

**Quarterly Review of Readymade Garments (RMG):  
April-June, FY24**



**External Economics Wing  
Research Department  
Bangladesh Bank**

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## Highlights

- ❖ Total export earnings from Readymade Garments (RMG) stood at USD 8837.14 million in April-June which was 36.02 percent and 1.38 percent lower than that of the previous quarter and the same quarter of the previous year respectively.
- ❖ United States, Germany, UK, Spain, France, Netherlands, Italy, Canada, and Belgium were the top destinations for Bangladesh's RMG exports during April-June of FY24. From these nine countries, Bangladesh earned USD 6359.72 million from RMG, accounting for 71.97 percent of total RMG exports.
- ❖ In this quarter, RMGs' net export (determined by subtracting RMG raw material import value from RMG export value) was USD 5040.27 million or 57.04 percent of gross RMG exports.

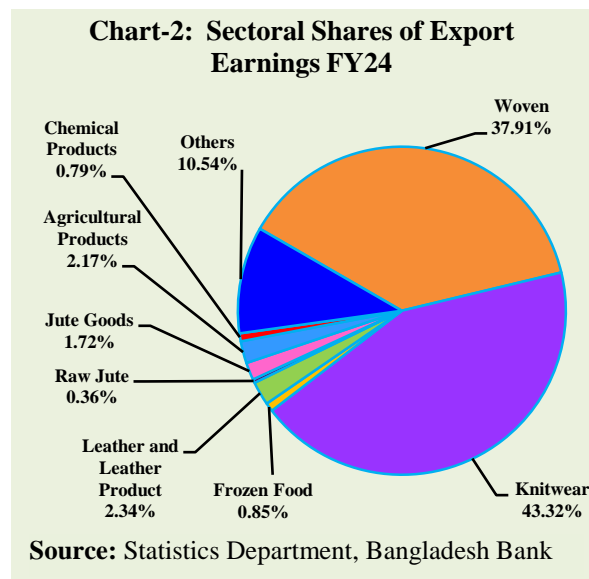
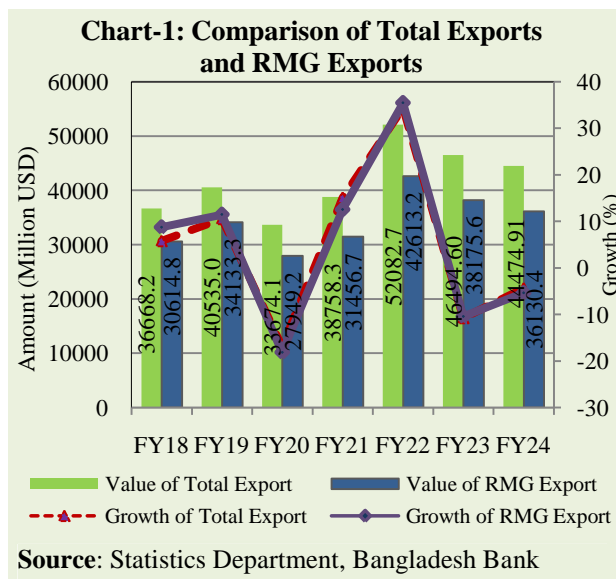
# Quarterly Review of Readymade Garments (RMG): April-June, FY24

## 1. Introduction:

Since the emergence of readymade garments (RMG) industry in Bangladesh, it has burgeoned into an economic powerhouse, propelling the country onto the global stage as a manufacturing hub for apparel. This sector has blossomed into a juggernaut, accounting for a lion's share of the country's export earnings, creating employment opportunities, and also strengthening women empowerment.

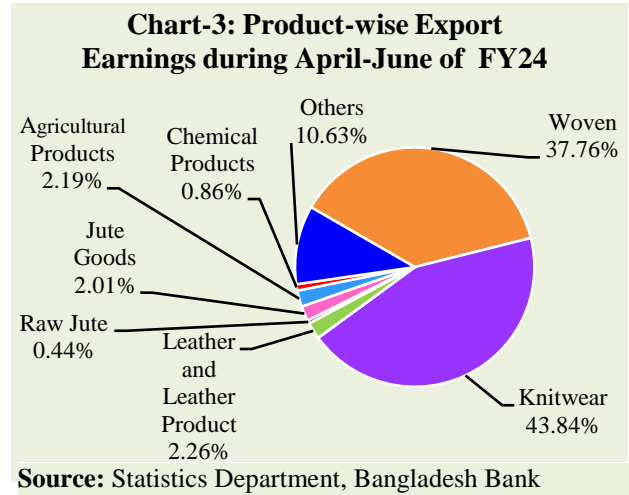
Despite the remarkable growth and success, the RMG industry in Bangladesh faces several challenges including concerns related to labor rights, workplace safety, and environmental sustainability, limited products and market diversity, lack of sufficient backward linkage industry, concentrated market, high lead time and lack of efficiency in producing high value products, global geopolitical conflicts, energy price hike, etc. which have changed the overall trade dynamics in this sector.

Nevertheless, the RMG sector made a significant contribution of 7.87 percent to Bangladesh's GDP in FY24. The total RMG export earnings for FY24 stood at USD 36130.43 million, indicates a growth of 5.36 percent as compared to the previous fiscal year (Chart-1). The shares of total export earnings across different sectors in FY24 are shown in Chart-2.



## 2. Quarterly Performance of RMG: April-June of FY24

During the last quarter of FY24, the export earnings from RMGs stood at USD 8837.14 million which was 36.02 percent and 1.38 percent lower than that of the preceding quarter (USD 11773.84 million) and the corresponding quarter of the previous fiscal year (USD 8960.88 million) respectively. Amid global slowdown stemming from Russian-



Ukraine conflict along with other geopolitical conflict, overall performance of RMG exports earnings was still in better position compared to the previous year aided by notable depreciation of BDT. However, RMG exports performance subdued in April-June of FY24 compared to previous year reflecting weak global demand for that. Among the RMG sub-sectors, woven garments accounted for 37.76 percent of total export earnings, while knitwear contributed 43.84 percent (Annexure-1). Product-wise shares of export earnings during April-June of FY24 in chart-3 shows that among the non-RMG items, leather and leather products accounted for 2.26 percent, agricultural products for 2.19 percent, chemical products for 0.86 percent, jute goods for 2.01 percent, and other products for 10.63 percent.

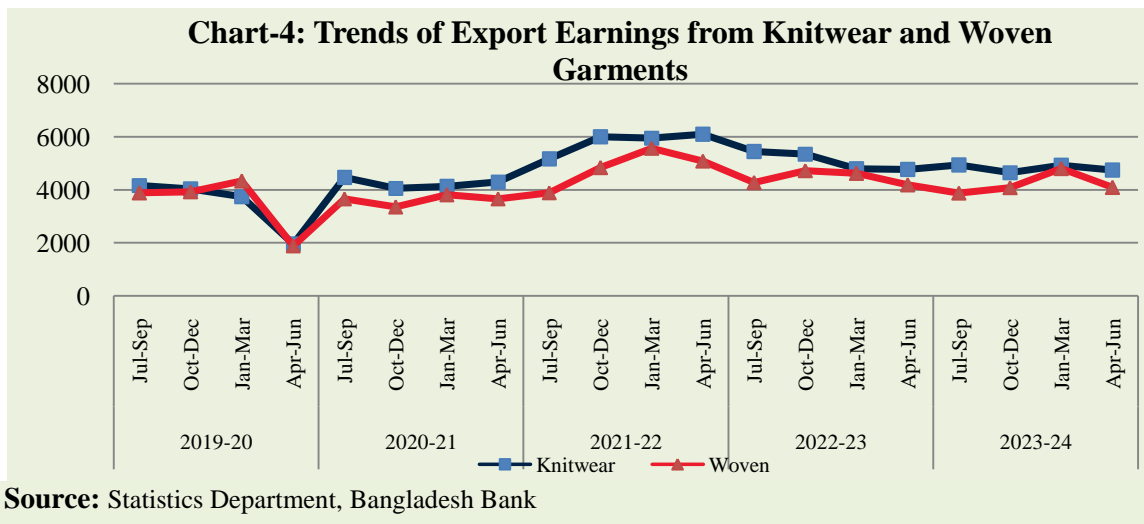
### 2.1 Knitwear

In April-June quarter of FY24, export earnings from the knitwear sector reached USD 4747.99 million which decreased by 3.65 percent and 0.42 percent compared to the previous quarter (USD 4927.65 million) and the same quarter of the previous year (USD 4768.11) respectively.

### 2.2 Woven Garments

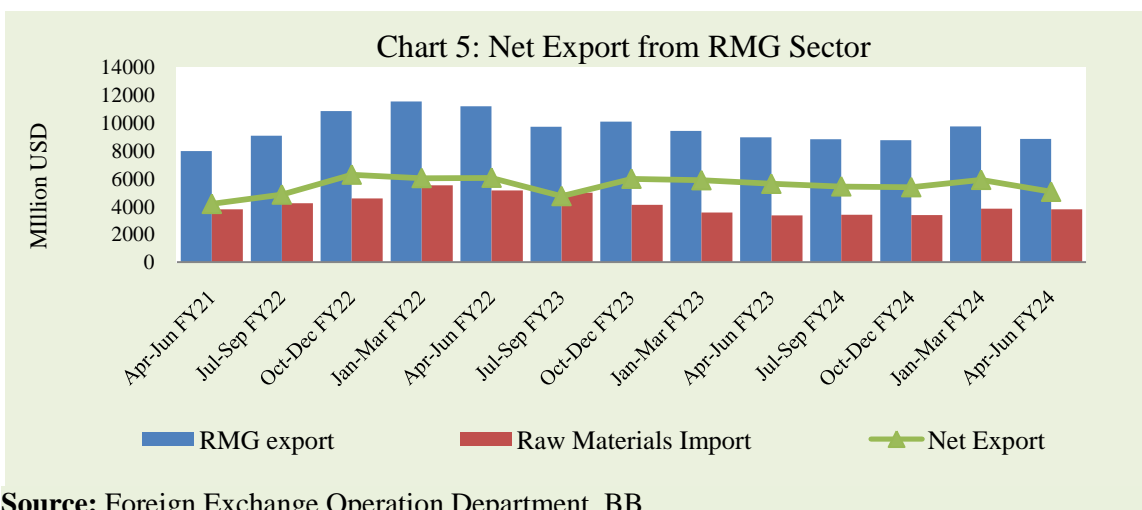
Export earnings from woven garments in the fourth quarter of FY24 stood at USD 4089.16 million indicating 14.89 percent lower than that of the previous quarter (USD 4804.38 million) and 2.47 percent lower than that of the same quarter of the previous

year (USD 4192.77 million). Chart-4 shows quarterly trend of export earnings from knitwear and woven garments.



### 3. Import 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 and textile fabrics and accessories for garments) was USD 3796.87 million in April-June of FY24, accounting for 42.96 percent of total RMG export earnings. As a result, net exports from this sector stood at USD 5040.27 million in the last quarter of FY24 which was 14.46 percent lower than that of the preceding quarter (USD 5892.30 million) as well as 10.19 percent lower than that of the same quarter of the previous year (USD 5612.41 million). The imports of raw materials and net exports based on L/C statements from April-June of FY21 to April-June of FY24 are shown in Chart-5 and Annexure-2 respectively.



#### 4. Destination-wise RMG Exports

The main destinations of Bangladesh's RMG exports were the United States, Germany, UK, Spain, France, Netherlands, Italy, Canada, and Belgium during April-June of FY24. Total export earnings from these nine countries stood at USD 6982.66 million during this period under report. Out of total export earnings, 91.08 percent (woven 37.76 percent and knitwear 43.84 percent) or USD 6359.72 million has been earned from those countries during the period (Table-1). During this quarter, RMG export earnings from these nine countries decreased by 6.56 percent and 2.43 percent as compared to the preceding quarter (USD 6806.49 million) and the corresponding quarter of the previous fiscal year (USD 6518.29 million) respectively (Annexure-3).

Table-1: Country wise RMG Export in April-June, FY24							
(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)	8=(6÷2)
<b>USA</b>	1965.66	1142.36	585.92	1728.28	237.38	87.92	12.08
<b>Germany</b>	1167.78	402.70	682.33	1085.03	82.75	92.91	7.09
<b>UK</b>	1041.95	389.70	583.30	973.00	68.95	93.38	6.62
<b>France</b>	606.37	207.17	330.54	537.71	68.66	88.68	11.32
<b>Spain</b>	814.87	349.18	440.32	789.50	25.37	96.89	3.11
<b>Italy</b>	383.99	124.52	230.98	355.49	28.50	92.58	7.42
<b>Belgium</b>	167.55	54.94	91.94	146.88	20.67	87.66	12.34
<b>Netherlands</b>	472.44	189.31	228.35	417.66	54.78	88.40	11.60
<b>Canada</b>	362.04	171.52	154.63	326.15	35.89	90.09	9.91
<b>Sub-Total</b>	6982.66	3031.41	3328.31	6359.72	622.94	91.08	8.92
<b>Others</b>	3846.52	1057.75	1419.67	2477.42	1369.10	64.41	35.59
<b>Total</b>	<b>10829.18</b>	<b>4089.16</b>	<b>4747.99</b>	<b>8837.14</b>	<b>1992.04</b>	<b>81.60</b>	<b>18.40</b>

**Source:** Statistics Department, Bangladesh Bank.

#### 5. Measures Taken to Facilitate RMG Exports

The government and the Bangladesh Bank have taken 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 support the affected export oriented industries due to Covid-19 pandemic providing with pre-shipment credit to continue export activities for foreign exchange earnings and to obtain economic mobility, Bangladesh Bank has formed a

revolving fund worth of BDT 50.00 billion. Export oriented entrepreneurs can take loans from this fund through banks for next five (5) years from 13 April 2020 at 3.5 percent rate of interest and 0.5 percent for banks as refinance facility (BRPD Circular No 8, Date 18 May, 2022).

***Incentives for Export Expansion:*** To encourage the country's export trade, export subsidies or cash incentives have been given against the shipment of various exportable commodities during the period of 1 July 2023 to 30 June 2024. Among them, 4 percent cash incentive has been given to export oriented local garments sector, small & medium industry of garments sector and to help expanding the new items/ new markets for garments sector (excluding the USA, Canada, EU, UK). For the exporters of garments items to EURO Zone an additional 2 percent has given as special incentives with the existing 4 percent. Moreover, special cash incentive has been given to RMG sector with 1 percent (FE Circular No-13, Date August 24, 2023).

***Green Transformation Fund (GTF):*** Bangladesh Bank has formed a GTF for refinancing at local currency worth of BDT 5000 crore 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 has formed the Export Facilitation Pre-finance Fund (EFPF) worth of BDT 10,000 crore with easy terms. Pre-financing facilities can be availed against of 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 get equivalent of the value of imported raw materials or BDT 200 crore (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 dates of disbursement, 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, it has been decided to reset its ceiling 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 is set at USD 20.00 million and USD 15.00 million respectively. (FE Circular No-06, Date April 09, 2023).

## **6. Conclusion**

The ready-made garment (RMG) industry of Bangladesh stands as a cornerstone of the economy and a significant player in the global apparel market. Competitive pricing, skilled workforce, and agile manufacturing capabilities has made Bangladesh as one of the world's largest exporters of RMG. Despite all domestic and global challenges, country continues to navigate the complexities of global trade and industry dynamics. Looking ahead, RMG sector is expected to play a pivotal role in achieving strong economic growth trajectory and contributing to long-term economic development goals.

## Annexure

### Annexure-1: Export of Readymade Garments

(From FY19 to FY24)

(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)
FY'19	40535.04	16539.00	17244.73	16150.00	16888.54	34133.27	42.54	41.66	84.21
<b>FY'20</b>	<b>33674.09</b>	<b>19350.00</b>	<b>14041.19</b>	<b>18850.00</b>	<b>13908.00</b>	<b>27949.19</b>	<b>41.70</b>	<b>41.30</b>	<b>83.00</b>
Jul-Sep FY21	9896.84	4025.39	3662.72	3934.68	4463.66	8126.38	37.01	45.10	82.11
Oct-Dec FY21	9336.61	4173.74	3356.67	4079.69	4062.51	7419.18	35.95	43.51	79.46
Jan-Mar FY21	9704.90	4418.35	3814.35	4318.78	4128.01	7942.36	39.30	42.54	81.84
Apr-Jun FY21	9819.96	4467.52	3662.96	4366.85	4305.85	7968.81	37.30	43.85	81.15
<b>FY'21</b>	<b>38758.31</b>	<b>17085.00</b>	<b>14496.70</b>	<b>16700.00</b>	<b>16960.03</b>	<b>31456.73</b>	<b>37.40</b>	<b>43.76</b>	<b>81.16</b>
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
<b>FY'22</b>	<b>52082.66</b>	<b>15629.00</b>	<b>19398.84</b>	<b>19515.00</b>	<b>23214.32</b>	<b>42613.15</b>	<b>37.25</b>	<b>44.57</b>	<b>81.82</b>
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
<b>FY'23</b>	<b>46494.81</b>	<b>21200.00</b>	<b>17817.74</b>	<b>25600</b>	<b>20357.83</b>	<b>38175.57</b>	<b>38.32</b>	<b>43.79</b>	<b>82.11</b>
Jul-Sep FY24	10832.75	5,378.61	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
<b>FY'24</b>	<b>44475.14</b>	<b>23840.00</b>	<b>16862.40</b>	<b>28432.00</b>	<b>19268.03</b>	<b>36130.43</b>	<b>37.91</b>	<b>43.32</b>	<b>81.24</b>

Source: Statistics Department, Bangladesh Bank.

## Annexure-2: Trends of Net Exports from RMG Sector Against Raw Materials Import

(Million USD)

Fiscal Year	RMG Export <sup>A/</sup>	Raw Materials Import <sup>B/</sup>	Net export earnings in RMG
1	2	3	4=2-3
Apr-Jun FY21	7968.81	3795.97	4172.84 (52.36%)
Jul-Sep FY22	9059.44	4219.94	4839.50 (53.42%)
Oct-Dec FY22	10841.26	4574.91	6266.35 (57.80%)
Jan-Mar FY22	11527.70	5505.17	6022.53 (52.24%)
Apr-Jun FY22	11184.76	5139.17	6045.59 (54.05%)
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%)

<sup>A/</sup> As per Export Promotion Bureau & Statistics Department, Bangladesh Bank.

<sup>B/</sup> We considered the value of the components -raw cotton, synthetic/viscose fibre, synthetic/mixed yarn, cotton yarn and 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 staff of Bangladesh Bank.

## Annexure-3: Destination-Wise Export Earnings of RMG

(Million USD)

Country	Oct-Dec '23	Jan-Mar '23	Apr-Jun '23	Jul-Sep '24	Oct-Dec '24	Jan-Mar'24	Apr-Jun '24
USA	1958.50	1624.26	1838.86	1619.04	1650.64	1625.95	1728.28
Germany	1433.97	1288.55	1121.10	1114.57	1047.39	1272.92	1085.03
UK	985.44	1111.28	936.23	1084.87	945.74	1192.90	973.00
France	668.47	553.05	586.81	439.26	539.32	508.06	537.71
Spain	753.13	893.62	791.54	953.76	698.79	933.78	789.50
Italy	513.89	405.46	386.30	325.15	392.56	388.08	355.49
Belgium	165.48	164.20	139.10	116.32	121.06	133.32	146.88
Netherlands	420.53	378.53	361.28	406.44	417.88	479.40	417.66
Canada	353.84	255.77	357.06	264.86	296.35	272.08	326.15
<b>Sub-Total</b>	<b>7253.26</b>	<b>6674.71</b>	<b>6518.29</b>	<b>6324.29</b>	<b>6109.75</b>	<b>6806.49</b>	<b>6359.72</b>
<b>Others</b>	<b>2828.82</b>	<b>2739.95</b>	<b>2442.58</b>	<b>2495.79</b>	<b>2631.44</b>	<b>2925.54</b>	<b>2477.42</b>
<b>Total</b>	<b>10082.08</b>	<b>9414.66</b>	<b>8960.88</b>	<b>8820.08</b>	<b>8741.19</b>	<b>9732.03</b>	<b>8837.14</b>

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