BTMA

Lead the Nation for Better Future

NEWSLETTER

This Issue Covers

Global Events & Updates
Bangladesh Features
Ongoing Activities of BTMA
BTMA Alliances
Latest Circulars & Policies
Cotton, Yarn & Fabric Corner

March' 20 Issue

From the Desk of President

I am very delighted to set forth the newsletter from BTMA. This is no doubt a milestone of BTMA and it will help to keep the relevant textile fraternity updated about the textile field. However, due to Covid-19 we faced some difficulties and the publication was delayed but finally it's seeing the light despite all the difficulties and it feels great. This newsletter will give an insight of the prevailing state of the textile industry and recent textile issues.

Textile sector covers around 13% of the GDP and the lion share of the export earnings (over 86%). The local mills also meet the basic domestic fabric demand of the entire country worth of USD 8 billion which need to be supported otherwise huge Foreign Exchange (FE) will be required and will create extra pressure on our Foreign Reserve. If this 8 billion is added to GDP, the contribution of this sector will be more than 13%. Government should give more priority and attention to this sector. This is a import-substitute sector and government needs to provide more policy/fiscal supports otherwise it can return to its previous condition which is totally import based. If this sector falls or face any kind of damages then it can bring losses to overall economy also.

The last 2-3 years have been very challenging for us for various reasons and this sector is currently passing a hard time. The overall demand of Yarn and Fabric produced by our mills has been experiencing a sluggish growth. This has affected the RMG sector as well. Textile and clothing sector has emerged as the backbone of our economy. If this sector faces any major setback or goes through any disastrous state then this may be a nightmare for our economy.
It has a strong backward and forward linkage industry. We have taken many steps to modernize the primary textiles through adopting new technologies and introducing state of art machineries & equipments in the industrial process apart from investment in diversification of products. We have become more energy efficient by applying various modern devices and technologies. As such and considering the potential of this sector, Government should continue to provide assistance & necessary policy support with Monetary and Fiscal.

BTMA will try it's best to keep this readers updated textile news and views around the world with expert opinion, market information and technological advancement happening in the textile and clothing industry. BTMA always strives for contributing to the growth of the textile industry and working for its betterment. I would like to appreciate & thank Rashidul Hasan Rinto, Director BTMA for his support to make this newsletter happen. In future I hope that my other colleagues will come forward to support this publication. Last but not the least, I would like to thank all the Board Members for their valuable support in every activities of BTMA and also BTMA team for their regular endeavors.

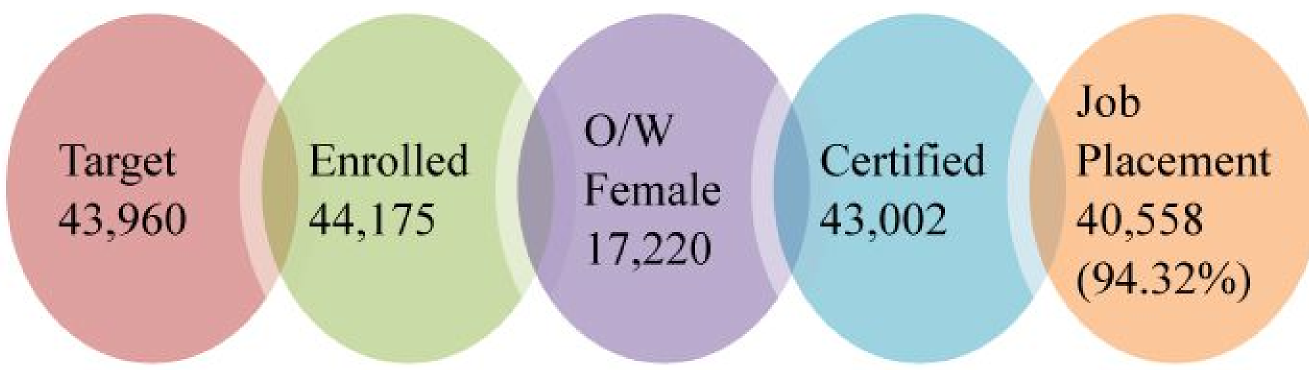
Mohammad Ali Khokon

BTMA Alliances

SEIP: A stairway to build skilled workforce

To develop the unskilled and semi-skilled labor force into productive and skilled labor in priority sectors and to support Government institutes, private companies, non-government organizations, industry skill councils and industry associations Skills for Employment Investment Program (SEIP) is established. The project is financed by Asian Development Bank (ADB) along with Swiss Agency for Development and Cooperation (SDC), Ministry of Finance to support skills development in Bangladesh. BTMA is an active part of this project and is working to achieve the objective.

With the assistance of ADB and MoF, BTMA started this voyage towards building skilled labor force from Jun 2014. Total disbursement of 1st phase of SEIP project was tk. 39.95 Crores out of which ADB provided 35.96 crores & BTMA invested tk. 3.99 crores. Under 1st phase, 31500 persons from different mills were trained under 18 trades. The 2nd phase started from January 2019 and will end in December 2020 ensuring training of around 20,000 persons in 12 trades. The 3rd phase is under active consideration and will start from January 2020 continuing up to December 2024. Under the 3rd phase 23,000 persons will be trained with 16+ courses.



Trainees will be youth and young adults with minimum age 15+ and maximum age for new entrants are 45 years and for up-skilling it is 50 years with the educational background of grade V and above prioritizing the disabled and ethnic minority. BTMA offers courses on yarn, weaving, dyeing, sewing basics, manufacturing technology Textile & Apparel merchandizing basics and textile industry related topics and issues with to make the trainees efficient, equipped and fitted for this industry. It provides facilities like training fee, certification of the availed course and endurance of job placements. All the information regarding the project and courses are on tap at the BTMA website.

NITER :: Pathway of Achieving Excellence as Textile Professionals

National Institute of Textile Engineering and Research (NITER) is the first education institute running as a Public-Private-Partnership (PPP) which started with 'Bangladesh Textile Mills Corporation (BTMC)' under the Ministry of Textiles & Jute. Later through a signed agreement, operational management of the institute was handed over to Bangladesh Textile Mills Association (BTMA) on September 2008. The objective of NITER is to fulfill the acute shortage of skilled engineers in the field of textile and allied sector. It also aims to introduce a high-tech and modern educational method in the local context. Around 1,500 students are enrolled in different courses and gradually the number is increasing. Basic idea of this institute is to provide such level of quality education which can take it to a level of Centre of Excellence.

The institute always tries to provide proper laboratory support, books, journals so that students never fall short of any kind of necessities. Right now the institute is running five undergraduate programs and two graduate programs. The latest inclusion is MBA in Textile and Apparel Value Chain.

NITER which is affiliated by University of Dhaka has a unique wing namely 'Research and Industrial Relations (RIR)' for operating its collaborative research & innovative activities. The institute is also conscious about student's industrial trainings as well as job placements. The graduated students from NITER get employed rapidly and has good demand in the textile sector.

Bank Single Digit Rate: A shaft of Light for the investors?

The textile and garment industries are now passing a dark time. It is facing various upheavals including increasing operating costs to survive. Many textile and clothing industry has faced many problems and had to shut down due to losses. The textile and clothing fraternity urged the government to help these sectors to survive the situation by applying single digit interest rate on loans from commercial banks from the previously fixed date. It will help to restart many factories to manage funds at low cost. The single digit interest rate was supposed to start off from January 1 but since the PM desires it for all loans, it was decided to set the single digit interest rate in motion from April. Thus the borrowers will get loans at 9.0 percent interest rate instead of the existing level of around 12.00 percent after implementation of the BB board's decision and the deposit rate will be at maximum 6 percent from February 6 to support 9 percent lending rate. This will encourage many people to invest in different development and manufacturing sector. Existing mills will also be benefitted as it will help to cut short their operating costs. A 2% additional interest would be charged by the banks if the 9% interest borrowers become defaulters.

Bangladesh becoming an inspiration-highest number of green factories

Bangladesh, the second largest ready-made garment exporter in the world, is in a leading position in sustainable green industrialization with the world's several top tier green factories. Bangladesh has around 108 green garment factories certified by the US Green Building Council (USGBC), while another 500 buildings are on the way to receive such prestigious certifications. US Green Building Council (USGBC) is a Washington-based non-profit organization that promotes sustainability in building design, construction and operation.

The apparel and textile manufacturers in Bangladesh have come a long way from the rock-bottom of 2013's Rana Plaza disaster and now have some of the most laudable examples of compliant factories around the world.

"In every consideration, Bangladesh has the highest number of green garment factories in the world," said the USGBC and, it has to be said, the numbers are impressive!

Bangladesh needs to focus more on the sustainable growth to attract more buyers and investor.

First Green Factory in Bangladesh Mithela Textiles

Accord Policies will be Carried Out by RMG Sustainability Council (RSC)

Accord on Fire and Building safety in Bangladesh is going to leave in May, 2020 and the duties will be carried over by RMG Sustainability Council (RSC). Transition agreement has been signed by BGMEA and Accord in this January. RSC will preserve the remediation status of the Factories which used to be covered by the Accord and will take necessary steps if any new remediation required as per the factory's Corrective Action Plan. RSC will maintain all health and safety inspections and remediation, safety training and complaints handling functions which were under Accord system. The operations, infrastructure, and functions of the Accord Office in Dhaka will be transferred to the RSC. The Safety and Health complaints mechanism established under the Accord will continue to operate independently and autonomously. As the documented decisions, policies and protocols developed by the Accord have proven to be effective and convenient will be accepted and continued by RSC.

New concern of Industries ::Electricity Price Hike

Business expenditure and cost of living to rise as the power price gets increased. Bangladesh Energy Regulatory Commission (BERC) has announced price hikes for both retail and bulk consumers. The new prices have been effective from March 1,2020. This is the fifth hike since 2009. The new price will obviously have impact in the textile industries as it will intensify the utility cost . Earlier the weaving mills could run the production up to 60-70% for the interrupted power. Now the price hike will add more problems to their business. The overall production cost and price of the products will be higher.

Corona pulled the plug of DTG fair

The Dhaka Int'l Textile & Garment Machinery Exhibition (DTG) is a wide-reaching trade fair gathering more than 1,200 brands from 35 countries and regions. This event showcases a variety of equipments, products, technologies as well as services and information concerning all the textile & garment processing and production aspects. It was supposed to start on February 20 at International Convention City, Bashundhara in Dhaka but got postponed due to the Corona virus outbreak. World Health Organization (WHO) has declared this outbreak as a global health emergency. BTMA is concerned about this and after discussing the issue with the highest authority the organizers has decided to put the fair on a halt for the better interest of the nationals.

Global Updates & Events

China tops the apparel export market then who's next? Bangladesh or Vietnam?

Bangladesh and Vietnam have been the world's largest apparel exporters to the world after China and the competition between them are becoming progressively intense. Though Bangladesh is holding the second position but recently going through a down turn in the textile and apparel sector whereas Vietnam is booming giving Bangladesh a tough challenge. The difference margin between Bangladesh and Vietnam is very close. However, the business dynamics and environment of the two countries are different. Bangladesh is favored for its big capacity and ability to produce low-end items at the cheapest rate of the world with acceptable quality whereas Vietnam is more value-oriented with strong backward linkage and more educated workforce.

Vietnam's market is wide open with about 6,000 textile and apparel manufacturing companies engaging 2.5 million employees of 90 million population. A strong growth prediction done by 'Textiles Intelligence' shows the production capacity of the industry is predicted to rise by 12-14% p.a. from 2016-2020. The export potential is also forecasted to rise by 15% p.a. during this period, and the Vietnamese textile and apparel industry will reach US$50 billion by 2020 of 90 million population. A strong growth prediction done by 'Textiles Intelligence' shows the production capacity of the industry is predicted to rise by 12-14% p.a. from 2016-2020. The export potential is also forecasted to rise by 15% p.a. during this period, and the Vietnamese textile and apparel industry will reach US$50 billion by 2020.

Sector Profile		
	Bangladesh	Vietnam
No of Industry	4560 graments and around 1500 textiles	6000 garments and textiles
Garments worker wage (USD per month)	68 to 100	122 to 176
Employment in Industry	Around 4 Millions	Around 2 Millions

However, to know which country will lead the race we need to consider few issues-

In the ease of doing business index Bangladesh lags behind Vietnam. Bangladesh's textile industry in the backward linkage requires a huge amount of energy to operate and it is facing a shortage hindering the business. Vietnam is investing in billions in their energy sector and has the lowest gas price compared with the other garments manufacturing countries. Though the gas price is higher in Bangladesh, the electricity price is still lower than Vietnam.

Vietnam enjoys The Trans-Pacific Partnership (TPP) agreement in the U.S. market cutting over 18,000 tariffs though Bangladesh doesn't.

Lead time is an important issue for the buyers. Vietnam is self-sufficient in textiles but Bangladesh is still dependent on imported cotton which adds to its lead time. The average lead time from Bangladesh to EU and USA ranges from 90 to 120 days whereas from Vietnam it is 50 to 60 days putting Vietnam ahead. Both countires being the raw material importers, Bangladesh's major raw material sourcing countries are inching closer whereas Vietnamese raw material sourcing countries far distance. Sustainability has become a matter of concern nowadays. The number of Bangladesh Green industry is 90 and 500 more are at the verge of achieving such a prestigious certificate. Vietnam doesn't have much green factory-like Bangladesh. To conclude, Bangladesh needs to be more strategic and focus on certain issues to beat Vietnam in the race.

BTMA's Contribution Obtained Recognition

Jatiyo Bostro Dibosh 2019 was observed for the first time in the country on 9th January, 2020. In the opening ceremony of the National Textile Day function, Bangladesh Textile Mills Association (BTMA) was honored with crest along with nine other organizations for their contribution to the development of the country's textile sector. President, BTMA Mr. Mohammad Ali Kokhon received the crest from honorable Prime Minister Sheikh Hasina, MP. The other organizations include Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Garment Buying House Association (BGBA), Bangladesh Specialised Textile Mills & Powerloom Industries Association (BSTMPIA), Bangladesh University of Textiles (BUTEX), Bangladesh Cotton Association (BCA) and National Crafts Council of Bangladesh (NCCB).

All Awardees with Hon'ble Prime Minister

President, BTMA receiving Trophy from Hon'ble Prime Minister

Textile Related Latest Circulars and Policies issued by Government

- Income tax wing of the National Board of Revenue has halved the source tax on cash incentive for export revenue on January 9, 2020. NBR has published a statutory regulatory (SRO) order slashing the tax at source on export cash subsidy to 5 per cent from 10 per cent with immediate effect. The reduced tax rate will remain effective till June 30, 2020, according to the SRO.

- To boost the exporters, the finance ministry has waived exporters from payment of stamp duty at the rate of 0.2 per cent on deferred payment/usance payment. The circular was published on January 20, 2020.

- In the Bangladesh Bank circular published on 7 January, 2020 the government made the decision to provide 1.0 per cent cash incentive for the country's readymade garment sector against exports shipped during the fiscal year 2019-20 In the circular, the government also included the terry towel and specialized textile sectors in the alternative cash assistance scheme.

- Definition of SME in RMG/Textile on the basis of export performance for consideration of export subsidy. The export amount has been revised to 5 million USD. The circular has been published on 23 January, 2020.

- The Bangladesh Bank published a circular on 24 February 2020 and fixed highest 9% interest for all types of lending, except for credit cards. The dictated lending regime would be effective from April 1 and scheduled banks were asked to charge this rate from onwards. This decision has been made to help in expanding business and economy

- FE Circular 13 which was published on 19 March 2020 by Bangladesh Bank states that- bank may allow exporters to extend the tenure of realization of export proceeds up to 60 days, as additional time from specified period of four months from the date of shipment, for bona fide grounds.

- The same circular (FE Circular 13) also depicts that-The central bank will also consider applications for extension of export development fund (EDF) loans up to 180 days from prevailing extendable tenure of 90 days, to settle the payments against such loans for bona fide ground.

Pictorial Activities

BTMA President
welcomed new NBR Chairman

BTMA Attended Meeting
with Former NBR Chairman

BTMA in view exchange program
with Business

BTMA President is delivering speech in
India-Bangladesh Textile Industry
Forum Communities of Textile Sector

BTMA Annual Picnic at Sajek in 2020

PM focuses on product diversification

While inaugurating the National Bostro Dibosh 2019 on 9th January, 2020, Prime Minister Sheikh Hasina, MP. called upon the textile sector entrepreneurs to diversify products and explore new markets considering the fast changing international demand of apparel & fashion trends to uplift the country in the global market competition and increase export earnings. She called on the private and public sectors to work together.

BTMA Participated in Textile Day Fair 2020

Meetings, Conferences & Workshops

Discussion on some pressing issues faced by the BTMA mills with the former NBR Chairman along with President , BTMA & Vice President, BKMEA on 28th December, 2019.

Tripartite meeting between DEDO, BTMA & BUTEX over revising the common co-effient for items used in the textile sector on 2nd January, 2020.

Comments on Srilanka-Bangladesh Fabric Import Issue in a meeting at EPB on 17th December, 2019.

preparatory meeting for holding India-Bangladesh Textile Industry Forum (IBITIF) held on 23 Jaunauary, 2020.

Participated in the view exchange program along with BGMEA and BKMEA by Business Communities of Textile Sector on 21st & 23rd January, 2020.

Contributory comments on bank single digit made by the BTMA president in the press conference arranged by BTMA, BGMEA, BKMEA on 4th December.

সমকাল

বিপদে রপ্তানি খাত

করোনার কারণে ক্রেতারা অর্ডার বাতিল করছেন * আমদানিও দ্রুত কমছে

বাংলাদেশ টেক্সটাইল মিলস অ্যাসোসিয়েশনের (বিটিএমএ) সভাপতি মোহাম্মদ আলী খোকন সমকালকে বলেন, ইউরোপ-আমেরিকাসহ ক্রেতা দেশে বন্দর, বিমান যাতায়াত এবং বিক্রয়কেন্দ্র বন্ধ। মানুষ চলাচল, কেনাকাটা কিছুই করতে পারছে না। ফলে যারা বাংলাদেশ থেকে আমদানি করে, তারা আমদানি বন্ধ রেখেছে। তিনি জানান, তার কারখানার দুটি রপ্তানি আদেশ বাতিল হয়েছে।

বিটিএমএর সাবেক সভাপতি এ মতিন চৌধুরী সমকালকে বলেন, প্রধান প্রধান রপ্তানি বাজারে দোকানপাট বন্ধ। ফলে ক্রেতারা পণ্য নিতে চাচ্ছেন না। অনেকে অর্ডার বাতিল করছেন। অনেকে স্থগিত করছেন। কেউ কেউ পণ্য পরে পাঠাতে বলছেন। অনেক ক্রেতা কারখানায় উৎপাদন বন্ধ রাখার পরামর্শ দিয়েছেন।

বাংলাদেশ প্রতিদিন

শনিবার | ঢাকা ৭ চৈত্র ১৪২৬ | ২১ মার্চ ২০২০

করোনায় ব্যবসা-বাণিজ্যে স্থবিরতা

শ্রমিকদের বেতন দেব কীভাবে বুঝতে পারছি না
—মোহাম্মদ আলী খোকন

পোশাকশিল্পের কিছু ক্রেতা দায়িত্বহীন আচরণ করছেন
—ড. রুবানা হক

জল-স্থল-আকাশ পথের পরিবহনে চ্যালেঞ্জ
—শেখ ফজলে ফাহিম

NEWAGE

THE OUTSPOKEN DAILY

Factories won't shut down without PM's direction: state minister

Trade unions demand immediate closure with wages

$608m RMG export orders cancelled or suspended

The Daily Star

Taming The coronavirus rampage: BB roused to action

The central bank has started work on facilitating a soft landing to the economic slowdown brought on by the coronavirus pandemic.

"We will do everything that the economy needs right now," Md Serajul Islam, executive director of the Bangladesh Bank, told The Daily Star yesterday.

কালের কণ্ঠ

করোনা মোকাবেলায় আরো ২০০ কোটি টাকা বরাদ্দ

সূত্র মতে, করোনাভাইরাস মোকাবেলায় অর্থ মন্ত্রণালয়
দুই খাত থেকে এই ২০০ কোটি টাকা বরাদ্দ দিয়েছে। মেশিনারিজ আমদানি খাত এবং অপ্রত্যাশিত খাত থেকে সর্বমোট ২০০ কোটি টাকা বরাদ্দ দেওয়া হয়েছে। অর্থ বিভাগ থেকে বরাদ্দকৃত অর্থ প্রান্তিক পর্যায়ে পর্যন্ত ব্যবহারের উপযোগী করতে বলা হয়েছে।

Cotton, Yarn & Fabric Corner

Import of Raw Materials and Fabrics

Products	Quantity (Ton)	
	Jan 2020	Feb 2020
Cotton	165973.576	111233.776
Polyester Staple Fiber	7970	4578
Viscose Staple Fiber	6070	7365
Knitted Fabrics	19988.334	16936.612
	Quantity (Meters)	
Woven Fabrics	45740894	35256804

Source: National Board of Revenue