GLOBAL TRENDS IN THE GARMENT SECTOR AND OPPORTUNITIES FOR BANGLADESH:

THE DUET OF SUSTAINABILITY & COMPETITIVENESS

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CONFERENCE ON SUSTAINABLE SOURCING IN THE GARMENT SECTOR
Dhaka, 29 September, 2016
WORLD CLOTHING TRADE 2015
IN BILLION US DOLLAR

<table>
<thead>
<tr>
<th>Country</th>
<th>Trade (Billion US Dollar)</th>
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</thead>
<tbody>
<tr>
<td>World</td>
<td>445</td>
</tr>
<tr>
<td>China</td>
<td>175</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>26</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>22</td>
</tr>
<tr>
<td>India</td>
<td>18</td>
</tr>
<tr>
<td>Turkey</td>
<td>15</td>
</tr>
<tr>
<td>Indonesia</td>
<td>7</td>
</tr>
<tr>
<td>Cambodia</td>
<td>6</td>
</tr>
<tr>
<td>USA</td>
<td>6</td>
</tr>
</tbody>
</table>
ASIA
EMERGING GLOBAL TEXTILE & CLOTHING HUB

Share of Asia and rest of the world (ROW) in global clothing exports, measured in US$

2000
- ASIA: 40.92%
- ROW: 59.08%

2015
- ROW: 37.59%
- ASIA: 62.41%

2025
- (?)
APPAREL EXPORT OF BANGLADESH VALUES IN BILLION US$, FY1985-FY2016

Last 10 years compound annual growth rate (CAGR) is 12.43%
SNAPSHOT: TEXTILE & CLOTHING INDUSTRY IN BANGLADESH

- Number of Clothing Factories: 3200 around
- Investment: $10 billion around
- Exports to around 130 countries
- Export volume: 1.53 billion pieces
- Export: $28 billion
- 4.4 Million workers
- 394 spinning & 777 textile mills
- 99% accessories made locally

Made in Bangladesh with pride
• 1430 textile mills are in operation
• capacity of yarn production 2100 million kg
• capacity of fabrics production is 2800 million meters
• 85% of knitted fabrics demand met locally
• Huge potential in non-cotton items
• Opportunities for Foreign Investments in textile sector
WHY BANGLADESH

STRENGTHS

35 years experience

Backward Linkage

Versatility

Market Access

Commitment

Safe

Green

Price

Quality

Workforce
SAFER PRODUCTION IN BANGLADESH

Remediation completed by 63% ACCORD suppliers and 57% of ALLIANCE suppliers

Fit for Operation: 98.96%

Inspected factories: 3746 (100%)
WORLD’S TOP RATED LEED CERTIFIED INDUSTRIAL ESTABLISHMENTS ARE IN BANGLADESH

GLOBAL AWARD WINNER GREEN LANDSCAPING APPAREL FACTORY AT DHAKA

33 LEED certified factories

150 more factories in LEED certification pipeline

World’s highest rated knitwear, woven, washing and Denim mills

A PLATINUM LEED CERTIFIED WOVEN FACTORY AT DHAKA

A PLATINUM LEED CERTIFIED WASHING FACTORY AT DHAKA

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BANGLADESH IS BLESSED WITH HUMAN RESOURCES

- 70% of the population is under 40 yrs old
- Large educated and motivated youth
- High literacy rate (72%) among youths aged 15-24
- Inspired young, hungry for work and growth
- 2 million youth entering in job market each year
- Labor cost advantage
- 117 million mobile phone users
- 33% internet penetration
EU (28) GSP: Duty free access for apparel on 1-stage Rules of Origin.

Japan GSP: Duty free access for apparel on 1-stage Rules of Origin.

Canada GSP: Canada provides Zero duty access on 25% value addition requirement

Switzerland GSP: Duty free access for apparel on 1-stage Rules of Origin.

Norway GSP: Duty free access for apparel on 1-stage Rules of Origin.

Australia & New Zealand GSP: Australia & New Zealand provides Zero duty access on 25% value addition requirement (subject to additional 25% sourcing from GSP beneficiary countries)

China Duty Free: China provides Zero duty access for 60% items under global initiative through WTO, this will be enhanced to 97% products.

India: Zero duty access to all apparel items under SAFTA.

Chile: Duty free access for apparel.

Malaysia, Thailand & South Korea: Provide duty free access to a number of apparel items from Bangladesh.
OUR PRIORITIES

Product & Market Diversification

Developing Professionals & Skills

Technology & Efficiency Enhancement

OPPORTUNITIES
BANGLADESH IS GETTING READY

100 Special Economic Zones in next 15 years

Enhancing electricity supply to 20,000 MW from 13280MW at present

LNG terminals being set up to meet demand for gas

Mega projects on rail, road, sea and airports going on

The Padma bridge will open a new horizon of opportunities

Focused drive on Cleaner Production

PADMA BRIDGE – connecting people to prosperity
Bangladesh has become the Lower Middle Income Country from an LDC based on GNI performance

Vision to graduate to a Middle Income Country by 2021

Becoming a Developed Country by 2041

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<thead>
<tr>
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<th>FY 2009</th>
<th>FY2016</th>
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<tbody>
<tr>
<td>GDP Growth</td>
<td>5.74%</td>
<td>7.05%</td>
</tr>
<tr>
<td>Manufacturing Growth</td>
<td>6.68%</td>
<td>10.30%</td>
</tr>
<tr>
<td>Export</td>
<td>$15.57 billion</td>
<td>$34 billion</td>
</tr>
<tr>
<td>Import</td>
<td>$22.51 billion</td>
<td>$42.92 billion* Provisional</td>
</tr>
<tr>
<td>Private Investment as % of GDP</td>
<td>19.67%</td>
<td>21.78%</td>
</tr>
<tr>
<td>FDI Inflow (In US$)</td>
<td>$960.50 Million</td>
<td>$2.24 billion</td>
</tr>
<tr>
<td>Per Capita GNI (US$)</td>
<td>$676</td>
<td>$1466</td>
</tr>
<tr>
<td>Poverty rate</td>
<td>40%</td>
<td>22.4%</td>
</tr>
<tr>
<td>Remittance</td>
<td>$9.69 billion</td>
<td>$14.93 billion</td>
</tr>
<tr>
<td>Foreign Exchange reserve</td>
<td>$15.57 billion</td>
<td>$30.14 Billion</td>
</tr>
<tr>
<td>Inflation</td>
<td>8.7%</td>
<td>5.92%</td>
</tr>
</tbody>
</table>

Bangladesh Economy Standing Strong
COLLABORATION MODEL FOR WIN-WIN-WIN

Responsible Production

Ethical Sourcing

Happy Workforce
Thank You !