

**Quarterly Review of Readymade Garments (RMG):  
July-September, FY25**



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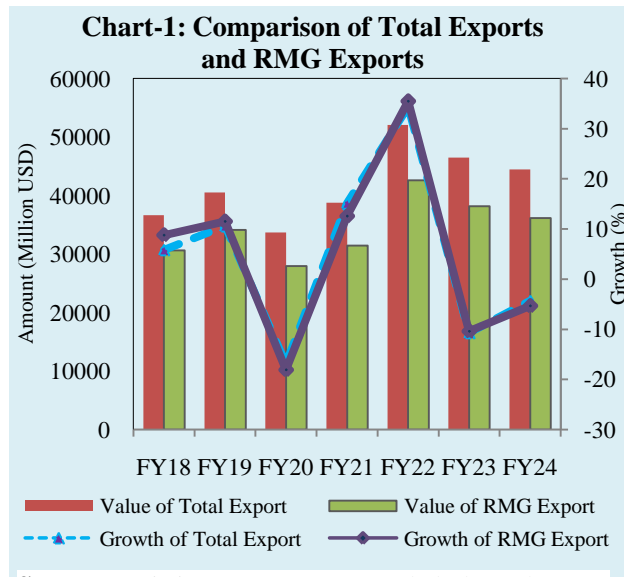
## Highlights

- ❖ Total export earnings from Readymade Garments (RMG) stood at USD 9511.96 million in July-September of FY25 which was 7.64 percent higher than that of the preceeding quarter (USD 8837.14 million) while 2.8 percent lower than that of the corresponding quarter of the previous fiscal year (USD 9794.74 million) respectively.
- ❖ United States, Germany, UK, Spain, France, Netherlands, Italy, Canada, and Belgium were the top destinations for Bangladesh's RMG exports during this quarter. From these nine countries, Bangladesh earned USD 6772.90 million from RMG, accounting for 71.20 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 5617.85 million or 59.06 percent of gross RMG exports.

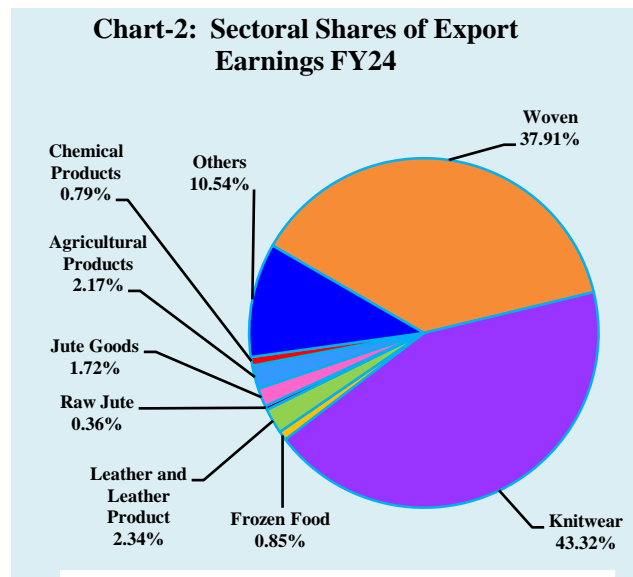
# Quarterly Review of Readymade Garments (RMG): July-September, FY25

## 1. Introduction:

The Ready-Made Garments (RMG) sector of Bangladesh, an integral pillar of economic framework, persists in central role within the industrial landscape throughout the July-September of FY25. As one of the foremost global exporters of textiles and apparel, Bangladesh’s RMG industry exhibits remarkable resilience amidst both domestic and global economic uncertainties. The sector capitalizes on competitive edge derived from cost-efficient production, a highly skilled labor force and an expansive network of state-of-the-art manufacturing facilities. Along with strong government support, an improving infrastructure and a rising focus on ethical labor practices, RMG industry of Bangladesh is poised for continued to evolve in the coming years.



Source: Statistics Department, Bangladesh Bank



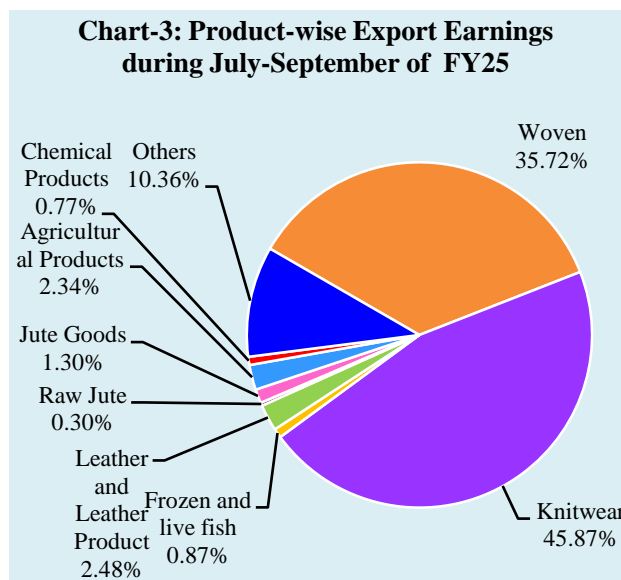
Source: Statistics Department, Bangladesh Bank

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, indicating a low 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: July-September of FY25

At the end of the first quarter of FY25, the export earnings from RMGs reached USD 9511.96 million which was 7.64 percent higher than that of the preceding quarter (USD 8837.14 million) while 2.8 percent lower than that of the corresponding quarter of the previous fiscal year (USD 9794.74 million) respectively. In July-September of FY25 the RMG sector showed a resilient performance marked by steady export growth despite domestic



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

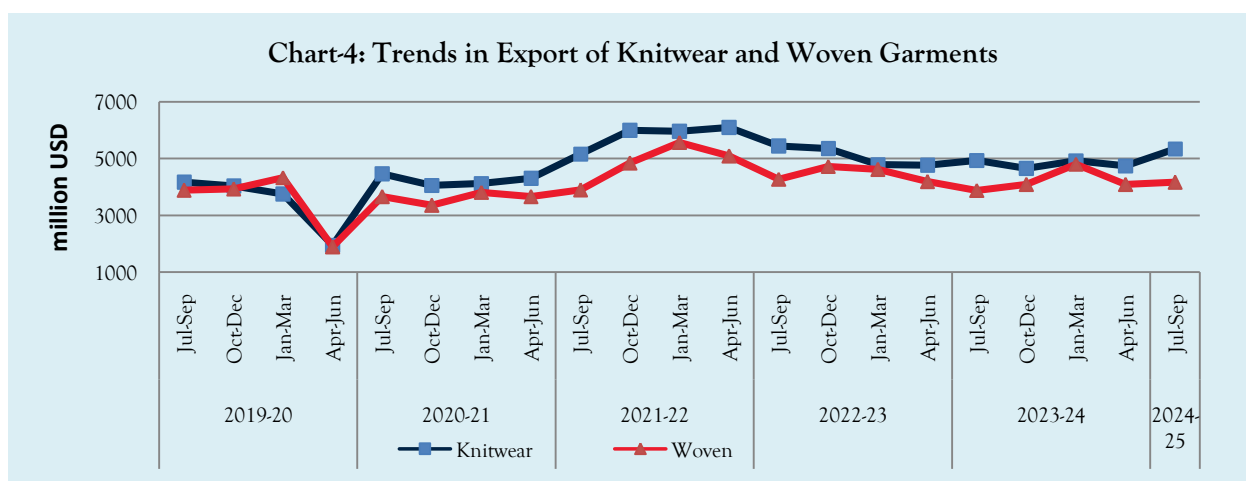
political unrest. However, the sector continues to adapt to changing consumer demands and growing focus on sustainability and technological innovation positions for its long-term success. Among the RMG sub-sectors, woven garments accounted for 35.72 percent of total export earnings, whereas knitwear contributed 45.87 percent (Annexure-1). Product-wise shares of export earnings during July-September of FY25 in chart-3 showed that among the non-RMG items, leather and leather products accounted for 2.48 percent, agricultural products for 2.34 percent, jute goods for 1.30 percent, frozen and live fish for 0.87 percent, chemical products for 0.77 percent, raw jute for 0.30 percent and other products for 10.36 percent.

## 2.1 Knitwear

In July-September of FY25, export earnings from the knitwear sector reached USD 5347.45 million which increased by 12.63 percent and 8.25 percent compared to the previous quarter (USD 4747.99 million) and the same quarter of the previous year (USD 4939.83) respectively. Knitwear exports witnessed a surge due to high demand from the USA and EU region. Thus, factories are operating at full capacity with a focus on high-value products.

## 2.2 Woven Garments

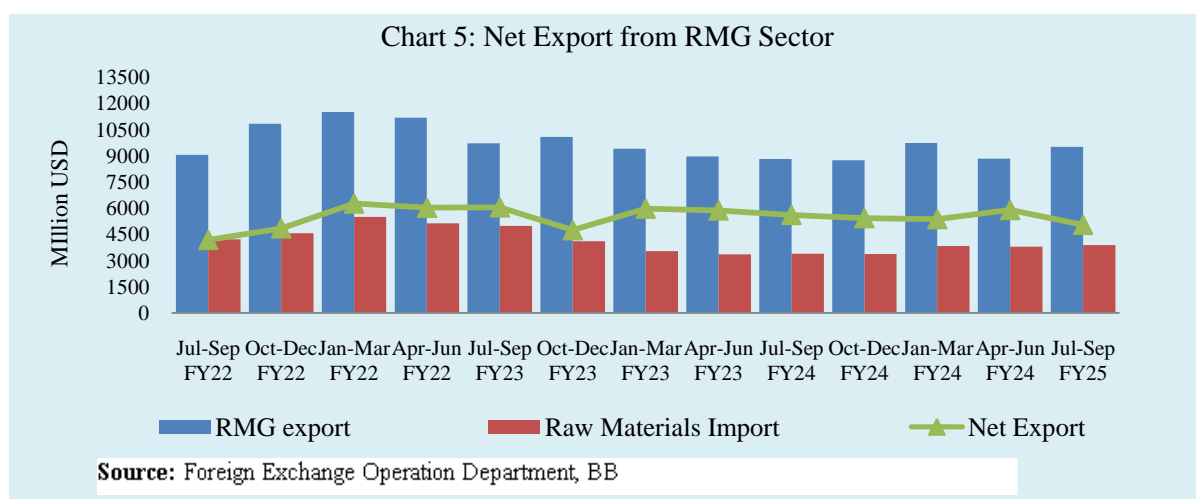
Export earnings from woven garments in the first quarter of FY25 stood at USD 4164.50 million indicating 1.84 percent higher than that of the previous quarter (USD 4089.16 million) but 14.22 percent lower than that of the same quarter of the previous year (USD 3880.24 million). Woven garment exports saw stable growth with demand primarily driven by the USA and European markets. While the global economy faces uncertainty due to inflation in several western countries, Bangladesh's competitive pricing and skilled workforce continue to make its woven products attractive. Chart-4 shows quarterly trend of export earnings from knitwear and woven garments.



**Source:** Statistics Department, Bangladesh Bank

### 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 and textile fabrics and accessories for garments) was USD 3894.10 million in July-September of FY25, accounting for 40.94 percent of total RMG export earnings. As a result, net exports from this sector stood at USD 5617.85 million in the first quarter of FY25 which was 11.46 percent higher than that of the preceding quarter (USD 5040.27 million) as well as 3.54 percent lower than that of the same quarter of the previous year (USD 5425.62 million). The imports of raw materials and net exports based on L/C statements from July-September of FY22 to July-September of FY25 are shown in Chart-5 and Annexure-2 respectively.



### 4. Destination-wise RMG Exports

The main destinations of Bangladesh’s RMG exports are the United States, Germany, UK, Spain, France, Netherlands, Italy, Canada, and Belgium during July-September of FY25. Total export earnings from these nine countries stood at USD 7443.34 million during this period under report. Out of total export earnings, 90.99 percent (woven 40.27 percent and knitwear 50.72 percent) or USD 6772.90 million RMG exports earnings came from those countries during the period (Table-1). RMG export earnings from these nine countries increased by 6.50 percent to USD 6359.72 million during this quarter compared to the preceding quarter and 7.09 percent increased compared to the corresponding quarter of the previous fiscal year (USD 6324.29 million) respectively (Annexure-3).

Table-1: Country wise RMG Export in July-September, FY25							
(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)
USA	2105.55	1168.55	683.75	1852.30	253.25	0.88	0.12
Germany	1241.96	392.19	769.56	1161.75	80.21	0.94	0.06
UK	1206.26	390.84	751.14	1141.98	64.29	0.95	0.05
France	551.20	180.53	301.85	482.38	68.81	0.88	0.12
Spain	892.04	366.19	500.42	866.61	25.42	0.97	0.03
Italy	354.39	101.27	218.60	319.87	34.52	0.90	0.10
Belgium	185.21	50.22	90.10	140.32	44.89	0.76	0.24
Netherlands	576.59	200.53	310.81	511.34	65.25	0.89	0.11
Canada	330.14	146.97	149.38	296.35	33.79	0.90	0.10
Sub-Total	7443.34	2997.30	3775.60	6772.90	670.44	0.91	0.09
Others	4214.52	1167.20	1571.85	2739.06	1475.46	0.65	0.35
Total	11657.86	4164.50	5347.45	9511.96	2145.90	0.82	0.18

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 February 2024 to 30 June 2024. Among them, 4 percent cash incentive has been given to export oriented ready made garments

(knitwear, woven and sweater) including all small & medium industry of garments sector and 3 percent has been given 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 1 percent has given as special incentives with the existing 3 percent. Moreover, special cash incentive has been given to RMG sector with 0.50 percent (FE Circular No-05, Date February 12, 2024).

***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:*** The export sector is the main spur of economic growth in Bangladesh. 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 (EFPPF) 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) sector of Bangladesh during July-September FY25 demonstrates both resilience and adaptability in the face of evolving global and domestic challenges. The industry continues to maintain its strong position not only focusing on mass production but also shifting towards higher value-added segments, such as eco-friendly apparel, and embracing modern manufacturing technologies, including automation and digitalization. This shift toward innovation, alongside a growing commitment to sustainability, has helped Bangladesh maintain its position as a key player in the global garment trade

## Annexure

### Annexure-1: Export of Readymade Garments

(From FY19 to July-September FY25)

(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	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
<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>
Jul-Sep FY25	11657.86	-	4164.50	-	5347.45	9511.96	35.72	45.87	81.59

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
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%)
Jul-Sep FY25	9511.96	3894.10	5617.85 (59.06%)

<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	Jan-Mar '23	Apr-Jun '23	Jul-Sep '24	Oct-Dec '24	Jan-Mar'24	Apr-Jun'24	Jul-Sep'25
USA	1624.26	1838.86	1619.04	1650.64	1625.95	1728.28	1852.30
Germany	1288.55	1121.10	1114.57	1047.39	1272.92	1085.03	1161.75
UK	1111.28	936.23	1084.87	945.74	1192.90	973.00	1141.98
France	553.05	586.81	439.26	539.32	508.06	537.71	482.38
Spain	893.62	791.54	953.76	698.79	933.78	789.50	866.61
Italy	405.46	386.30	325.15	392.56	388.08	355.49	319.87
Belgium	164.20	139.10	116.32	121.06	133.32	146.88	140.32
Netherlands	378.53	361.28	406.44	417.88	479.40	417.66	511.34
Canada	255.77	357.06	264.86	296.35	272.08	326.15	296.35
<b>Sub-Total</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>6772.90</b>
<b>Others</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>2739.06</b>
<b>Total</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>	<b>9511.96</b>

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