



Round Table Conference

**Garments Sector of Bangladesh:
Prospects, Problems, Challenges and Way Out**

Keynote Presentation

Crisis and Competitiveness in the RMG Sector of Bangladesh
How to Address the Challenges?

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Contents

1. Introduction
2. Export Competitiveness of the RMG Sector in the Changing Scenario
3. Crisis in the RMG Sector: Major Challenges
4. How to Address the Challenges?

1. Introduction

- Bangladesh's RMG sector is in crisis
 - Despite double-digit growth in export over the last several months
- Crisis has further aggravated with the announcement of suspension of GSP facility in the US market
- Reasons for the crisis are mostly known to the stakeholders
 - Repeated incidences of fire in the factories and a number of incidences of collapse of factories
 - Lack of attention towards improvement of compliance standard in the garments sector
- Ongoing crisis has changed the dimension of competitiveness of the sector
 - Low cost of production, availability of workers at low wages, bulk scale production capacity and better product quality etc. would no longer be considered sufficient to ensure competitiveness
 - 'Quality of Work' is increasingly becoming a major factor for competitiveness
- This presentation will highlight on three issues
 - a) Competitiveness b) Crisis and c) Way out

2. Export Competitiveness of the RMG Sector in the Changing Scenario

- Bangladesh's RMG sector has made significant progress since the end of MFA in 2005.
 - It has become second largest supplier after China (its share has doubled)
 - Bangladesh's export has increased about 3.7 times since 2005 (from US\$6 bil. in 2004 to US\$22 bil. in 2012).
- Backward linkage textiles sector has developed: Production capacity of yarn and fabrics has increased
 - Local value addition has increased in the production of both knitwear and woven wear products.

Bangladesh's Position in the Global Apparel Market

	Product : 61 Knit articles				Product : 62 Woven Articles			
	2003	2005	2010	2012	2003	2005	2010	2012
Export ('000 US\$)	2124118	3346925	9047806	11282278	2916674	3498609	7214848	10910062
Position	11	6	3	3	11	10	5	3
Top countries above Bangladesh	China, Hong Kong, Italy, Turkey, Germany, USA, Mexico, India	China, Hong Kong, Italy, Turkey, Germany	China, Hong Kong	China, Hong Kong	China, Italy, Hong Kong, Mexico, Germany, Turkey, France, Belgium, Romania	China, Italy, Hong Kong, Germany, Turkey, France, Belgium	China, Italy, Hong Kong, Germany	China, Italy

2. Export Competitiveness of the RMG Sector in the Changing Scenario

Changes in Product Composition

- Major changes observed since 2005 in the composition of products
 - Number of new products included in the export basket
 - Number of products dropped (negative growth: more than 50 products)
- Such changes occur in the process of consolidation and specialization
- Diversification index corroborates the changing composition of products
 - There is a high concentration in top 5 and top 10 products

Changes in Product Composition (no. of products)

Description (at 6 digit level)	61	62
No. of products traded in 2004	113	117
No. of products traded in 2011	107	113
No. of products added in 2011 (vis-à-vis 2004)	12	2
No. of products dropped in 2011 (vis-à-vis 2004)	19	6
Average yearly growth (2004-2011)		
Above 10%	71	51
Between 5-10%	1	5
Between 0-5%	3	4
Negative growth	51	59

Diversification index

Year	Knit	Woven
2004	0.799	0.899
2011	0.824	0.819

2. Export Competitiveness of the RMG Sector in the Changing Scenario

Changes in Product Composition

- Bangladesh is specialized in manufacturing cotton-based products.
 - Share of cotton-based products has increased (from 60% in 2004 to 79% in 2011)
- Growth of export of non-cotton apparels was not so impressive
 - Still export of non-cotton knit apparels has registered moderate level of growth
- New products included in top ten list
 - 3 knitwear products: womens/girls trousers, babies garments and mens underpants/briefs
 - 5 wovenwear products: babies garments, mens shirts, mens anoarks, womens anoarks & brassiers

Cotton Vs. Non-Cotton Products

		61		62		61 & 62	
		2004	2011	2004	2011	2004	2011
Cotton based products	Value ('000 \$)	1846110	8657626	1843660	7424249	3689770	16081875
	Share	61.4	77.9	57.2	79.3	59.2	78.5
Non-cotton based products	Value ('000 \$)	1161708	2453280	1380595	1938704	2542303	4391984
	Share	38.6	22.1	42.8	20.7	40.8	21.5

2. Export Competitiveness of the RMG Sector in the Changing Scenario

Changes in the Composition of Raw Materials Used

- Raw cotton comprised major share of total import of cotton-based raw materials (HS 52) in 2004
 - Its share is only one-fifth of total import in 2011
- Import of cotton fabric has substantially increased between 2004 and 2011
 - The direction is opposite to that of import of raw cotton
- This shifting composition indicates changing demand of different kinds of raw materials in the backward linkage part of the value chain.
 - Less demand of raw cotton but more of fabric and yarn

Changes in Cotton-based Raw Materials

(Top 10 products)	Share of HS 52	
	2004	2011
Raw Cotton	48.5	19.1
Cotton Yarn	0.8	9.8
Cotton Fabrics	11.9	53.2
Total of top 10 products	61.2	82.1
Total of 52	100.0	100.0

2. Export Competitiveness of the RMG Sector in the Changing Scenario

Changes in the Composition of Raw Materials Used

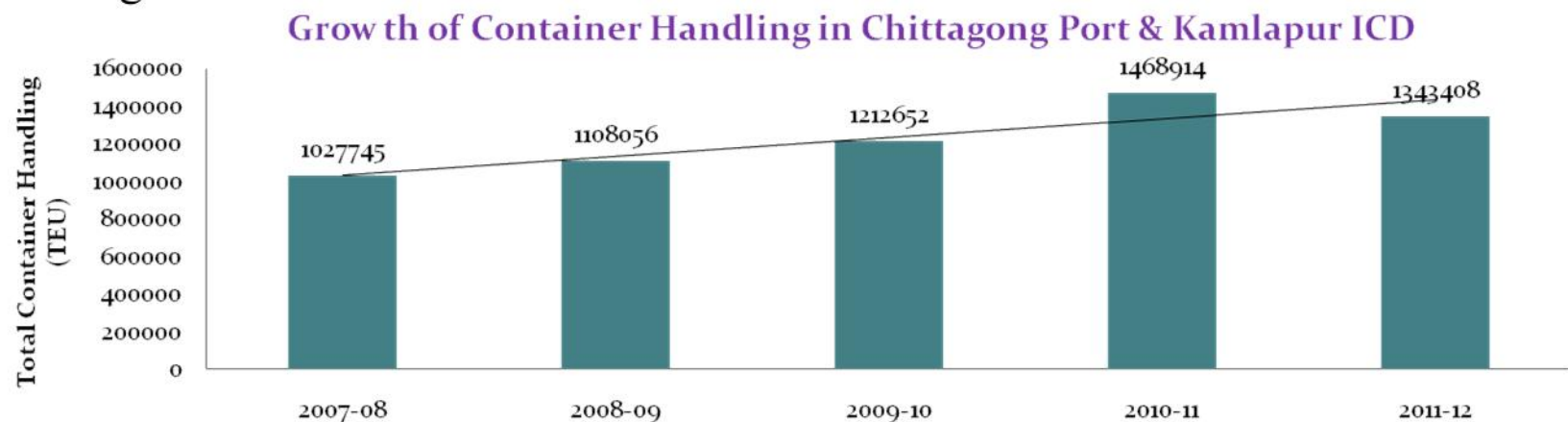
- The share of top 10 raw materials in the T&C related raw materials (50-60) has significantly declined
 - Various other raw materials have been used
- Top ten list comprised a number of new raw materials
 - Both cotton and non-cotton items

Changes in Raw Materials (50-60): 2004 & 2011

Top 10 in 2004		Top 10 in 2011	
Code	Share in 50-60	Code	Share in 50-60
520100	31.9	'520100	10.4
'520942	3.5	'520842	6.9
'520811	2.9	'520942	5.4
'520521	2.6	'520939	3.9
'520819	2.6	'520932	3.2
'551219	2	'550932	2.6
'550932	2	'540752	2.5
'520931	1.8	'521041	2.2
'550320	1.5	'521142	1.8
'551329	1.5	'520839	1.7
'520511	1.5	'600622	1.7
Total value (50-60)	53.8		42.5

2. Export Competitiveness of the RMG Sector in the Changing Scenario

- Increasing trade has led to growth of container handling in Chittagong port and Kamlapur ICD: growth rate accelerated from 7.8% in 2009 to 21.1% in 2011
- Shippers' council has a major role to play to facilitate the shipment of RMG products .
 - Day to day problems of the shippers and exporters in respect of shortage of shipping space, delay in delivery, short delivery and non-delivery of foreign trade cargo to the consignee
 - Deals with port conditions, port charges and port services, carrying of cargo to and from the port, freight rates of Railways, Trucks and Waterways carrying export/import cargo.
 - Looks into freight rates charged by the Shipping Lines and the justification behind freight increase from time to time



2. Export Competitiveness of the RMG Sector in the Changing Scenario

- Despite the progress made in the competitiveness in the RMG sector, social issues remain less addressed.
- Productivity (output per worker) has significantly increased over the years.
 - 1994: 66.8 doz per worker
 - 2010: 155.9 doz per worker
- Occupational health and safety (OHS) of RMG workers is in weak state.

Employment and Output-worker Ratio

	No. of Factories	Employment (mill.)	Output (mill. Doz.)	Output per factory (doz)	Output per worker (doz)
1990-91	834	0.4			
1993-94	1839	0.83	55.41	30131	66.8
2000-01	3480	1.8	117.9	33879	65.5
2005-06	4220	2.2	316.5	75000	143.9
2009-10	5063	3.6	561.24	110851	155.9
2010-11	5150	3.6			
2011-12	5400	4.0			

Source: Based on BGMEA.

Number of Fire Incidences/Collapse of Factories in the Garment Factories

		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Fire Incidences	No. of factories*	-	-	-	-	-	326	89	293	220	234	228	
	No. of death**	10	15	25	130	141	-	19	8	73	87	122	
	No. of injured workers**	36	51	107	402	1578	-	187	70	888	513	275	
Collapse of Building	No. of collapses**					1	1	1					1
	No. of death**					85	21	10					1131



2. Export Competitiveness of the RMG Sector in the Changing Scenario

- Workplace safety and security issues were less discussed during 1980s and 1990s
- Compliance issues has come under the radar of global stakeholders with the rise of Bangladesh's position as a major source in 2000s.
- Workers' rights and work place safety and security issues have been widely discussed in 2000s: contributed to improve related laws, and entitlement
- Social compliances have significantly improved in 2000s (CPD, 2012)
- Ensured minimum entitlements to the workers such as weekly holiday, major holidays on a regular basis, issuing of identity cards for regular workers, introduction of daily registrar and better working environment
- Unfortunately physical compliance related issues are largely unaddressed.



3. Crisis in the RMG Sector: Major Challenges

- Competitiveness of the RMG sector will be considered from perspective of standard of social and physical compliances
- RMG sector is facing a number of challenges with regard to compliances
 1. Unmatched growth of export order using limited supply capacity with complaint standard
 2. Weaknesses in production process
 3. Weaknesses in physical infrastructure
 4. Institutional weaknesses
 5. Misconception about cost for maintaining compliance
 6. Slow progress in signing and enforcing international conventions related to worker's safety and security
 7. Challenges in retaining preferential market access facility in major markets

3. Crisis in the RMG Sector: Major Challenges

3.1 Unmatched Growth of Export Order Using Limited Supply Capacity with Complaint Standard

- There is an unmatched growth of export in the RMG sector vis-à-vis that of growth of productive capacity (Table).
 - It necessitates similar level of growth in expansion of production capacity
- Physical facilities has been developed to accommodate this rising demand for production of apparels complying with technical requirements
 - May not fully comply with OHS standards

Volume of Export of Apparels

CY	Total Apparel Export (mil. Dozen)			% Changes between the periods
	Woven	Knit	Total	
1995	49.38	19.83	69.21	
2000	71.63	51.58	123.21	78.0
2005	96.39	138.19	234.58	90.4
2010	203.48	357.76	561.24	139.3

Source: BGMEA



3. Crisis in the RMG Sector: Major Challenges

3.1 Unmatched Growth of Export Order Using Limited Supply Capacity with Complaint Standard

- Rising demand for infrastructural facilities has been accommodated through number of ways
 - Intensifying use of existing production space, machines and workers
 - Expansion of existing workspace either by extending the building vertically or horizontally
 - Setting up new factories with modern machineries and facilities
- In all these cases risks remain in providing less attention to workers' safety and security issues



3. Crisis in the RMG Sector: Major Challenges

3.2 Weaknesses in Production Processes

- Maintaining workers' safety and security in the RMG sector requires more attention because of rising complexity in the production process
 - Emergence of inner weaknesses in maintaining compliances in the factories
- Rise of export of apparels has widened the product basket with more share of non-traditional products
 - Use of non-traditional raw materials particularly non-cotton fabrics such as polyester, man-made fibers and synthetic fibers has increased
 - Storing of flammable raw materials in the production floor often rise risks of causing fire and consequent accidents
- Production process is increasingly becoming more complex especially in making of woven products - new specification on design, colour and fabric and stitching etc.
 - Such changes require improvement in ergonomic structure in the production process



3. Crisis in the RMG Sector: Major Challenges

3.2 Weaknesses in Production Processes

- Compiling fabrics and huge left over of pieces of fabrics in the production floor may rise risks of causing fire and consequent accidents
 - Use of poor electrical wires in the building is considered to be a major cause for the incidences of fire
- Despite very limited capacity suppliers take more orders for non-cotton synthetic and polyester products
 - Buyers are interested to provide orders given their limited capacity
- Flexible RoO under new EUEBA has made it easier using non-cotton apparels in case of export under preferential market access in the EU market
 - This rule favours towards increasing use of non-cotton apparels
- Incidence of fire in Tazreen garments was caused mainly because of the above-mentioned reasons
 - Fire spreaded quickly and widely and the smoke caused from the chemicals was very toxic which was fatal for human lives



3. Crisis in the RMG Sector: Major Challenges

3.2 Weaknesses in Production Process

- Lack of awareness as well as negligence of suppliers to maintain and improve the safety and security measures taking into account of various complexities is a growing concern issue
- According to Fire Service and Civil Defense Authority, as many as 60 per cent factories located in Ashulia area are ‘non-complaint’
 - These factories require significant changes in their facilities.



3. Crisis in the RMG Sector: Major Challenges

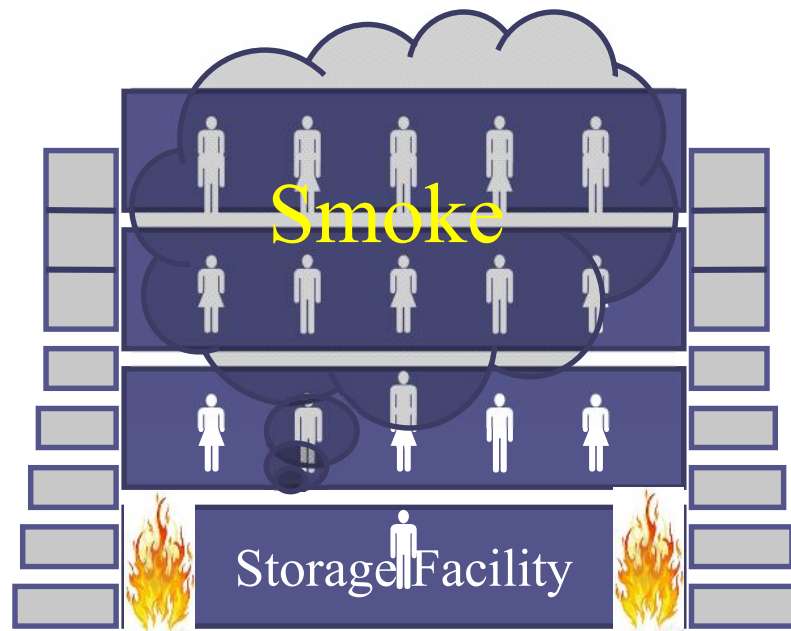
3.3 Weaknesses in Physical Infrastructure

- Building structure of the factory could be risky to maintain compliance standard.
 - Increasing tendency towards vertical expansion instead of horizontal expansion of factory premises in order to rise the production capacity
 - Lack of availability of adequate ‘undisputed’ land at an ‘acceptable’ price for building factories would constrain building horizontal type of factory premises
- Vertical structure of factories without proper maintenance of building code could be more risky from the perspective of OHS for workers compared to that of horizontal structure.
 - In both the incidences of Tazreen Garments and Rana Plaza, the damage and losses of live could be lower if buildings were expanded horizontally.

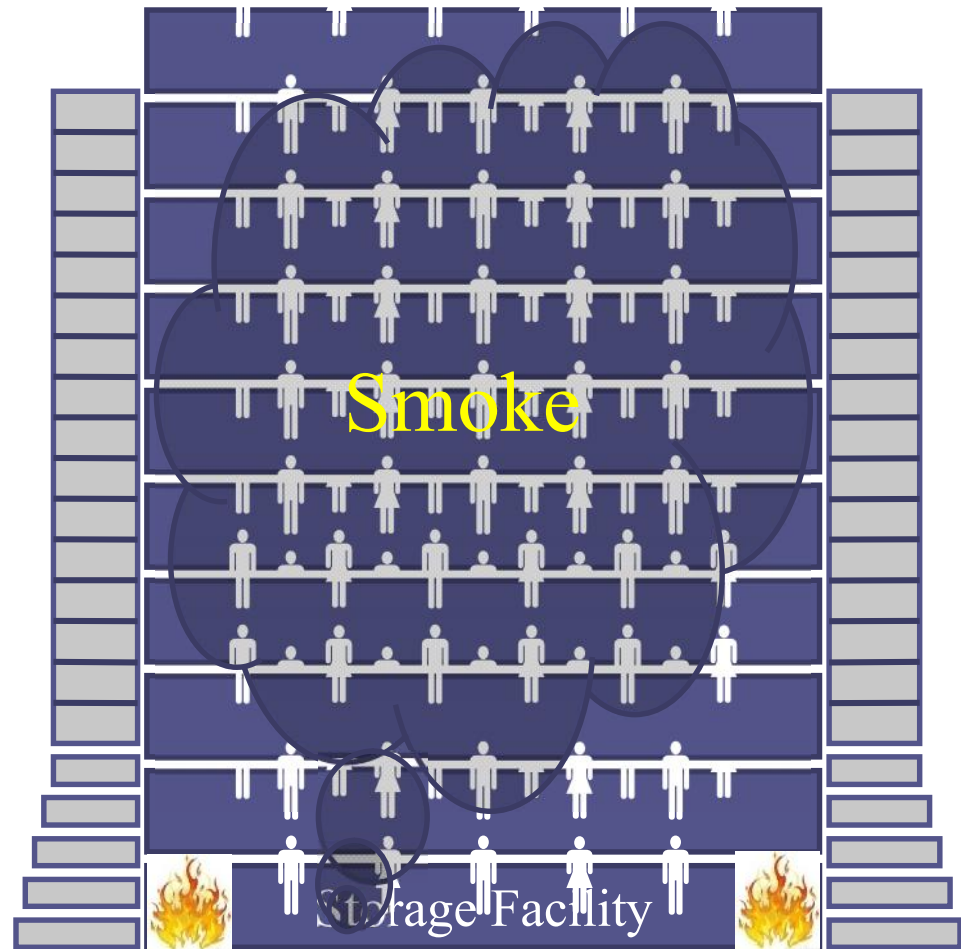
3. Crisis in the RMG Sector: Major Challenges

3.3 Weaknesses in Physical Infrastructure

Security risk in case of an Incidence of Fire in a Horizontally and a Vertically Expanded Factory



Horizontally Expanded Factory

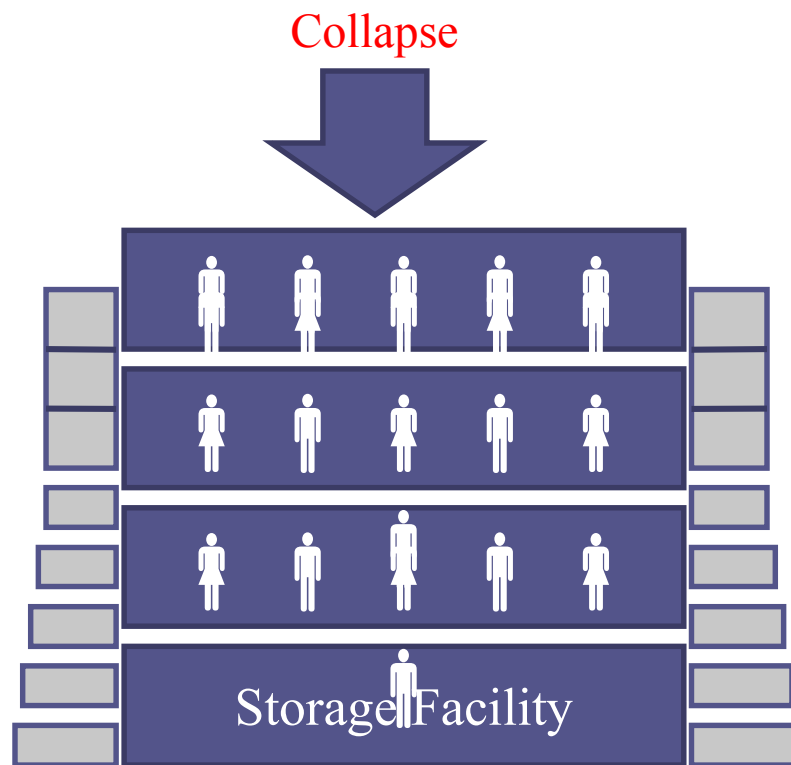


Vertically Expanded Factory

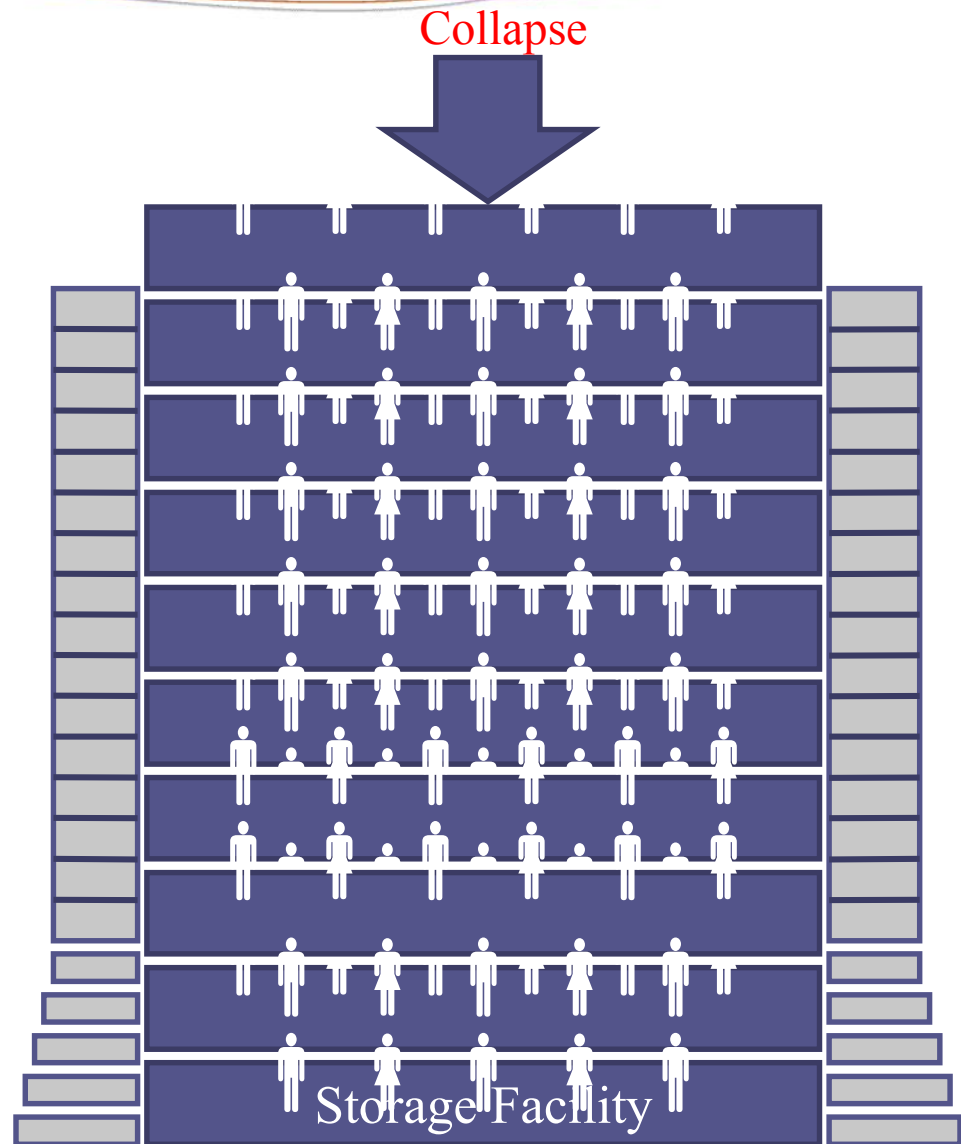
3. Crisis in the RMG Sector: Major Challenges

3.3 Weaknesses in Physical Infrastructure

Security risk in case of an Incidence of Collapse of Horizontally and Vertically Expanded Factories



Horizontally Expanded Factory



Vertically Expanded Factory



3. Crisis in the RMG Sector: Major Challenges

3.4 Institutional Weaknesses

- Monitoring of factory level compliances has been carried out by a number of institutions
 - Monitoring authorities of the government
 - BGMEA's monitoring
 - Brand/Buyers' first or third party monitoring
- The nature, scope and purpose of monitoring by these institutions are different
 - Monitoring complies with individual institution's requirements
 - Complying with national rules and regulations may or may not be fulfilled in this process
- Most of these monitoring measures are found to be either inadequate and lack of focus on appropriate issues with regard to safety and security of workers.



3. Crisis in the RMG Sector: Major Challenges

3.4 Institutional Weaknesses

- **BGMEA** follows a compliance guideline and monitor the compliance issues using a list of indicators
 - a) minimum wage; b) letter of appointment; c) Identity card;
 - d) time of payment of wages; e) overtime allowance; f) weekly holiday;
 - g) casual leave; h) medical leave; i) festival leave; j) annual leave;
 - k) participatory committee; l) welfare committee; m) child labour;
 - n) emergency exit; o) service book; p) emergency fire extinguisher;
 - q) day-care centre; r) first-aid appliances; and
 - s) separate toilet facilities for men and women
- This guideline has been prepared in cooperation with eleven major retailers/buyers
- Indicators put emphasis on availability of certain ‘facility’ at the factory level
 - Instead of putting emphasis on usages of those facilities
- Even the guideline found to be inadequate to address all the provisions of the national rules and regulations
 - Tazreen garments seems to be complied with BGMEA’s guideline but may not be complied with national regulations



3. Crisis in the RMG Sector: Major Challenges

3.4 Institutional Weaknesses

- **Retailers/Brands** monitor compliance standard through third party monitoring system
 - It is increasingly facing criticism from other stakeholders
 - Even the compliance evaluation criteria followed by the buyers is not out of question
- Third party compliance although maintains some form of neutrality in the inspection process
 - But this kind of monitoring process perhaps provide the buyers scope for avoiding responsibility of workers
- In case of Tazreen Garment, both buyer and third party compliance team have denied taking responsibilities
 - Same is found to be mostly true for four garments located in Rana Plaza



3. Crisis in the RMG Sector: Major Challenges

3.4 Institutional Weaknesses

- **Government** monitors and enforces compliance standard through number of organisations
 - Weak institutional condition of the Factory Inspection authority as well as Fire Service and Civil Defense Authority is a major concern
- Factory inspection authority is an office under the Ministry of Labour
 - Operates with very low budget and limited human resources
 - Currently 49 officers are working in Dhaka district office against the total posts of 79 for different positions
- Lack of manpower, low budget and insufficient infrastructure make them difficult to work as per requirement.
 - For example, it will take about three years for an inspector to come to a factory for round visit
- The process of inspection is also defective which allows non-complaint factories to operate year after year.



3. Crisis in the RMG Sector: Major Challenges

3.4 Institutional Weaknesses

- Ministry of Labour is not considered as a 'core' ministry and as a result its budgetary allocation is low
- Analysis of project wise allocation for FY2009-FY2013 revealed that no project was approved with allocation which is directly related to the RMG sector.
- During FY2014, a total of 11 projects are considered for implementation under the labour and employment sector
 - Total allocation : Tk.370.1 crore; 31% higher than RADP13
- Fresh allocation has been made in several projects two years after their inclusion in the ADP: CPD had earlier proposed
 - Reform and modernization of 3 industrial relations and 22 Worker Welfare Centres and 5 zonal and 4 regional offices of factory inspection authorities
- No mention about building dormitories for workers: Such projects could be implemented under PPP initiative



3. Crisis in the RMG Sector: Major Challenges

3.4 Institutional Weaknesses

- A number of organisations are involved in ensuring maintenance of national standard of the factory building
 - Factories located in city corporation area have to get permission from the authority of either of DCCA, CCCA and RAJUK
- Factories located outside the city corporation area have to get permission from local authority (e.g. union council, pourasava and district council)
 - Four factories located in Rana Plaza got their permission from Savar Poursava
- Institutional capacity of most of these organizations are weak in terms of expertise, number of professionals and budget etc.
- Nexus between garment owners, politicians and high-ups of the government often causes weak enforcement of compliances in the factories
 - Ministries responsible for undertaking various activities related to workers are found to be less pro-active



3. Crisis in the RMG Sector: Major Challenges

3.5 Misconception about Cost of Compliance

- There is a popular misconception regarding cost for being complaint
 - It is often said that fixed and variable costs for maintaining compliance are very high which would adversely affect firm's competitiveness
- Many examples are available where competitive firms are operating with a labour friendly environment.
 - According to the *World Development 2011*, countries like Colombia and Guatemala which are two of the main suppliers of apparels in USA have experienced almost similar level of growth in export but following different processes.



3. Crisis in the RMG Sector: Major Challenges

3.5 Misconception about Cost of Compliance

- Reasons behind the progress of Colombia's RMG growth are mainly to follow 'tailorist' approach in floor management.
 - Using high tech machineries, sometimes by substituting labour and increasing productivity by improving time management process, and introduction of high value added and service added items.
- Reasons behind the progress of Guatemala's RMG sector is mainly through investment on workers.
 - Training for increasing workers' efficiency, use of computer-based plotter technology, especial training to improve industrial relationship, leadership training, availability of first-aid stuffs and improvement of maternal health
 - Besides, Guatemala's producer-managers received especial training abroad which is largely absent in Columbia
 - Workers in Guatemala get more than their minimum rights compared to those in Columbia.
- Bangladeshi suppliers seem to follow Columbia's tailorist approach



3. Crisis in the RMG Sector: Major Challenges

3.6 Challenges in Retaining the Preferential Market Access Facility in Major Markets

- USA has suspended the GSP facility for Bangladesh's export products
 - GSP List for developing countries: about 5000 products
 - Additional list for LDCs: about 1200 products
- GSP cancellation has a number of adverse implications for Bangladesh's export
 - Adverse impact on export of non-traditional products which enjoyed GSP facilities
 - Pressure on export competitiveness -MFN rates are different
 - Export diversification (though at a limited scale) would be trouble
 - Adverse impact on export of RMG products to USA
 - Traditional Items
 - Non-traditional Items
- Retaining GSP facility in the EU market would depend on a number of issues
 - Pressure of EU consumers to take steps against Bangladesh
 - Engagement in discussion at bilateral levels
 - Creation of fund by top EU retailers for improvement of compliance issues
 - Continuity in undertaking initiatives for workers' safety and security issues under a comprehensive package



4. How to Address the Challenges?

- Under the crisis of the RMG sector, perspective of development of this sector should be changed
- ‘Quality of labour’ will increasingly becoming a major determining indicator for the competitiveness of Bangladesh
 - Ensuring workers’ right particularly work place safety and security and trade union rights would considered to be important
- Government should take policies not only to focus on specific market but to take into account long term sustainability of the sector putting importance on workers’ rights issues
- Associations should change their mindset: From ‘tailorist approach’ to ‘worker friendly’ approach
- Retailers/associations should take the perspective of developing a competitive value chain in the RMG sector which will ensure workers’ rights, improve their livelihood and contribute to their social progress.



4. How to Address the Challenges?

Issues related to Workers of Tazreen Garments and Four Garments of Rana Plaza

- All stakeholders need to abide by 'zero tolerance' at all levels to ensure worker-friendly environment
- After the accidents, injured workers should get proper treatment as per the provision made in the labour law.
- Similarly, relatives of the workers who died in the accidents should get support at the earliest possible as per the legal provision.
- These workers should get the legal support to suit against the parties responsible for their casualty.
 - Ministry of labour should provide necessary legal support to these workers/relatives
- ***Labour Ministry/Factory inspection authority:*** Actions should be taken as per the recommendations of the Committees. These reports should be made public.



4. How to Address the Challenges?

Workplace Safety and Security

- **Associations:** Structural faults of the building need to be identified immediately.
 - Factories will be given a specific time line to take necessary reconstruction and refurbishment activities.
 - Factories fail to undertake necessary activities cancellation of UD license.
- In order to ensure fire safety and protection against smoke, enough gas masks should be preserved in each floor of the factory.
- Similarly, associations should provide necessary directives to member factories to replace grills in the window by iron net so that these could be used as exit route at the time of emergency.
- Associations should provide directive regarding electric load system which should be kept under regular supervision to avoid problem of short circuit.
 - It is also important to check fire extinguishers periodically to make them functional and effective for a long time.
- Given the importance of compliance guidebook followed by BGMEA/BKMEA, necessary revisions should be undertaken
 - Taking into account the relevant rules and regulations of the national laws.



4. How to Address the Challenges?

Workplace Safety and Security

- **Factory Level:** Provide training on fire exercise using video system cannot be the alternative of practical training.
 - All the factories should follow regular fire exercises as per law.
 - Every factory should form ‘fire fighting team’ to get necessary support at the time of emergency.
- Rooftop of the factory should be kept open as per regulations.
- Factories should increase their allocation of fund for various activities for improvement of physical and social compliances
 - These funds could be used for skill development, providing food and transportation facilities and making arrangement for their entertainment.
 - BGMEA may provide directives on those issues
- Factory owners in cooperation with other organizations (NGOs) should invest for building workers’ dormitories.
 - Bangladesh Bank’s subsidized credit facility for building dormitories should be used by the suppliers.



4. How to Address the Challenges?

Workplace Safety and Security

- Government should strengthened its monitoring operation related to OHS and other workers' rights
 - Ministry of Labour should be regarded as one of the 'core ministry' and necessary budgetary allocation should be made
- Necessary budgetary allocation will be required for the Fire Service and Civil Defense Authority for the development of human resources, logistics and financial benefits etc.
- ***Ministry of labour/factory inspection authority:*** An updated comprehensive database should be developed
 - In this case fire safety laws and guidelines of other countries could be consulted and if necessary take as precedence
- ***Ministry of Commerce:*** 'Social Welfare Forum' to train workers in each of the factories
 - Minimum 25% of workers in each factory should be trained



4. How to Address the Challenges?

Workplace Safety and Security

- **Buyers:** Buyers should take stern actions against third party auditing companies which is responsible for did the audit in these factories.
- Buyers should revisit their code of conducts and do necessary revisions
 - With a view to address the compliance issues more from operational point of view.
- To improve factory level compliance, buyers should put more emphasis on first party monitoring.



4. How to Address the Challenges?

Workplace Safety and Security

- **Civil Society** should form ‘Independent Commission’ to monitor the commitments made by different organisations both at home and abroad.
- These commitments are of following types:
 - Disbursement of compensation as per law and of other financial supports
 - Legal steps taken by responsible organisations
 - Commitment and support provided to injured workers for their treatment and rehabilitation afterwards
 - Commitments made with regard to fire safety and security
 - Initiatives of assessment of building safety and related activities
 - Activities related with re-employment of injured workers



4. How to Address the Challenges?

Strengthening Compliance related Activities

- **Associations:** Associations should change their mindset and should focus on establishing labour-friendly working environment at the factory level.
- It should revisit their regulatory process in case of getting membership.
 - It is pointed out that one of the two associations of RMG sector are quite ‘easy’ in terms of providing membership for new factories.
- More stringent operation of the associations is required to ensure compliance standard of the factories.
- BGMEA should expand its compliance related activities by separate the existing activities of Compliance Cell into two separate cells - social compliance and factory compliance



4. How to Address the Challenges?

Development of Industrial Relations in the RMG Sector

- **Government:** It is important to promote trade union related activities at the factory level; in this context recent amendment would promote forming trade union at the factory level and would help to reduce security risk at factory level.
- Department of labour (e.g. DOL) should play proactive role to form trade union at the factory level.
- In continuation of ongoing ILO initiatives, government should actively think of signing ILO conventions related with workers' occupational and health and safety issues.



4. How to Address the Challenges?

Retaining the Preferential Market Access Facility in Major Markets

- Strengthening activities related to workplace safety and security should not be considered from the perspective of retaining the preferential market access in major markets
 - Improvement of working conditions would necessarily follow other supports
- Amendment of the labour law should ensure the rights of the workers
 - Separate laws may be required with regard to development of industrial relations
- Government may proceed signing of TICFA with the US government
 - It could be a forum for discussion on improvement of working condition and reinstating the GSP facility in the US market
- Government may undertake time-bound comprehensive action plan with regard to better working environment
 - Inform governments of major export markets regarding the progress
 - Discuss with concerned officials of the respective government
- Associations should disclose its long term action plan
 - Inform the progress to major retailers and government officials
- Buyers should inform the progress with regard to their initiatives to their respective governments



Thank you!
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