Readymade Garments Exports from Bangladesh: Challenges and Possible Way-Out

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Abstract

Bangladesh's readymade garments (RMG) export has faced tremendous competition from several countries in the last few years. The challenge has been increased further due to the Covid-19 pandemic. Covid -19 poses a substantial threat to Bangladesh's garment sector. The survival of RMG exports is vital for the consistent economic growth of Bangladesh. This paper aims to identify the future challenges of RMG exports from Bangladesh and feasible solutions to unravel the problems. The study is descriptive and based on secondary data. Secondary information is gathered from different books, websites, articles, and newspapers. Previous studies show that the RMG sector has experienced numerous challenges, including inadequate infrastructure, political instability, excessive interest rates on bank loans, fire disasters, a scarcity of raw materials resources, covid-19 pandemic effect, etc. Regarding revenue and profitability in foreign currency, Bangladesh's readymade garments (RMG) industry has outperformed all other sectors since its independence in 1971. It creates a substantial impact on the national economy by providing a large number of work opportunities and by eliminating poverty through social development. Bangladesh will graduate from the least developed country (LDC) in 2026, adding new challenges for the RMG. Therefore, BGMEA and BKMEA, among other regulatory agencies, should take the required efforts to remove these obstacles from their respective jurisdictions before facing any new challenges. The researchers identified some potential solutions to ensure that the RMG industry can keep its position in the international marketplace.

Keywords: Bangladesh, BGMEA, BKMEA, challenges, Readymade garments (RMG)

1. Introduction

Bangladesh has been one of the poorest nations in the world since its independence in 1971. In Bangladesh, when East Pakistan was known, no significant industries were developed due to discrimination and the policies of the then-West Pakistan government. Therefore, reconstructing a war-torn country with minimal resources seems the most difficult challenge. However, the sector that has been making an undeniable contribution to the country's economic growth is none other than the readymade garments industry (Hasan, 2014). Bangladesh's garment industry is the country's largest industrial sector. The history of the readymade garments industry began in the Indian subcontinent during the Mughal era via Dhakai Muslin. It had a global reputation and a high-demand market worldwide, particularly Europe (Abdin, 2010). Now, the sector represents 81% of the country's total export revenues. As a result, Bangladesh has a rapidly expanding economy.

The readymade garments (RMG) exports play a vital role in holding the country in the international marketplace to earn foreign currency. Bangladesh's clothing industry began its journey in the 1980s and is now in its current position. Nurool Quader Khan, who passed away, was Bangladesh's innovator of readymade garments (Hasan, 2014). Bangladeshi clothing is predominantly constructed from knit or woven textiles. Garments made of knitted fabrics are referred to as knit clothes, while garments made of woven fabrics are referred to as woven garments. Knitted clothes include t-shirts, polo shirts, and innerwear such as briefs, panties, bras, sweaters, and hoodies. Woven clothing includes formal shirts, trousers, denim jeans, suits, chiffon, and georgette gowns (Sarkar, 2016).

Readymade garments are the backbone of the country's economy. Bangladeshi people feel great about a sector that has generated billions of dollars in export revenues and provided thousands of jobs for millions of citizens.

Its annual GDP growth rate has been calculated at 6% of GDP, to begin with, and then that number has been going up every year, creating remarkable social and human development (Hasan, 2014). Around 4.2 million individuals worked in the sector, with 80 percent women (Hossain, 2019). The sector achieved a 30.61 billion USD in total export value in the Fiscal Year 2017-18, an increase of higher than 8% over the previous fiscal year, accounting for 83.5 percent of total national exports and 11.23 percent of Gross Domestic Product (GDP) (Hossain et al., 2019). In Fiscal Year 2019-20, the sector had a total export value of US$ 27949.19 million, accounting for 83 percent of total national exports (BGMEA, 2020). However, in the recently concluded fiscal year, the country's readymade garment exports fell 18.84 percent to US$ 27.70 billion for the 2019-20 fiscal year. In the 2018-19 fiscal year, the sector made $ 34.13 billion (Munni, 2020).

As Vietnam has performed well in recent months, Bangladesh has struggled to maintain its position as the world's second-highest garment exporter. Bangladesh is now the world's second-highest garment exporter, with a market share of 6.4 percent, followed by Vietnam with 6.2 percent (TextileToday, 2020). Bangladesh is now rated; third, behind China, which is ranked first. Vietnam has surpassed Bangladesh to become the world's second-largest exporter of readymade garments (RMG) (Hossain, 2021). In Bangladesh, many women work in the clothing business. Women are the primary source of labor, accounting for 80% of all workers (Zhang, 2020). Due to many poor and illiterate women, women workers are readily available at low wages, a country's competitive advantage called the "cheap labor rate". As a result, the labor cost is low, lowering the entire cost of readymade clothing, giving those countries a competitive advantage in the global market. As a result, Bangladesh may be a better option for international purchasers due to its cheaper production costs, backed by a low domestic wage rate (Zaman & Khan, 2021). Vietnamese workers are more efficient than Bangladeshi workers because the Vietnamese government helps the country's entrepreneurs in various ways, including food subsidies, social benefits, medical benefits, and housing support (TextileToday, 2020).

The RMG sector now creates jobs for roughly 4.4 million individuals. Eighty percent of them are women from the underprivileged part of society. The RMG industries face a tightly competitive marketplace, and the cheap labor rate is the competitive advantage of the industry in the country (Hossain et al., 2019). Approximately 4 million people work in 4560 garment factories in Bangladesh, accounting for around 4% of the country's entire workforce (Akhtaruzzaman et al., 2019). However, the industry has particular challenges and chronic problems that restrict its ability to become more competitive and improve export performance. The major problems are a longer lead time, industrial skills shortages, the risk of sourcing raw materials, and rising competition (Hossain et al., 2019). There are a lot of problems and challenges, including the above. Because of the risks of losing the position of RMG in the international marketplace, the researcher tried to find out some possible suggestions to overcome the challenges of readymade garments. The two-fold goals of this paper are to mention and analyze the challenges facing the readymade garments industry in the country and provide a possible way out of those challenges.

2. Literature Review

The literature review illustrates the overall RMG sector scenario, its contribution to the economy, and the challenges related to the sector's growth. Hasan (2014) explained the contribution of the RMG sector to Bangladesh's economic growth and played a vital role in holding the country in the international marketplace to earn foreign currency. Chowdhury & Zabeen (2020) examined why the RMG industry achieved this position using Porter's diamond model of national competitiveness. Chowdhury et al. (2014) showed that the total employment was 0.12 million in 1984-85, but it climbed to 4 million in 2012-13. The paper also stated the problems for the development of RMG exports are: power crisis, lack of raw materials in the domestic country, insufficient loans, strikes, political unrest, lead time management, unskilled workers, unsafe and unhealthy workplace, workers unrest, and also fire incidents. Rakib & Adnan (2015) also mentioned some challenges and left a strong recommendation to overcome the problems. Tasnim (2021) explained the training and development problem of the RMG sector of Bangladesh. The findings of his research were: insufficient training program sessions, insufficient machinery, the training program is not up-to-date, and also the employees are irregular to attend the training program. Finally, Cookson (2020) showed some short-term challenges of the RMG sector of Bangladesh in his paper.

Haque (2020) explained the power sector of Bangladesh and showed the energy crisis for the development of Bangladesh. Wadud et al. (2013) had assessed the fire risk of Bangladesh's readymade garments industry. Their paper suggested that despite substantial efforts in recent years to enhance structural features of fire safety, there are still a lot of opportunities for improvement in Bangladesh's readymade garments factories. In 2020, the country saw 383 industrial fires, with 273 of those occurring in the RMG sector (Amin, 2021). According to Haque et al. (2020), women have faced sexual and verbal harassment by their coworkers and managers; women

do not get equal salaries, positions, or promotions. Therefore, they focused on eliminating gender discrimination at the workplace in their study.

Compared to competitor countries, lead time is critical in maintaining Bangladesh's RMG sector's competitiveness (Hossain et al., 2019). Zaman & Khan (2021) analyzed the reason for strikes and worker unrest of Bangladesh's readymade garments (RMG) sector, most of which are primarily for payment-related issues, such as garment factory owners' irregular wage payment practices. Maintaining a balance in setting suitable minimum salaries and keeping the sector's cost competitiveness is also difficult for the RMG sector (Khan, 2020). Berg et al. (2021) showed the significant success of Bangladesh's RMG sector in addressing growth concerns, particularly in diversifying clients and goods, enhancing supplier and worker performance, and strengthening compliance and sustainability over the last decade. Saha et al. (2021) explored some strategic plans to initiate sustainable development, and they also explained political barriers, corruption barriers, lack of life security system, etc., in their study.

Islam et al. (2020) showed the impact of Covid-19 on the RMG sector of Bangladesh, and they gave some recommendations to overcome this crucial situation. According to their findings, leaders of the RMG sector, the government, and other stakeholders should come forward to safeguard Bangladesh's RMG industry, which is the world's second-largest RMG business, contributing 11.2 percent to the country's GDP. Nizam et al. (2021) also showed the impact of Covid-19 in RMG industries in Bangladesh. They also discussed the before and after situation of Covid-19 of RMG industries. And finally, they left some recommendations to handle this Covid situation. According to Rayhan (2021), the export growth of the RMG sector has increased positively during this Covid situation, but the price of raw materials has also increased. According to TextileToday (2020), the employment situation in Bangladesh during the lockdown was such that around 0.5 million laborers in the textile and RMG industries were permanently laid off. TextileToday, (2021) showed that Knitwear shipping garnered $8.52 billion in export revenues, up 3.9 percent from the previous year. At the same time, woven exports fell 10.22% to $7.01 billion. Despite this poor environment, knitwear exports increased as consumers wore casual outfits while staying and working from home due to the COVID-19 problem. Shimanta et al. (2020) provided a brief scenario and the effects of the garment industry in recent days and Bangladesh's economic position in light of the pandemic. Begum et al. (2020) stated that it is impossible to alleviate the effects of a pandemic individually; instead, a coordinated effort by state authorities and concerned citizens from all sectors is required.

3. Methodology

This study is qualitative and based on secondary data. It aimed to unfold many dimensions of challenges faced by Bangladesh's readymade garments exports. The specific objectives of this research are to find out the challenges to the readymade garments exports in Bangladesh and to identify some possible ways out of those challenges. To fulfill the objectives, researchers collected data from journals, research publications, web portals, and different publications of Bangladesh Bank, BGMEA, BKMEA, and other associated organizations.

An extensive literature review has been conducted to identify the challenges and possible ways to unravel the problems. There are regular changes in the situation since the global market is the most dynamic business environment for business which demands to shed more light on current literature and news on global trade on readymade garments export.

4. Discussion

4.1 Introduction

Bangladesh's garment industry is now under threat, as other countries are advancing the country's garment industry. To maintain the worldwide position of the country's garment industry, Bangladesh needs to address the industry's weaknesses soon, for which the government can take some steps. Researchers tried to provide some suggestions to overcome this unwanted situation. Day by day, the country is becoming more dependent on the garment industry. If the garment industry suffers any loss somehow, the economy will suffer a considerable amount.

4.2 Major Challenges to Readymade Garments Exports of Bangladesh

The industry is confronted with many obstacles and long-standing issues, impeding its potential to become more competitive and improve its export performance. The following are the primary problems that the RMG industry is facing:

4.2.1 Fire Disaster

The RMG sector is a fiercely competitive business where expense-cutting is highly prized; nevertheless, given

the country's general absence of a safety culture, cost-cutting techniques frequently compromise the employees' health and safety. Because garments product is easily combustible, fire is one of the significant common & damaging mishaps in the garments industry of Bangladesh. Fire is also the primary cause of on-the-job injuries and fatalities in this sector. Every new fire and related disaster tarnish the sector's reputation in the international market, especially given the current working conditions in developing countries' manufacturing industries, which are a source of worry in most developed countries.

Given the significance of fire safety in the apparel sector, the government, BGMEA, and worldwide purchasers of garments products have all collaborated to develop the fire safety culture, which has resulted in a significant decrease in fire incidents and losses. The struggle, however, is not yet totally won. Regardless of the various procedures, laws, and regulations put in place over the years, fires still regularly break out in garment factories, resulting in considerable loss of life, livelihood, equipment, and materials (Wadud et al., 2013). In 2020, the number of fires in readymade garment factories reached a five-year high. However, over the last five years, industrial fires have decreased. According to Bangladesh Fire Service and Civil Defense data, the country experienced 383 industrial fires in 2020, with 273 in the RMG sector. In Dhaka's Mohammadpur, a fire killed 21 garment workers at Garib & Garib Garments, 29 at Ha-Meem Garments, and seven women at Smart Export Garments Limited (Amin, 2021).

4.2.2 Increased Lead Time

Lead time ensures that Bangladesh's RMG sector remains competitive compared to its competitor countries. However, in the RMG industry of Bangladesh, the lead time for bringing raw materials is significantly longer than the lead time for exporting products. Lead time is mainly caused by inefficient port and airport administration and other physical infrastructure (Hossain et al., 2019).

4.2.3 Unskilled Labor

A sufficient number of qualified workers with relevant expertise is essential for developing the industry. Because the Bangladeshi garments industry is now in open market competition following the removal of the quota system in 2005, the RMG business in Bangladesh has a significant need to update the skills of its operatives and executives. This industry's expansion is being hampered by a shortage of skilled workers, particularly in middle management. The sector presently employs 4.2 million people, with around 80% of them being women who are mostly illiterate, unskilled, and come from rural and remote areas. The productivity, which is 77 percent, has been hampered by a lack of competence, significantly less than the leading competitors (India has 92%, Vietnam has 90%, and Pakistan has 88%.) Though Bangladesh has improved its backward linking over the year, it still needs to strengthen its forward linkage. The majority of readymade garments firms lack in-house training facilities. The quality of the current training facilities is bad due to a lack of professionally certified trainers. (Rakib & Adnan, 2015; Islam et al., 2016).

4.2.4 Risks Associated with Raw Material Sourcing

Cotton is the most widely used and essential of the imported raw materials. Bangladesh's RMG sector is primarily reliant on cotton; as a result, Bangladesh is the world's top importer of cotton. In 2016, Bangladesh purchased $5275.67 million in cotton from the global cotton market, accounting for 10.8 percent of global export. China and India are Bangladesh's main cotton import partners, and both are RMG export competitors (Hossain et al., 2019). Bangladesh's reliance on imports increases sourcing risks and lengthier lead times. Whereas the average fabric lead time for woven fabrics in Bangladesh is seven days, the lead time for fabrics obtained from India and China can be as long as 15 days and 30 days. In addition, the costs of cotton and other raw materials used in the textile sector in Bangladesh are subject to significant fluctuations (Rakib & Adnan, 2015).

4.2.5 Increasing Rivalry

In recent years, Bangladesh's RMG sector has faced intense competition from neighboring South Asian and South-East Asian countries such as Vietnam, India, and Myanmar, all of which are vying to become key RMG exporting countries. Among these countries, India and Myanmar have already taken the necessary steps to strengthen their position in the global RMG market (Hossain et al., 2019). Bangladesh's global clothing market share fell to 6.3 percent in 2020, down from 6.8 percent the previous year, and the market worth of Bangladesh was $28 billion. Meanwhile, Vietnam's share in worldwide RMG exports was 6.4 percent in 2020, up from 6.2 percent. Vietnam's market capitalization was $29 billion by the end of 2020. Vietnam surpassed Bangladesh to become the world's second-largest exporter of readymade garments (RMG) (Hossain, 2021).

4.2.6 Inadequate Infrastructure

Inadequate and poorly constructed infrastructure can be dangerous for investment. Bangladesh is dealing with a

significant problem. Garment factories were primarily put up in an unplanned fashion when the RMG industry's inception, mostly in converted and shared buildings; there were no purpose-built buildings. The results of those unanticipated concerns are now manifesting themselves in the form of catastrophic disasters such as the Rana Plaza and Tazrin garments disasters, which killed over 2000 people and injured thousands more. These concerns are increasingly causing concern among E.U. and U.S. purchasers. They are now taking building and workplace safety more seriously. Bangladesh will need to improve its transportation, energy, and digitization infrastructure in the future to grow its garment sector (Berg et al., 2021).

4.2.7 Transportation Infrastructure

The poor condition of roadways due to insufficient construction and maintenance poses a significant danger to RMG's lead time improvement efforts. The Dhaka-Chittagong highway, which serves as a primary mode of transportation, is constantly congested with heavy traffic, and it can take up to 12 hours to travel the distance. Even though the railways have excessive potential in terms of freight and uninterrupted transit, they are not fully utilized. The lack of appropriate rail container storage facilities between Chittagong and Dhaka has resulted in a decline in the interest of both exporters and importers in the region. The Chittagong port handles approximately 85% of the country's commodities is plagued by labor unrest, ineffective management, and a scarcity of necessary equipment and infrastructure. The political agendas at the national and municipal levels also contribute to the emergence of transportation problems. Because of the power crisis and lack of utility infrastructure, the open market investment strategy in the Bangladeshi garments sector has been mostly ineffective. Gas, oil, electricity, and water are examples of resources essential for the development of the industry. In response to the reduction in electrical supply, the manufacturing sector had a sharp decline, affecting the export order (Rakib & Adnan, 2015). Employee problems, bad management, and a lack of instruments plague the Chittagong port maintains nearly 85% of the country's trade goods. The port's lead time for sea freight has increased by roughly ten days due to the lack of a deep-water harbor required for the mother vessel's entry. Bangladesh's transportation logistics system is lacking in both infrastructure and services. The poor state of the highways poses a threat to RMG's expansion (Atik et al., 2020).

4.2.8 Lack of Energy

Because of the power crisis and lack of utility infrastructure, the open market investment strategy in the Bangladeshi garments sector has been mostly ineffective. Gas, oil, electricity, and water are examples of resources essential for the development of the industry. In response to the reduction in electrical supply, the manufacturing sector had a sharp decline, affecting the export order. The cost of production has increased due to the sudden increase in power price. Because of the frequent power outages, industrial owners are forced to employ alternative energy sources, such as generators, which raises the overall cost of manufacturing (Rakib & Adnan, 2015; Islam et al., 2016). In the case of Bangladesh, a growing nation with rapid economic expansion while also facing a prolonged energy crisis period, the importance of energy is even more crucial. Bangladesh is a thriving and expanding economy in Asia, with an increasing demand for electricity and fuel (Haque, 2020).

4.2.9 High-interest Rate of Bank Loan

Because of the high-interest rates, financing costs increase, which hurts productivity. The high cost of doing business results from the rapid increase in the interest rate, which has increased the issues faced by the business community. High service charges and interest rates on bank loans had put Bangladeshi RMG exporters at a competitive disadvantage in the international market (Rakib & Adnan, 2015; Islam et al., 2016).

4.2.10 Political Instability

Several factors hamper economic growth, the most significant of which are planning security, political unrest, strikes, and corruption. Political instability has been a major factor in the decline of the garment industry in Bangladesh and the decline of other industries in the country. Political unrest, confusing policies, and a corrupted administration are all harming the productivity and goodwill of the RMG industry, which is already suffering as a result (Islam et al., 2016).

4.2.11 Low Wage Rate

The readymade garments sector is the largest provider of overall exports for the country that is primarily focused on low-wage labor. Cheap labor lowers the entire cost of readymade garments, giving the country a competitive advantage worldwide. As a result of its lower production costs, Bangladesh may be a more appealing option for international buyers. From the standpoint of garment factories, it is required that workers' wages be kept low to compete in the global market. As a result, garment workers continue to be the world's lowest-paid workers. Besides, employee dissatisfaction is caused by a variety of factors, including inadequate payment, mandatory

overtime, and inadequate overtime salary, a lack of motivation, long working hours and night shifts, a lack of appreciation for their contributions, irregular increments and promotions, job insecurity, and limited opportunities for self-skill development. As a result, RMG workers in various industries have been using violence in hartal, vandalism, and road blockades practically every year to increase their minimum salary, attendance bonus, and other benefits. Such a circumstance reduces production and tarnishes the industry's image in the eyes of global customers, thus impacting the country's overall exports (Zaman & Khan, 2021).

4.2.12 Pandemic Effects on the RMG Sector

COVID-19 is a significant public health concern in both developing and wealthy countries. Bangladesh is in grave danger due to its lack of preparedness to deal with this possibly deadly virus. The disease has had the most significant impact on those most vulnerable and underprivileged in the country. Bangladesh's RMG employees are an example of this. The problems of illiteracy, untrained, unskilled, poor socioeconomic origins, and limited negotiating power, make the workers vulnerable. Because of the daily growth in the number of COVID-19 infections in the country, the government of Bangladesh proclaimed a state of lockdown throughout the country on March 26, 2020, which lasted until May 30, 2020. Following the government's orders, the Bangladesh Garment Manufacturers and Exporter Association (BGMEA) ceased activities due to the lockdown. As a result, RMG employees came home from Dhaka since they couldn't maintain themselves without a job there. As a result of the COVID-19 closure and the accompanying economic collapse, the working poor will be compelled to leave their homes, violate isolation regulations, and risk illness to feed their families (Kabir et al., 2021).

4.2.13 Lack of a Long-Term Model

Due to a lack of wastewater treatment plans and waste product recycling, RMG in Bangladesh faces the critical challenge of operating their companies sustainably. The greater the rapid expansion rate in the industry, the greater the necessity for sustainability implementation. With the development of new technology, sustainable models consider the effects of industries on natural, social, and economic issues (Atik et al., 2020).

4.2.14 Shortage of Warehouse

Warehouse management is a crucial consideration that entails having procedures to fulfill orders and ship them out. Finding new and better ways to improve warehouse inventory accuracy and layout will reduce costs, save time, and boost revenue and customer satisfaction (Atik et al., 2020).

4.2.15 Gender Gap

Another key issue confronting the industry is worker empowerment and the gender gap. Wage payment digitization has risen, and employment rights have improved significantly. When it comes to prospects for advancement from entry-level, the gender gap remains a concern. Today, there is a stronger emphasis on gender diversity, upskilling, and career advancement chances (Berg et al., 2021).

5. Conclusion and Recommendations

5.1 Conclusion

The readymade garment sector is the heart of Bangladesh's GDP. It creates jobs for both men and women to eliminate the unemployment problem of this country. A huge amount of people can overcome their poverty situation through this RMG sector. Also, Bangladesh earns foreign currency by exporting readymade garments products in the international marketplace. The RMG sector has faced severe safety issues at the workplace, poor investment, inappropriate infrastructure, lack of raw materials, lack of skilled workers, poor bank loan system, lack of transportation infrastructure, competitive rivalries, political instability, energy crisis, etc. Because of these many problems, the productivity of the RMG sector is decreasing day by day. As a result, the economy of Bangladesh is now under threat. To overcome these challenges, the government can take some steps. The government can make more investments in this sector, handle the banking loan system, and develop transportation infrastructure. The government can establish a research center to mitigate the research and development problem. By investing in education and training centers, unskilled labor problems can be reduced. Workers should be provided with a safe working environment and enough compensation. The bond between employer and employee should be strengthened. Owners of RMG industries should also be more sensitive to their workforce's financial and non-financial needs, as they are the RMG sector's future asset. Before it is too late, new markets should be explored immediately. Each factory should have fire safety equipment installed. Appropriate building codes should be followed. Proper regulatory guidelines from regulatory bodies such as the BGMEA and BKMEA and government backing are critical for the sector to attain its full potential. As a result of putting all of the previously mentioned plans into action, we may aspire for a perfect readymade garments sector in Bangladesh that will lead the global garment industry one day.

5.2 Recommendations

5.2.1 Introduction

In the discussion chapter, researchers mentioned significant challenges and problems of the RMG sector of Bangladesh. And through this paper, researchers tried to identify possible solutions to those challenges. Some of the possible solutions to those challenges are described below:

5.2.2 Ensure the Safety of Workers

To avoid fire accidents in the workplace, the government can take the initial steps to enforce new laws to maintain rules and regulations. The workers should obey the enforced rules and regulations by the government to protect themself from fire accidents. And finally, the young people can make some awareness programs to inform people and to spread information about necessary steps to avoid different disasters like fire accidents in the workplace.

5.2.3 Increased Productivity by Reducing Lead Time

The government should build and repair road constructions like highways, railways, seaports, etc. Export and import systems can occur quickly by decreasing lead time. Importing raw materials is another main reason for higher lead time, so we should focus on maintaining a proper lead time.

5.2.4 Increased Productivity through Research and Development

Competitive advantage will no longer be based solely on low wages. At the same time, efficiency and productivity both need to be appropriately developed. By investing in education and training, the government and other international organizations can help people enhance their skills and expertise. The government can take the initiative to establish a research institute to increase research and development.

5.2.5 Development of Infrastructure

A robust infrastructure is required for the development of a long-term industry. The government should take a leading role in improving infrastructure by making appropriate investments in roads, highways, and port facilities. Chittagong Port and the Mongla port should be exploited to their maximum potential.

5.2.6 Alternative Way of Importing Raw Materials

Importing raw materials from China takes 30 days and from India takes 15 days, and both of these take more time to import. Bangladesh should search for alternative ways to import raw materials from China and India to increase productivity. At the same time, Bangladesh can import raw materials from another country to eliminate import time.

5.2.7 Compete with Rivalry

Nowadays, the strong competitors of Bangladesh are China, Vietnam, Myanmar, and India. Bangladesh should immediately increase efficiency and productivity, hire skilled workers, develop infrastructure, reduce lead time, and minimize production costs to compete with these rivalries.

5.2.8 Foreign Direct Investment (FDI)

High-value and non-traditional products in the RMG industries require foreign direct investment, whether in a joint venture or a strategic alliance with technologically superior enterprises, to diversify their product portfolios and increase competitiveness (Rakib & Adnan, 2015).

5.2.9 Increased Productivity by Giving Financial and Non-Financial Incentives to the Workers

The major source of unhappiness for workers in this sector is the wage level. Workers with higher satisfaction levels have a more positive attitude and take on more responsibilities at work. Employee performance is influenced positively by adequate compensation, consistency in promotion, and performance recognition and evaluation. As a result, wages should be established at a level that will allow employees to be highly motivated, ultimately affecting their performance. The impact of salary rates on employees' social lives is equally important. In the labor-intensive manufacturing industry, it has been discovered that financial solvency and social status directly impact employee performance (Zaman & Khan, 2021).

5.2.10 Increased Awareness to Prevent the Pandemic Situation

The Government of Bangladesh can play an essential role in handling this pandemic situation by providing minimum food support so that the poor don't break the lockdown and medicinal help to reduce corona-affected people. And the BGMEA can take some steps to continue the RMG production by following the rules and regulations of Covid-19.

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