

The Readymade Garment Industry in Bangladesh: Sustainability Practices and Challenges

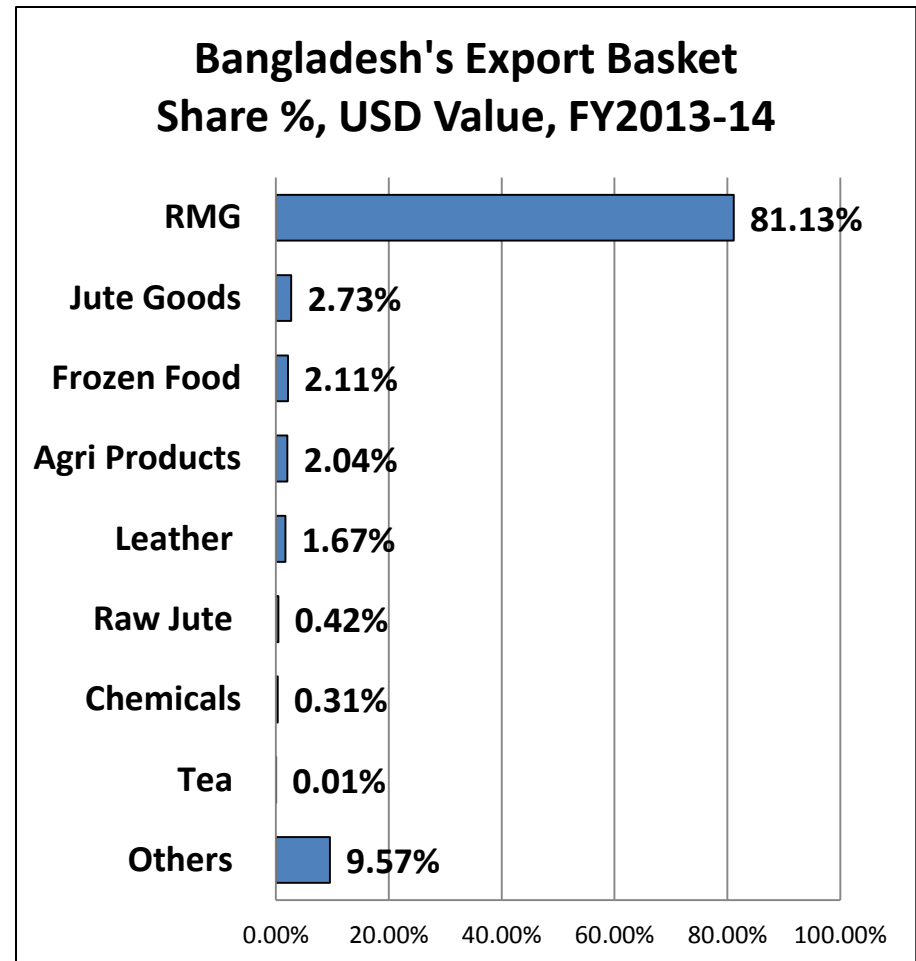
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SOME MAJOR CONTRIBUTIONS OF THE RMG INDUSTRY TO BANGLADESH ECONOMY

- ❑ **Lion Share of Exports:** 81.16% of the country's total export earnings
- ❑ **Employment Generation:** Created employment for 4.4 million people, 80% of them are female
- ❑ **Empowering Women:** RMG employs 3.5 million women, making them economically empowered, self aware, and independent. In a moderate Muslim country, the industry brought a silent social revolution.
- ❑ **Alleviating Poverty:** The poverty rate has dropped from 40% in 2009 to 26.45% at present, & RMG playing a critical role.
- ❑ **Contribution to GDP:** The RMG sector contributes more than 14%+ to Bangladesh's GDP
- ❑ **Less dependant on Aid:** Enhanced trade helping the country to reach its economic prosperity



CONTRIBUTION TO SOCIAL UPLIFTMENT

- Female labor force participation has increased significantly (from 8% in 1983-84 to 36% in 2010)
- The 3.5 million female workers are mostly within the age group of 18-30 years. The RMG industry is helping them getting empowered.
- Women have become more intelligent, self-aware, free and concerned about the society
- Early marriage and early motherhood has dropped;
- Primary education enrolment has increased;
- Child and women mortality rate has dropped;
- Improved maternal and child health and nutrition
- Poverty declined to 24.47% from 40% in 2009



VISION *2021*

The **V**ision



- **Double the RMG export within next 6-7 years**, i.e. from \$25 billion to \$50 billion, which leads to **double the business of backward, forward** and other allied industries - bank, insurance, freight, port/IDCs, tourism, hotel, etc.
- Increase the global market share of RMG from **5% now to at least 8% by 2021** – the Roadmap
- Promote “**Sustainability**”



CHALLENGES & THREATS



WORKING CONDITION IMPROVEMENT: PROGRESS

PROGRESS OF SAFETY INSPECTIONS

	NTPA	Accord	Alliance	Total
Total Factories	1300+/-	1103	584	3500
Inspection Completed	735	1261	647	2643
Closed	5	19	8	32
Completion Target	April 2015	100% Completed	100% Completed	
Progress of Remediation		20% CAPs remediated	Follow-up visit completed in 60 factories	

WORKING CONDITION IMPROVEMENT

- Only **32 factories** (which is less than 1.25% of the factories inspected) have been closed for major repairs
- All the inspection reports of the factories are now available at the **Fair Factory Clearinghouse (FFC)** database, which is accessible by all the buyers. This makes our progress even more transparent and credible.
- The Government of Bangladesh has also launched an online **publicly accessible dataset** of all the RMG factories in March 2014.
- Two private sector firms (TUV - SUD and VEC) have been contracted in January 2015 which have commenced operations to assess the remaining some **1,300 factories by April 2015**
- **Duty free import** of fire safety equipment
- Organized **Fire & Building Safety Expo** in February 2014 and December 2014

WORKERS-MANAGEMENT RELATIONS - A NEW PARADIGM

- Labor Law has been amended in July 2013
 - Significant rise in new union registration (following table shows the figures)
 - Online trade union registration portal opened by Labor Directorate
 - ILO-IFC's Better Work Program started, 38 factories registered already
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- Workers are migrated from rural areas with almost no knowledge on trade union
 - No mass level training initiatives for garment industry; no training facility on Occupation Safety & Health
 - Outsiders and political influence
 - Needs to educate and motivate the workers, mid-level management and entrepreneurs on their rights and responsibilities.

Trade Union Registration

2010 – 0

2011 – 1

2012 – 1

2013 – 83

2014 – 185

2015 – 36

EMERGENCE OF GREEN FACTORIES

- There are 14 certified Green RMG factories in Bangladesh already by United States Green Building Council (USGBC) until Oct 2014
- A number 50 factories are in the pipeline to get green certification from USGBC
- The highest rated Platinum LEED certified green factory “Vintage Denim Studio” is located in Bangladesh.
- These factories are highly equipped to Water conservation, Energy Efficiency, resource use, Indoor environmental, CO2 emission, Waste management, use of daylight, etc



Thank You !