Quarterly Review of Readymade Garments (RMG): April-June of FY26*

External Economics Wing

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Quarterly Review of Readymade Garments (RMG): April-June of FY26

Highlights

- Having a modest bounce back in total export earnings, readymade garment (RMG) export earnings reached USD 10098.29 million in April-June quarter of FY26 compared to the previous quarter's earnings of USD 9197.80 million. Morever, this figure represented 10.78 percent increase from the same period in the previous fiscal year (USD 9115.63 million).

- The United States, Germany, the United Kingdom, Spain, the Netherlands, France, Italy, Canada and Belgium emerged as the top destinations for Bangladesh's RMG exports during April-June of FY26. RMG exports to these nine countries generated USD 7239.51 million, representing 71.69 percent share of the sector.

- In this quarter, RMGs' net export (determined by subtracting RMG raw material import value from RMG export value) was USD 6228.53 million or 61.68 percent of gross RMG exports.

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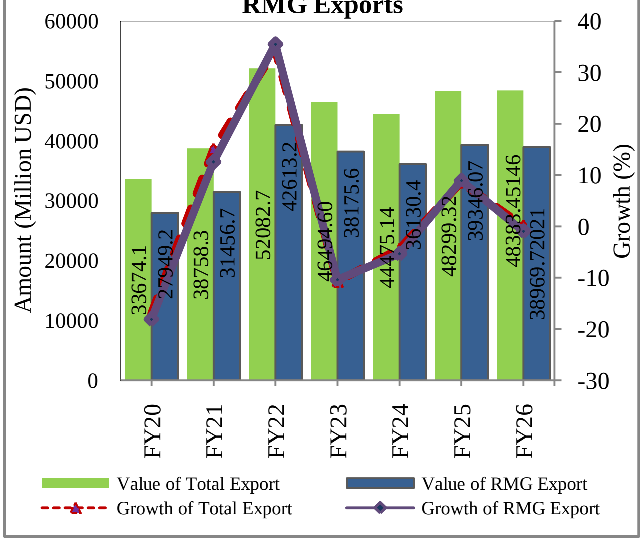
1. Introduction

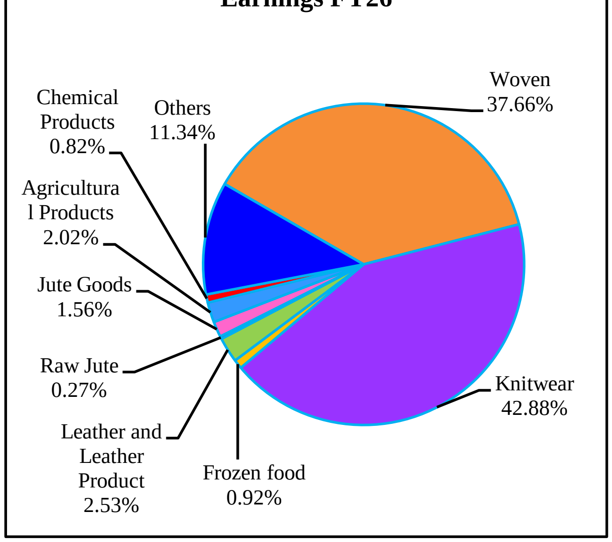
During April-June of FY26 (Q4 FY26), Bangladesh's ready-made garments (RMG) sector saw a significant recovery in comparion to the previous quarter and the corresponding quarter of FY25, amounting to USD 10098.29 million. In this quarter, the RMG sector's performance revealed the improvement of consumer demand, expansion of production and fulfillment of compliance requirements amid a changing global trade environment, and achievement of comparative advantages in international apparel markets. At the same time, several domestic and external factors also influenced the competitiveness of Bangladesh's apparel exporters. Exchange rate movements, domestic production costs, energy supply, labor-related issues, and international trade conditions shaped the operating environment for the sector. In addition, fluctuations in orders from major export destinations, along with shifts in demand between knitwear and woven garments, played an important role in determining the sector's quarterly performance.

Chart-1: Comparison of Total Exports and RMG Exports



Source: Statistics Department, Bangladesh Bank

Chart-2: Sectoral Shares of Export Earnings FY26



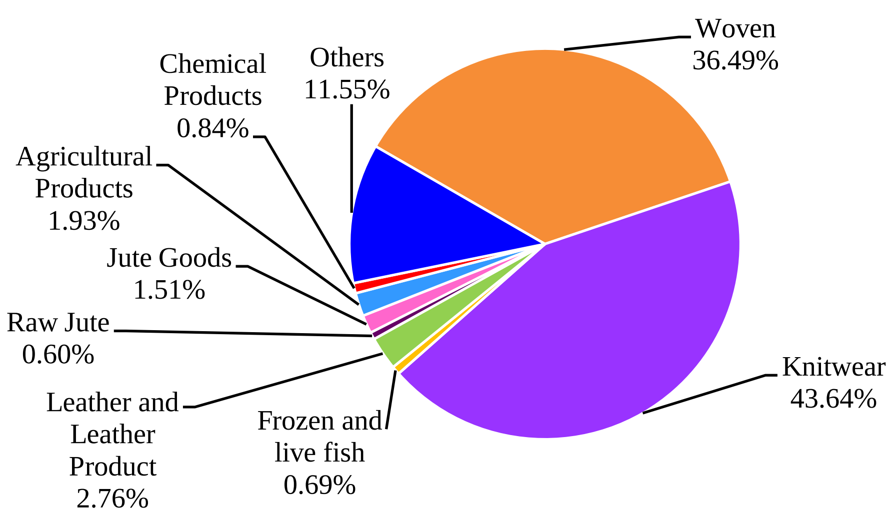
Source: Statistics Department, Bangladesh Bank

Despite these challenges, the RMG sector made a significant contribution of 7.82 percent to Bangladesh's nominal GDP in FY26. The total RMG export earnings for FY26 stood at USD 38969.72 million, representating a modest year-on-year (y-o-y) growth of 0.96 percent compared FY25(Chart-1). The shares of total export earnings across different sectors in FY26 are shown in Chart-2.

2. Quarterly Decomposition of RMG Exports: April-June of FY26

As shown in Chart 3, the product-wise export earning structure for the last quarter of FY26 illustrated that ready-made garments were the leading sector contributing towards the export earnings of Bangladesh. Amongst the various RMG items, knitwear made up 43.64 percent of total export earning, while woven garments represented 36.49 percent. As can be seen, RMG remains a key player in Bangladesh's exports. Other export products include leather and leather goods (2.76 percent), agricultural products (1.93 percent), jute goods (1.51 percent), frozen & live fish (0.69 percent), chemical products (0.84 percent) and raw jute accounting for 0.60 percent of total export earning. The remaining 11.55 percent was attributed to other export products.

Chart-3: Product-wise Export Earnings during April-June of FY26

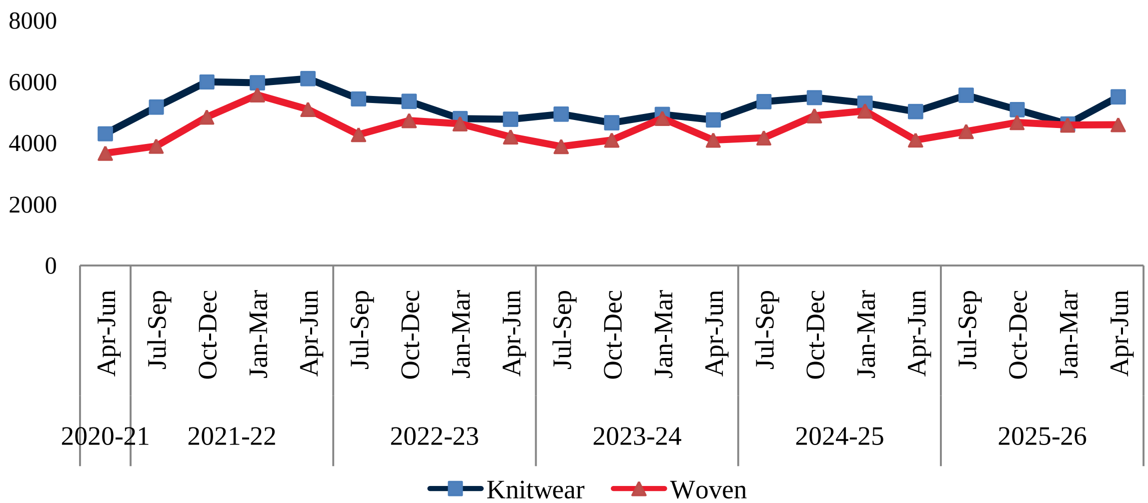


Source: Export Promotion Bureau (EPB) & Statistics Department, BB

2.1 Knitwear

During the last quarter of FY26, earnings from knitwear exports showed a robust recovery to USD 5499.62 million, 19.21 percent higher than USD 4613.43 million in the previous quarter. Compared to the same quarter of the previous fiscal year, knitwear exports also rose by 9.59 percent from USD 5018.29 million. On a year-on-year basis, knitwear exports were supported by a temporary recovery of international demand, increased shipments to major markets and favourable shipment timing, particularly around Eid-ul-Azha. However, the recovery remained fragile amid subdued global apparel demand, intensifying competition in major markets, rising production costs and uncertainty over US trade policy. Consequently, the modest growth recorded in Q4 of FY26 was partly reflected by the base effects and shipment timing rather than a sustained improvement in underlying global demand.

Chart-4: Trends of Export Earnings from Knitwear and Woven Garments



Source: Statistics Department, Bangladesh Bank

2.2 Woven Garments

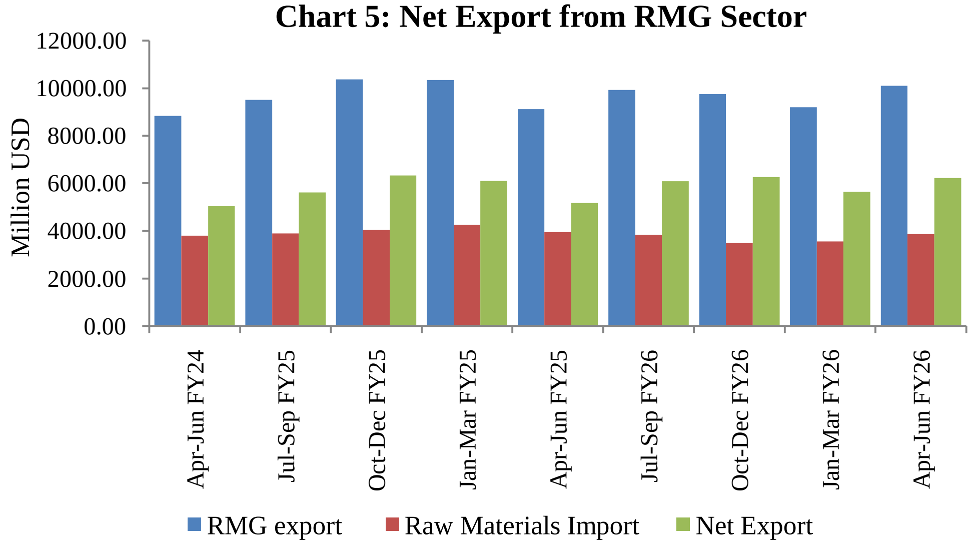
Export earnings from woven garments in Q4 of FY26 stood at USD 4598.67 million, registering a marginal increase of 0.31 percent from USD 4,584.37 million in the previous quarter.The modest quarter-on-quarter growth largely reflected a lower base-effect. Compared to the same quarter of the previous fiscal year, earnings increased by 12.24 percent from USD 4097.34 million. The strong rebound growth during the quarter was supported by renewed shipments to major Western markets, particularly the United

States following a prolonged period of falling export. Weak demand in the European Union posed a major constraint for Bangladesh, due to lower apparel demand and increased competition from rival suppliers. While exports to non-traditional markets remained subdued, a relatively resilient performance of the USA and Canadian markets offset this.

3. Imports of Raw Materials and Net Export Earnings from RMG

The import value of raw materials (raw cotton, synthetic/viscose fibre, synthetic/mixed yarn, cotton yarn & textile fabrics and accessories for garments) was USD 3869.76 million in April-June of FY26, accounting for 38.32 percent of total RMG export earnings. As a result, net exports from this sector stood at USD 6228.53 million in the fourth quarter of FY26 which was 10.38 percent higher than that of the preceding quarter (USD 5642.65 million) and 20.34 percent higher than that of the same quarter of the previous year (USD 5175.95 million). The imports of raw materials and net exports based on L/C statements from April-June of FY24 to April-June of FY26 are shown in Chart-5 and Annexure-2 (July-September of FY23 to April-June of FY26) respectively.

Chart 5: Net Export from RMG Sector



Source: Foreign Exchange Operation Department, Bangladesh Bank

4. Destination-wise RMG Exports

During April-June of FY26, Bangladesh’s Ready-Made Garments (RMG) exports were concentrated in nine major destinations—the United States, Germany, the United Kingdom, Spain, France, the Netherlands, Italy, Canada and Belgium. Both knitwear and woven garments recorded the growths on both quarter-on-quarter and year-on-year basis. RMG export earnings from these nine countries increased by 11.15 percent and stood at USD 7239.51 million, indicating a broad-based progress in export performance across the two major segments. Moreover, on a year-on-year basis, earnings from RMG rose by 10.54 percent compared to USD 6513.42 million recorded in the corresponding quarter of the preceding fiscal year (Annexure-3). Export earnings from these countries amounted to USD 8078.69 million during the reporting period. Of this total, RMG exports accounted for 89.61 percent amounting to USD 7239.51 million comprising 42.01 percent from woven garments and 47.60 percent from knitwear to the above mentioned countries (Table 1).

Table 1: Country wise RMG export in April-June of FY26

(Million USD)

Countries	Total Export	Woven Garments	Knitwear	Total RMG	Other Exports	Share of RMG in Total Export (%)	Others Share in Total Export (%)
1	2	3	4	5=3+4	6=(2-5)	7=(5÷2)*100	8=(6÷2)*100
USA	2502.88	1401.35	745.07	2146.41	356.47	85.76	14.24
Germany	1200.53	394.10	714.66	1108.76	91.77	92.36	7.64
UK	1156.74	409.79	675.20	1084.99	71.75	93.80	6.20
France	588.66	199.51	322.55	522.07	66.60	88.69	11.31
Spain	951.02	361.66	530.88	892.54	58.49	93.85	6.15
Italy	404.94	121.26	249.18	370.44	34.50	91.48	8.52
Belgium	187.47	69.75	86.06	155.80	31.67	83.11	16.89
Netherlands	655.43	252.89	324.09	576.97	78.45	88.03	11.97
Canada	431.01	183.63	197.90	381.52	49.48	88.52	11.48
Sub-Total	8078.69	3393.93	3845.57	7239.51	839.18	89.61	10.39
Others	4524.11	1204.74	1654.04	2858.78	1665.33	63.19	36.81
Total	**12602.79**	**4598.67**	**5499.62**	**10098.29**	**2504.51**	**80.13**	**19.87**

Source: Statistics Department, Bangladesh Bank.

5. Facilities Provided to RMG Export Sector

The government and Bangladesh Bank took a number of measures especially for facilitating production and export of the RMG sector. Of which some important measures are highlighted below:

Pre-shipment Credit: To provide pre-shipment export credit facility for the export oriented industries affected by the Corona virus pandemic, Bangladesh Bank created a

BDT 50.0 billion revolving refinance fund for the period of three years. The maximum rate of interest at the client level was set at 6 percent. Bangladesh Bank was entitled to charge 3 percent interest rate on refinance facility (BRPD Circular No. 9, dated 13 April 2020). Subsequently, this refinance scheme was extended for five years starting from 13 April 2020 and the maximum interest rate at the client level was downgraded to 3.5 percent, while Bangladesh Bank's interest rate on the commercial bank's refinance facility was reduced to 0.5 percent (BRPD Circular No. 8, dated 18 May 2022). Afterward, Bangladesh Bank created a pre-shipment re-finance scheme (revolving fund) titled "Pre-shipment Credit" of maximum BDT 5000 crore to boost up export and foreign exchange earnings to contribute to the economic development of Bangladesh (BRPD-3 Circular No. 01, dated 28 April 2026).

Incentives for Export Expansion: To encourage the country's export trade, export subsidies or cash incentives were given against the shipment of various exportable commodities during the period of 1 February 2024 to 30 June 2024. Among them, 4 percent cash incentive was given to export oriented ready-made garments (knitwear, woven and sweater) including all small & medium industry of garments sector and 3 percent cash incentive was given to help explore new items/markets for the garments sector (excluding the USA, Canada, EU, UK). For the exporters of garments items to EURO Zone an additional 1 percent special incetive was given with the existing 3 percent cash incentive. Morever, 0.50 percent special cash incentive was given to RMG sector (FE Circular No-05, Date February 12, 2024).

Green Transformation Fund (GTF): Bangladesh Bank formed a GTF for refinancing at local currency worth of BDT 50.0 billion for all export-oriented manufacturers and exporters against their import of capital machineries and accessories for implementing specified green/environment friendly initiatives in Bangladesh (SFD Circular No-07, Date December 07, 2022).

Export Facilitation Fund: To create the export-oriented industries in the RMG sector and for enhancing its resiliency against the global adverse financial situation after Covid-19 and for providing adequate liquidity support to the RMG industries, BB formed the

Export Facilitation Pre-finance Fund (EFPF) worth of BDT 100 billion with easy terms. Pre-financing facilities can be availed against import/local procurement of raw materials for the production of export-oriented industries. In the case of final export, BGMEA, BKMEA and BTMEA member mills (excluding yarn producing BTMEA members) and Type-B and Type-C organisations of EPZ may avail equivalent of the value of imported raw materials or BDT 2.0 billion (which one is lower) from BB for 180 days. (BRPD Circular No-01, Date January 01, 2023).

Export Development Fund (EDF): The Export Development Fund (EDF) allows Authorized Dealers (ADs) to borrow US Dollar funds which is repayable within 180 days from the date of disbursement, which is extendable by Bangladesh Bank up to 270 days against foreign currency loans provided to manufacturer-exporters for input procurements related to export orders (FE Circular No-07, Date April 13, 2023). To bring wider range of customers under EDF loans, its ceiling was reset to USD 10.00 million from USD 15.00 million for input procurements under back to back LCs (BBLCs) against relevant export orders. The limit for imports under BBLCs by individual member mill of BGMEA and BKMEA was set at USD 20.00 million and USD 15.00 million respectively. (FE Circular No-06, Date April 09, 2023).

6. Conclusion

The near-term outlook for Ready-Made Garments (RMG) industry of Bangladesh remains moderately positive, supported by the global apparel demand, competitive position in international market and continued improvements in sustainability and compliance standards. Nevertheless, the sector continue to faces significant challenges, including rising production costs and intensifying competition from other garment-exporting countries amid persistent global economic uncertainty, and geopolitical tensions. Going forward, export diversification, value-added production and enhanced productivity will be crucial for sustaining growth and strengthening the resilience of the RMG industry.

Annexure

Annexure-1: Export of readymade garments (RMG)

(FY21 to FY26)

(Million USD)

FY	Total Export	Woven Garments		Knitwear		Total RMG (Woven + Knitwear)	Percentage Share in Total Export		
		Target	Actual	Target	Actual		Woven Garments	Knitwear	Total
1	2	3	4	5	6	7=(4+6)	8=(4÷2)	9=(6÷2)	10=(8+9)
FY21	**38758.31**	**17085.00**	**14496.70**	**16700.00**	**16960.03**	**31456.73**	**37.40**	**43.76**	**81.16**
Jul-Sep FY22	11021.95	3748.44	3895.26	4680.46	5164.18	9059.44	35.34	46.85	82.19
Oct-Dec FY22	13676.60	3934.56	4843.81	4912.84	5997.45	10841.26	35.42	43.85	79.27
Jan-Mar FY22	13907.12	4029.05	5569.43	5030.84	5958.27	11527.70	40.05	42.84	82.89
Apr-Jun FY22	13476.99	3916.95	5090.34	4890.86	6094.42	11184.76	37.77	45.22	82.99
FY22	**52082.66**	**15629.00**	**19398.84**	**19515.00**	**23214.32**	**42613.15**	**37.25**	**44.57**	**81.82**
Jul-Sep FY23	11894.68	4539.72	4274.98	5481.93	5442.97	9717.95	35.94	45.76	82.22
Oct-Dec FY23	12126.42	5399.06	4727.70	6519.61	5354.39	10082.08	38.99	44.15	85.88
Jan-Mar FY23	11527.60	5509.44	4622.29	6652.92	4792.37	9414.66	40.10	41.57	85.05
Apr-Jun FY23	10946.11	5751.78	4192.77	6945.54	4768.11	8960.88	38.30	43.56	84.84
FY23	**46494.81**	**21200.00**	**17817.74**	**25600**	**20357.83**	**38175.57**	**38.32**	**43.79**	**82.11**
Jul-Sep FY24	10832.75	5378.61	3880.24	6414.63	4939.83	8820.08	35.82	45.60	81.42
Oct-Dec FY24	10930.77	6200.71	4088.63	7395.07	4652.56	8741.19	37.40	42.56	79.97
Jan-Mar FY24	11882.43	6210.32	4804.38	7406.53	4927.65	9732.03	40.43	41.47	81.90
Apr-Jun FY24	10829.18	-	4089.16	-	4747.99	8837.14	37.76	43.84	81.60
FY24	**44475.14**	**23840.00**	**16862.40**	**28432.00**	**19268.03**	**36130.43**	**37.91**	**43.32**	**81.24**
Jul-Sep FY25	11657.86	-	4164.50	-	5347.45	9511.96	35.72	45.87	81.59
Oct-Dec FY25	12876.01	-	4882.05	-	5487.14	10369.19	37.92	42.62	80.53
Jan-Mar FY25	12652.03	-	5040.35	-	5308.94	10349.29	39.84	41.96	81.80
Apr-Jun FY25	11113.42	-	4097.34	-	5018.29	9115.63	36.87	45.16	82.02
FY25	**48299.32**	**-**	**18184.24**	**-**	**21161.82**	**39346.07**	**37.65**	**43.81**	**81.46**
Jul-Sep FY26	12271.14	-	4370.94	-	5554.24	9925.18	35.62	45.26	80.88
Oct-Dec FY26	12130.41	-	4667.68	-	5080.77	9748.45	38.48	41.88	80.36
Jan-Mar FY26	11379.10	-	4584.37	-	4613.43	9197.80	40.29	40.54	80.83
Apr-Jun FY26	12602.79		4598.67		5499.62	10098.29	36.49	43.64	80.13
FY26	**48383.45**		**18221.66**		**20748.06**	**38969.72**	**37.66**	**42.88**	**80.54**

Source: Statistics Department, Bangladesh Bank.

Annexure-2: Trends of net exports from RMG sector against raw materials import

(Million USD)

Fiscal Year	RMG Export [A/]	Raw Materials Import [B/]	Net export earnings in RMG
1	2	3	4=2-3
Jul-Sep FY23	9717.95	4984.13	4733.82 (59.23 %)
Oct-Dec FY23	10082.08	4110.42	5971.66 (67.69%)
Jan-Mar FY23	9414.66	3546.52	5868.14 (62.33%)
Apr-Jun FY23	8960.88	3348.47	5612.41 (62.63%)
Jul-Sep FY24	8820.08	3394.46	5425.62 (61.51%)
Oct-Dec FY24	8741.19	3373.28	5367.91 (61.41%)
Jan-Mar FY24	9732.03	3839.73	5892.30 (60.55%)
Apr-Jun FY24	8837.14	3796.87	5040.27 (57.04%)
Jul-Sep FY25	9511.96	3894.10	5617.85 (59.06%)
Oct-Dec FY25	10369.19	4039.74	6329.45 (61.04%)
Jan-Mar FY25	10349.29	4253.85	6095.44 (58.90%)
Apr-Jun FY25	9115.63	3939.68	5175.95 (56.78%)
Jul-Sep FY26	9925.18	3837.21	6087.97 (61.34%)
Oct-Dec FY26	9748.45	3487.79	6260.66 (64.22%)
Jan-Mar FY26	9197.80	3555.15	5642.65 (61.35%)
Apr-Jun FY26	10098.29	3869.76	6228.53 (61.68%)

[A/] As per Export Promotion Bureau & Statistics Department, Bangladesh Bank.

[B/] We considered the value of the components -raw cotton, synthetic/viscose fibre, synthetic/mixed yarn, cotton yarn & textile fabrics and accessories for garments instead of back to back L/Cs raw materials as reported by the FEOD of Bangladesh Bank. The values in parenthesis denote the net export in RMG as percentage of Total RMG Export earnings.

Source: Own calculation of the Research Department staff.

Annexure-3: Destination-wise export earnings of RMG

(Million USD)

Country	Oct-Dec'25	Jan-Mar'25	Apr-Jun'25	Jul-Sep'26	Oct-Dec'26	Jan-Mar'26	Apr-Jun'26
USA	1989.55	1895.18	1809.61	2002.11	1899.15	1750.05	2146.41
Germany	1306.42	1331.87	1150.36	1119.39	1103.56	1079.94	1108.76
UK	1023.42	1188.64	994.93	1214.45	1031.75	1090.16	1084.99
France	607.57	555.91	510.54	470.31	519.02	472.25	522.07
Spain	832.44	951.84	747.64	1004.94	828.06	900.25	892.54
Italy	451.36	400.82	367.11	334.38	412.66	314.93	370.44
Belgium	154.44	107.88	147.16	127.71	142.85	102.15	155.80
Netherlands	545.46	547.78	483.86	545.51	548.07	514.39	576.97
Canada	345.01	322.15	338.23	335.15	345.99	289.29	381.52
Sub-Total	**7255.67**	**7302.07**	**6549.44**	**7153.95**	**6831.11**	**6513.42**	**7239.51**
Others	3113.52	3047.22	2566.20	2771.23	2917.34	2684.38	2858.78
Total	**10369.19**	**10349.29**	**9115.63**	**9925.18**	**9748.45**	**9197.80**	**10098.29**

Source: Export Promotion Bureau & Statistics Department, Bangladesh Bank.