sales data, trends in the market, and preferences of consumers.

This results in a reduction in waste and an increase in profitability since the output is matched with the demand from customers.

E-commerce websites, social media marketing, and online marketplaces are examples of digital platforms that have contributed to an expansion in the reach of apparels produced in Sri Lanka.

The promotion of items, interaction with customers, and facilitation of direct sales are all made possible through these platforms at a more affordable cost.

This shift toward digital marketing not only raises the awareness of the brand, but it also opens other prospects for growth that would not have been available through traditional export channels. The evolution of these technological improvements is still influencing the sector's performance as well as its capacity to remain sustainable.

The garment business in Sri Lanka has benefited from technological improvements in a variety of keyways. To begin, the inclusion of automation into industrial processes has resulted in increased production processes that are both more productive and efficient.

The use of automated machinery and robots helps to simplify production lines, which in turn reduces the amount of time and amount of labour that is required to make garments. This boosts the industry's competitiveness in the global market by accelerating the production cycle and ensuring that the quality of all items remains consistent across the whole manufacturing spectrum. In the second place, the utilization of data analytics in demand forecasting has resulted in a significant improvement in the precision with which market trends and inventory management operations are anticipated.



By optimizing their production schedules and inventory levels through the study of historical sales data and customer behaviour, RMG companies may minimize the amount of waste they produce and the number of stockouts they experience. Because of this, reductions in expenditures and improvements in operational efficiency are achieved.

In conclusion, the utilization of digital marketing channels has resulted in an increase in the reach and visibility of the RMG product that is produced in Sri Lanka. Businesses now

An additional barrier is the reluctance to deviate from the procedures that are considered to be traditional.

It is possible that workers who are accustomed to conventional production processes will be anxious and hesitant to make the transition from manual labour to automated operations. It is possible that this opposition will act as a barrier, given that the successful adoption of new technology requires a shift in the way that workers think, and the skill set that they possess. In addition, there are significant concerns surrounding the prospect that automation would result in the loss of jobs. Despite the fact that technology boosts production and efficiency, it also raises worries about the employment opportunities available in the business.

There is a possibility that tensions may emerge, and the fear of losing one's job may be a barrier to the adoption of new technologies.

can showcase their collections to a more extensive audience all around the world because to the proliferation of online marketplaces, social media marketing, and e-commerce platforms.

This makes direct sales simpler and offers extra growth options outside of the normal export channels. In addition to enhancing brand awareness, this also makes direct sales easier through this.

In conclusion, the advantages of technological improvements, which include improved demand forecasting, increased productivity, and greater market penetration through digital channels, are essential to the profitability and long-term survival of the apparel business in Sri Lanka.

The introduction of technology in Sri Lanka's garment business comes with a few problems, albeit boasting a multitude of benefits.



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The high initial costs associated with integrating cutting-edge technology constitute a substantial barrier against their implementation. There are a lot of companies that might not be able to afford the initial financial expenditure that is required for automation, digital technology, and data analytics. This is especially true for firms that are smaller or medium in size. Certain businesses could be prevented from adopting new technology to the greatest degree feasible due to the cost barrier, which would result in a reduction in their ability to effectively compete on a global scale. Because the government of Sri Lanka is aware of the significant impact that technology has on the RMG industry, it has taken a proactive approach to promoting the utilization of technology.

Providing financial incentives to companies that make investments in technology is one example of such an approach. It is possible that these financial aids will take the shape of grants, tax credits, or subsidies to assist in covering the initial costs associated with the implementation of contemporary technology. Additionally, in order to foster innovation, the government has fostered collaboration with various actors in the business. In order to achieve its goal of establishing an environment that encourages the development and implementation of innovative technologies within the RMG industry, the government is working closely with manufacturers, technology suppliers, and academic institutions to accomplish this goal. Additionally, the government has been implementing training programs to improve the technological capabilities of workers.

These programs are designed to provide workers with the knowledge and skills necessary to operate and maintain contemporary technology. Their primary objective is to do this. Through the provision of financing for workforce development, the government intends to keep the sector competitive and make sure that workers are prepared to meet the shifting requirements of a technology-driven economy. To summarize, the apparel business in Sri Lanka has reaped significant benefits from the implementation of technology, which has resulted in increased production, improved forecasting, and expanded market penetration. However, there are challenges.



These challenges include expensive initial costs, resistance to change, and concerns about the loss of jobs. To be successful in overcoming these challenges, stakeholders need to understand how important it is to continue financing technological advancements. Measures taken by the government, such as worker training programs, industry stakeholder participation, and incentives for technology adoption, are of tremendous assistance to the advancement of technology. In the future, it is very necessary for all parties concerned, including corporations, the government, and employees, to acknowledge and adapt to the technological developments that are occurring. As a result of this action, the RMG sector in Sri Lanka has the potential to remain robust, competitive, and sustainable within the framework of the global market.



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BANGLADESH'S GARMENT INDUSTRY SEEKS DUTY-FREE TEXTILE WASTE IMPORTS

The Apparel Digest Report

In the economies of a great number of countries, particularly those that are rising nations, the Ready-Made Garment (RMG) industry plays an extremely important role. Nevertheless, the business is confronted with a significant challenge regarding the management of waste apparel. Most recently, RMG manufacturers have been advocating for the duty-free importation of garment waste, which is a move that has the potential to have huge repercussions not just for the environment but also for the company.

During the manufacturing process, the fabric that is left over after the garments have been cut is referred to as "cutting waste," which is another name for garment waste. In most cases, this waste is discarded, which contributes to the growing problem of textile waste. On the other hand, RMG manufacturers argue that this waste may be put to productive use by providing an industry-valued resource.

As a result of the fact that it is one of the most polluting industries in the world, the fashion industry is coming under increasing pressure to become more sustainable.

Additionally, the demand from customers for environmentally responsible practices is growing. Reusing trash from the garment business can help reduce the industry's negative impact on the environment and boost the sector's sustainability.

Nevertheless, there are already fees and levies involved with the importation of discarded clothes, which makes it less lucrative for manufacturers to do so. Because this additional expenditure is typically passed on to buyers, sustainable clothing becomes more expensive and less accessible. This is because it is more expensive



Bangladesh's garment and textile industry has stated a desire to import textile and garment waste, including clippings, duty-free to boost the number of recycled fibres that are produced. The makers of clothing are advocating for the elimination of two taxes: a value-added tax (VAT) of 7.5% on the procurement of raw materials to produce recycled fibre, and an extra VAT of 15% on the purchase of these fibres by spinning mills.

In addition, the corporations have requested that the Harmonized System (HS), which is a numerical system that is recognized on a global scale and is utilized by customs authorities all over the globe to classify the items that are trafficked, be put into effect. In addition to enhancing the nation's competitiveness in the global market, the purpose of these concepts is to ensure that the expansion of garment exports is maintained. Additionally, the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) are providing their assistance to the recycling effort. By importing goods duty-free, the RMG business is trying to enhance the creation of textile waste, which will be beneficial to the economy and will promote both sustainability and sustainability. From both an economic and an environmental point of view, this move is beneficial. Nevertheless, it is of the utmost importance to prevent the misuse of these capabilities. The country's sustained expansion in textile exports will be supported by this approach, which will also boost the country's competitiveness in international markets. The quest of sustainability within the industry has made great progress because of this idea; nevertheless, it also draws attention to the complexities and challenges that are involved in getting there.



HARNESSING LEED CERTIFICATION: A GATEWAY TO ENERGY EFFICIENCY

THE APPAREL DIGEST REPORT

Leadership in Energy and Environmental Design (LEED) is a green building certification program created by the U.S. Green Building Council. It is highly valued in the construction industry as a foundation for promoting sustainable building practices. Buildings pursuing LEED certification gain points for a variety of environmental features, including energy efficiency, water conservation, and indoor air quality. This certification is a badge of honor, signifying a commitment to environmental stewardship and resource efficiency. Energy efficiency is a fundamental idea in sustainable building, focused on minimizing energy usage while maintaining comfort and functioning. To reduce waste, use energy-efficient appliances, lighting, HVAC systems, and insulation. The value of energy efficiency in sustainable building techniques cannot be emphasized. Buildings make significant contributions to energy consumption and carbon emissions. Optimizing energy use can reduce greenhouse gas emissions, save operating costs, and provide a healthier interior environment.

LEED certification provides a comprehensive framework that promotes energy-efficient building design and operation. One of its key goals is to reduce environmental impact, with an emphasis on energy efficiency. To get LEED certification, buildings must meet a number of standards and gain points in a variety of categories, including energy and atmosphere. Within the energy category, standards prioritize techniques for improving energy performance, such as efficient HVAC systems, lighting, and insulation. Utilizing renewable energy sources, such as wind turbines or solar panels, which lessen dependency on conventional fossil fuels, is one way that LEED points are awarded. Buildings can also gain points for improving their energy efficiency through energy modeling and analysis. These standards not only promote the deployment of efficient technologies, but also a comprehensive approach to energy management within buildings. Several LEED-certified buildings demonstrate the successful incorporation of energy-efficient measures. The Bullitt Center in Seattle is a LEED Platinum building with unique features like a rooftop solar panel array, rainwater harvesting systems, and energy-efficient lighting. This building exemplifies how LEED certification encourages the use of cutting-edge energy-efficient technologies and practices.



Integrating LEED and energy efficiency provides numerous benefits in terms of the environment, economy, and society. One of the most evident benefits of LEED-certified green buildings is that they dramatically reduce greenhouse gas emissions. This drop occurs when energy-saving strategies are combined with environmentally friendly building practices. To reduce energy consumption and the building's carbon footprint, LEED encourages the use of better insulating materials, renewable energy sources, and efficient HVAC systems.

Furthermore, using sustainable materials and procedures helps to reduce emissions significantly. LEED projects that use recycled and locally sourced construction materials reduce the amount of energy required for manufacturing and shipping. Using low-emission materials, paints, and adhesives improves indoor air quality and reduces hazardous off-gassing. Water shortage is a global issue, and LEED certification seeks to address it by encouraging water-efficient fixtures and landscaping. LEED buildings use technologies such as low-flow faucets, dual-flush toilets, and efficient irrigation systems to reduce water use while maintaining functioning.

Some LEED projects also include rainwater collection and greywater recycling systems, which reduces demand for municipal water supply and lowers utility expenditures. Green spaces are critical for supporting local ecosystems, as green roofs and walls absorb rainfall, reduce heat island effects, and provide home for birds and insects.



Native plant landscaping is another feature of green building projects that conserves water, benefits local animals, and reduces pesticide and fertilizer use.

These eco-friendly elements help to create a more sustainable future, making LEED-certified green buildings shining examples of environmental responsibility.

Energy-efficient buildings have lower utility expenses over time. While the initial cost of energy-efficient devices may be higher, the long-term savings in operational expenses are significant. Furthermore, these buildings frequently command higher property prices and lease rates because to their lower running costs and appealing sustainability characteristics.

Socially, tenants of energy-efficient buildings benefit from increased indoor air quality, thermal comfort, and overall well-being. Proper ventilation systems, non-toxic materials, and effective lighting all help to create

healthier interior environments. According to research, residents of green buildings report higher levels of happiness, productivity, and fewer sick days, highlighting the social benefits of energy efficiency.



The combination of energy efficiency with LEED has many advantages, but it also has drawbacks. One significant problem is the greater upfront expenses of deploying energy-efficient systems.

While these expenditures pay off in the long run, they might be prohibitively expensive, particularly for developers or organizations with small budgets.

In addition, the usefulness of LEED certification in encouraging maximum energy efficiency has been questioned. Critics contend that the certification process does not always result in high-performance buildings, since some may prioritize gaining points over attaining genuine energy efficiency.

This emphasizes the requirement for continued monitoring and verification of building performance following certification. Furthermore, the present LEED certification requirements may fail to adequately incorporate emerging technology or evolving best practices in energy efficiency.

As the industry evolves, certification requirements must be updated and refined to reflect the most recent advances. Stakeholders have numerous options for addressing these difficulties.



Incentives such as tax credits or subsidies for energy-efficient improvements might help to cover the initial expenses. Enhanced knowledge and training in energy-efficient design principles can also help architects and builders make educated judgments. Furthermore, continual refinement of LEED standards through industry engagement and feedback systems is critical to ensuring their relevance and efficacy.



Ultimately, LEED certification plays an important role in promoting energy efficiency in sustainable building techniques. LEED has fueled innovation and increased the standard for environmental responsibility in building by incentivizing the use of energy-efficient technologies and design concepts. The advantages of combining LEED and energy efficiency are numerous, encompassing the environmental, economic, and social spheres. The impact of decreasing greenhouse gas emissions and boosting tenant well-being is far-reaching. Nonetheless, obstacles like up-front expenses and the requirement for ongoing growth still exist. To address these issues, a multimodal approach is required, which includes financial incentives, education, and continual certification standard revision. As we look to the future, we must prioritize energy efficiency in sustainable construction practices, acknowledging its critical role in producing healthier, more resilient built environments. The integration of LEED and energy efficiency can be advanced further by ongoing research and development, as well as collaborative efforts by industry players, resulting in even more impactful and sustainable buildings. As we work toward a greener future, the lessons learnt from LEED's impact on energy efficiency will continue to affect our approach to sustainable building and construction.

A promotional banner for Business Mirror TV. On the left is a blue diamond-shaped logo with the text "Business Mirror.tv". To the right, it says "Business Mirror TV" in large white letters, followed by "Subscribe Today!" and "Business Mirror is the first Global Online Television from Bangladesh". Below this are social media icons for YouTube (@BUSINESSMIRROR_tv), Facebook (BusinessMirror.TV), and a globe icon with the website address businessmirror.tv. On the far right is a screenshot of a mobile app interface showing a "SUBSCRIBE" button and various content thumbnails.



BANGLADESH'S NON-COTTON GARMENT EXPORTS PROJECTED TO REACH \$42 BILLION BY 2032

The Apparel Digest Report Analysis

The history of clothes made from materials other than cotton in Bangladesh is a complicated tapestry that is woven with strands of tradition, ingenuity, and international trade. Because of the introduction and development of clothes made from materials other than cotton, Bangladesh's position in the global garment market has undergone a significant transformation, even though cotton has been a backbone of the textile sector in the region for some time.

The history shown here highlights the transformation of the nation's textile industry from one that was primarily centred on cotton to one that is now a broad and vibrant hub for a wide variety of textiles and garments, including silk and synthetics.



Over the course of the past three years, the percentage of non-cotton fibre that is utilized in the creation of apparel in Bangladesh has experienced a significant growth, going from 25% to 29%.

This development may be explained by the fact that local apparel exporters have made the decision to increase their usage of synthetic fibres to boost their business chances and achieve better prices.

When compared to the global trend, which is for non-cotton fibres to make up around 75% of the composition of clothes, Bangladesh stands out because it places a significant focus on cotton.

Cotton accounts for 71% of the fibre that is utilized in the production of garments that are made domestically, as stated in a study that was compiled by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).



An Indian research organization called Wazir Advisors Pvt Ltd has brought to light the possibility that Bangladesh might benefit from the utilization of fibres that are not cotton.

The country may export ready-made garments made of materials other than cotton with a value of \$42 billion by the year 2032, according to research, provided it spends \$18 billion in the business that deals with non-cotton fibres. The Bangladesh Goods and

Services Association (BGMEA) has the goal of increasing its share of the global garment market from 7.87% to 12% through the utilization of man-made fibres. As a result of a few causes, including climate change and sustainability, consumer preferences are altering, and they are moving toward clothing that is more durable and practical than clothes made of cotton.



Not only does the production of non-cotton apparel satisfy demand on worldwide markets, but it also provides significant advantages to the economy of Bangladesh. Local clothing exporters are purposefully increasing the amount of clothing that is not made of cotton to expand their market reach and acquire more competitive rates. This is done with the intention of preserving Bangladesh's vivid and diverse textiles for future generations.

In conclusion, the textile industry in Bangladesh has demonstrated its flexibility and perseverance by manufacturing clothes made from materials other than cotton throughout its history.

From humble beginnings with traditional silk weaving to the widespread use of synthetic materials, Bangladesh has welcomed innovation while still preserving its rich textile past.

Traditional silk weaving took place in Bangladesh.

Faruque Hassan, the President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), has stated that local garment exporters are making cotton clothing and merely increasing the volume of non-cotton apparel in order to grab more markets and higher prices.

The notion that Bangladesh exclusively produced plain apparel has been debunked by the reality that the country now produces high-value-added products such as coats that cost more than one hundred dollars per piece.

BANGLADESH APPAREL NEWS IN BRIEF

The Apparel Digest News Compilation

- **Export to non-traditional markets make Bangladesh Garment export stronger**

Bangladesh apparel export to non-traditional destinations (apart from traditional European and North American markets) grew 11.69 percent year-on-year to \$5.46 billion in July-January of the current fiscal year.

The overseas sales stood at \$4.89 billion in the identical period a year earlier.

Among the major non-traditional markets, the export to Japan, Australia and South Korea increased 8.74 percent, 23 percent, and 17.57 percent, respectively, according to Export Promotion Bureau (EPB) data compiled by Bangladesh Garment Manufacturers and Exporters Association (BGMEA) showed.

RMG exports to India, however, declined 21.86 percent.

In July-January of 2023-24, the export to the European Union, a traditional market, reached \$13.92 billion, an increase of 1.32 percent compared to the same period of 2022-23.

The export to Spain, France, the Netherlands and Poland showed a 6.05 percent, 4.25 percent, 11.77 percent, and 20.30 percent year-on-year growth, respectively. The shipment to Italy declined 1.81 percent.

Germany, the largest export destination for Bangladesh in the EU, declined 13.46 percent to \$3.51 billion.

Apparel export to the US, the largest market for Bangladesh, stood at \$4.79 billion in the first seven months of FY24, a fall of 3.90 percent.

Suppliers shipped products worth \$3.31 billion and \$871.27 million to the UK and Canada, respectively, which were up 12.98 percent and 0.68 percent year-on-year.



- **Bangladesh to export non cotton garments worth \$42 billion by 2032**

Globally non-cotton fibre is used in 75 percent of garment manufacturing.

In contrast, Bangladesh relies on cotton fibres to make 71 percent of the country's export-oriented products.

However, Bangladesh has more potential to use non-cotton fibre as the demand for manmade fibre garments is on the rise globally, according to a study.

If Bangladesh invests \$18 billion, the country will be able to export \$46 billion worth of non-cotton garment items by 2032, the study revealed.

BGMEA wants to raise the global market share of locally made apparel items to 12 percent from 7.87 percent now since the prices are higher for the products made from artificial fibres.

The rise was owing to local apparel exporters moving away from cotton to incorporate more man-made fibre to get better prices and increase business, according to Indian research firm Wazir Advisors.

The study was conducted on behalf of BGMEA over the last two years.

Because of climate change, changes also occurred in fashion as the consumers prefer more non-cotton garment items than cotton items because of its functionality and sustainability. So, the import of non-cotton fibre has increased recently.

Diversification of fibre does not mean the production base is shifted from cotton fibre. The local garment exporters are making the cotton garment and just increasing the volume of non-cotton garment to grab more markets and for better prices, said BGMEA leaders.

The old concept that Bangladesh mainly produced basic garment items is not true anymore as the country now produces high value added items like jackets worth more than \$100 per piece, BGMEA President said.



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- **Apparel export in February: US\$ 4.49 billion**

Bangladesh exported garments worth \$4.49 billion in February 2024, one of the highest for any single month, undergoing a year-on-year growth of 13.93 percent, according to data from the Export Promotion Bureau (EPB). Garment export had reached a record high for a single month in January with \$4.97 billion.

The garment export during the first two months of this year amounted to \$9.47 billion, registering a 13.15 percent year-on-year growth.

In terms of the fiscal year 2023-24, garment export in the July-February period reached \$32.86 billion with a year-over-year growth of 4.77 percent.

- **Bangladesh-India joint trading partnership can grow textile, apparel sectors: BGMEA President**

President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has emphasised the immense potential for collaboration between Bangladesh and India as trading partners, particularly in the textile and apparel sectors, to grow together.

Faruque Hassan highlighted the synergies between the strengths of both nations during a discussion titled “Building Resilient Value Chains - India as Global Sourcing Destination” organised by the Indian Ministry of Textiles and the Consortium of the Export Promotion Councils in New Delhi recently,

India, being strong in textile segments, and Bangladesh, with a proven capability in apparel manufacturing, present a great opportunity for mutual growth. “As we are pursuing a higher growth vision, the exchange of knowledge, expertise, technologies, and closer cooperation among our nations would create a win-win situation for us,” BGMEA Chief commented.

“We need to set up a ‘collaborative supply chain’ so that we can complement our capabilities and strengths and grow together,” he added. Faruque underscored that Bangladesh RMG industry has been making significant investments in machines, technology, and skills to enhance the competitiveness of Bangladesh’s ready-made garment industry in the global market.



- **Bangladesh's growing prowess in RMG makes Chinese investors upbeat**

Chinese textile and garment entrepreneurs are bullish about Bangladesh as the country cements its position as a top supplier of apparel items, evidenced from a healthy flow of orders from international clothing retailers and brands.

On the back of higher demand for fabrics, yarns, chemicals, dyes, and capital machinery used in the textile and garment sectors, China has turned into the largest supplier for Bangladesh.

Bangladesh imports nearly \$20 billion worth of goods, including fabrics, from China, said industry people. Bangladesh imports more than \$10 billion worth of fabrics from China per year.

The reliance on the second-biggest economy in the world is growing since local weavers can only meet 40 percent of the requirement for woven fabrics. The remaining 60 percent is met through imports, mainly from China and India.

Owing to a brighter outlook of Bangladesh and the rising cost of production in China amid a dearth of skilled workers, Chinese investors are flocking to the country and investing in the textile and garment sectors.

At the same time, Chinese fabric sellers are targeting export-oriented garment factories which have been receiving an increased volume of orders from global retailers and brands.

Bangladesh, the second-largest apparel supplier globally, is already the biggest denim exporter in Europe and the US, which highlights the sector's strength.

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- **Bangladesh's garment exports via Delhi airport upset Indian apparel makers**

Apparels from Bangladesh have been a key driver behind the surge in export cargo trans-shipment at the Delhi International Airport Limited (DIAL) in the last one year but the development has upset Indian apparel suppliers.

On February 7 last year, India allowed DIAL to serve as a cargo trans-shipment hub between Bangladesh and other global destinations.

On the back of the shipment from Bangladesh, Delhi airport's cargo export rose to 5.17 million tonnes between April last year and January this year.

However, the increase in RMG from Bangladesh for exports via Delhi airport has caused consternation in India's Apparel Exporters' Promotion Council (AEPC). Bangladesh is a big competitor of India in the textile sector.

In a letter to the Indian government last month, the AEPC demanded the withdrawal of the February 7 order.

AEPC Chairman stated that 20-30 loaded trucks arrive in Delhi every day which slows down smooth movement of cargo and airlines are taking "undue" advantage of this. "This has led to an excessive increase in air freight rates, delay in handling and processing of export cargo, and severe congestion at the cargo terminal at Delhi airport."

This is rendering the exports of Indian apparel goods through the Delhi air cargo complex uncompetitive, APEC Chairman added. The council said the Red Sea crisis has already increased transportation costs of domestic exporters and it has led to a shift of export shipments from sea to air mode.

Allowing Bangladeshi export cargo via Delhi airport will further intensify the logistical challenges and increase the transportation cost for local apparel exporters, the letter said.

The trans-shipment of more than 8,000 tonnes of Bangladeshi cargo from Delhi airport to European destinations since February last year.



The airport has helped trans-ship garments to European destinations, including Spain, the Netherlands and France. The EU is the second-largest export destination for Bangladeshi apparel.

The success of trans-shipment has also triggered positive developments in the aviation sector as Bangladesh's cargo using the hub has motivated airlines to enhance their capacity at the airport, providing Indian exporters with more options in terms of capacity, destinations and economically beneficial choices.

- **Apparel export to USA falls 2.58% and up 1.32% to EU: 3.45% overall apparel export growth**

Garment exports to the USA, the single largest export destination for Bangladesh, fell by 2.58 percent year-on-year to \$5.46 billion in the July-February period of the current fiscal year. RMG export to the European Union reached \$13.92 billion during the July-January period of the current fiscal year with a growth of 1.32% compared to the same period of the previous fiscal year, according to the latest data from the Export Promotion Bureau.

American retailers and brands imported 23 percent lower amount of clothing items last year compared to the previous year because of high inflationary pressure, which impacted Bangladesh's shipment to the US markets.

Thanks to the presence of competitive pricing and long-time trade relations, Bangladesh is the third largest garment supplier to the USA after China and Vietnam.

Bangladesh's performance has been strong compared to its peers in case of garment export to the USA despite being slapped with a 15.62 percent tariff, the highest in the world in this particular market.

However, clothing sales have started increasing in the US economy thanks to the recent recovery of the market.

The National Retail Federation (NRF), the largest retailers' platform in the USA, said sales in the clothing and accessories stores were up 0.51 percent month-over-month and up 8.05 percent year-on-year in February.

In the July-February period of 2023-24 fiscal year, garment export to the European Union, the biggest trade block for Bangladesh, reached \$16.23 billion, posting a 3.27 percent year-on-year jump, according to Export Promotion Bureau data.



Apparel shipment to Spain, France, Netherlands, Poland and Denmark showed 8.68 percent, 4.72 percent, 14.55 percent, 21.82 percent and 32.81 percent growth respectively. However, the apparel export to Italy declined by 0.93 percent year-on-year in the July-February period.

On the other hand, RMG export to Germany, the largest market in the EU, declined by 11.63 percent year-on-year to \$4.09 billion.

At the same time, the garment export to the UK and Canada reached \$3.85 billion and \$998.77 million, posting a 14.64 percent and 1.81 percent year-on-year growth respectively.

Meanwhile, apparel export to the non-traditional markets grew by 10.83 percent year-on-year to \$6.30 billion.

Among the major non-traditional markets, exports to Japan, Australia and South Korea increased by 7.12 percent, 21.29 percent and 17.16 percent respectively. However, apparel export to India declined by 22.99 percent year-on-year in the July-February period.

Exporters attributed the decline in exports to the USA and German markets to decreased demand amid inflation, yet they remain optimistic about growth, citing the anticipated economic recovery in both countries.



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- **Home textiles registers positive export earnings growth first time in 17 months**

After about one and half years, Bangladesh home textile exporters have experienced a piece of good news, that the sector has finally bounced back to the positive trend in the year-on-year (YoY) export growth.

According to data disclosed by the Export Promotion Bureau (EPB), exports of home textiles products posted a 9.9% YoY growth to \$84.61 million in February this year, while the earnings were \$77 million in the same month of last fiscal year.

Before this, the sector had last experienced a YoY growth 18 months ago. The sector export earnings have been experiencing YoY negative growth since September 2022.

The EPB data mentioned that home textiles export earnings posted an 18.44% YoY negative growth to \$84.96 million in September 2022. After that, the earnings were declining every month.

A leading exporter identified the reason. According to him, Home Textile sector exports have been declining following the economic recession due to the Russia-Ukraine war since February 2022. Besides that, one of Bangladesh's major competitor Pakistan, is also getting an advantage over Bangladesh, due to currency exchange rates. The sales in the global market are also gradually improving, he added. He also attributed the growth to getting orders from other markets.

Considering the order situation, the March onward for home textile export will be better than the last six months' trends, exporters of the sector expressed optimism.

- **Foreign debt at historic high, crosses \$100b-mark**

Bangladesh has witnessed its foreign debt crossing the \$100 billion mark for the first time to stand at \$100.64 billion.

The latest figure is up by \$4.12 billion in comparison to the \$96.52 billion recorded in December 2022, according to a Bangladesh Bank report. The figure includes both government and private sector borrowings.

There has been a steep rise in foreign debt throughout the last eight years. The debt was recorded at \$41.17 billion in fiscal year 2015-16, and it rose to \$98.11 billion in 2022-23, effectively doubling within the timeframe.

Now, the per capita debt stands at \$592 as the population count in Bangladesh is now 169.8 million as per the latest census. The figure was \$574 in June last year, and \$257 in 2015-16.

Around 79 per cent of the total external debt is in the public sector, while the private sector accounts for the remaining 21 per cent. As of December, the public sector's foreign debt was \$79.69 billion, and that of the private sector was \$20.95 billion.

The majority of foreign debt is sourced from the World Bank, the Asian Development Bank (ADB), and countries like Japan, China, Russia, and India, and is spent for implementation of different projects.

- **Central Bank's Findings: RMG value addition sees uptick in Oct-Dec**

The local value addition in the country's ready-made garment sector witnessed a 3.66 percentage point increase in the second quarter (October-December) of the current fiscal year compared to the corresponding quarter of the previous fiscal year.

However, the sector's export earnings decreased by 7.46% in the said period, as well as the cost of raw material imports by 17.93%, according to a quarterly review report by the Bangladesh Bank.

The report revealed that the import value of raw materials — raw cotton, synthetic fibre, synthetic/mixed yarn, cotton yarn, and textile fabrics and accessories for garments — was \$3.37 billion in October-December of FY24 while total RMG export earnings stood at \$11.77 billion.

Hence, the net export earnings in this sector stood at \$8.40 billion, with 71.35% local value addition in the second quarter of FY24. In contrast, in the same period of FY23, net export earnings stood at \$8.61 billion with a 67.69% local value addition.

The RMG sector has been facing numerous challenges such as the Russia-Ukraine conflict, currency depreciation, weak global demand, and global high inflationary pressure, all of which resulted in a slight edge down in exports in this quarter, the central bank said.

The primary markets for Bangladesh's RMG exports include the US, Germany, the UK, France, Spain, Italy, the Netherlands, Canada, and Belgium. During October-December of FY24, the RMG export earnings from these nine countries stood at \$7.95 billion, which was nearly 68% of total exports.

Bangladesh Bank report warned that as the global economy is facing major challenges including subdued economic activities owing to higher inflation and higher interest rates, heightened uncertainties regarding the future geo-economic landscape, weak productivity growth and a complex financial environment, export receipts from the RMG sector may also face some challenges in the upcoming months of the current fiscal year.

Several initiatives have been taken by the government and the Bangladesh Bank, particularly the pre-shipment credit, incentives for export expansion, Export Facilitation Fund, Export Development Fund (EDF), and Green Transformation Fund (GTF).



The central bank stated that inter-apparel diversification, reducing lead time and increasing efficiency, ensuring effective research and development, exploring new global markets, skilled RMG workforce and modernization of production process should be priority areas to escalate the RMG export earnings in the future.

In the last fiscal year, Bangladesh exported apparel items worth \$46.99 billion.



• **BGMEA elects new board for 2024-2026 term**

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Besides, the new vice presidents are: Tusuka Fashions Ltd Chairman Arshad Jamal Dipu, Sadma Fashion Wear Ltd Managing Director Md Nasir Uddin (finance); Misami Garments Ltd Managing Director Miran Ali, 4A Yarn Dyeing Limited Managing Director Abdullah Hil Rakib, and HKC Apparels Ltd. Managing Director Rakibul Alam Chowdhury.

The BGMEA election took place in Dhaka and Chittagong on 9 March, 2024.

The Sammilito Parishad led by SM Mannan Kochi secured all 35 directorship positions in the election into the BGMEA for the 2024-26 term. No candidates from the other panel, known as Forum, could win any position in the election.

The newly elected directors from the Sammilito Parishad include prominent business figures from both Dhaka and Chittagong. They are Shahidullah Azim, Abdullah Hil Rakib, Asif Ashraf, Md Imranur Rahman, Arshad Jamal, Miran Ali, Shovon Islam, Haroon Ar Rashid, Mohammad Sohel Sadat, Anowar Hossain, Shams Mahmud, Khondokar Rafiqul Islam, Ashikur Rahman, Nasir Uddin, Mesbah Uddin Khan, Rajiv Chowdhury, Md Shahadat Hossain, Abrar Hossain Sayem, Mohiuddin Rubel, Nusrat Bari, Md Jakir Hossain, Shehrin Salam, Md Nurul Islam, Saifuddin Siddique, Rezaul Alam from Dhaka region. From Chittagong region, Rakibul Alam Chowdhury, Syed Nazrul Islam, Mohammad Musa, Amzad Hossain Chowdhury, M Ahsanul Hoque, Mostafa Sarwar, Rakib Al Naser, Gazi Md Shahid Ullah, and Md Absar Hossain were elected as directors.



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