

**THE IMPACT OF COVID-19 ON THE TEXTILE INDUSTRY OF
BANGLADESH**

PREPARED BY

MOHAMMED LUTHFUL HAIDER

ID: 173011090

SUPERVISED BY

MINHAZ UDDIN AHMED, PhD

ASSOCIATE PROFESSOR

SCHOOL OF BUSINESS

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Student Name: Mohammed Luthful Haider ID No: 173011090

Major: Finance Year: 2021

Mobile Phone: +8801834804427 Email: mohammed.luthful.bba@ulab.edu.bd

PROJECT INFORMATION

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Signature: _____  Date: 01/03/22

Name: _____ Dr. Minhaz Uddin Ahmed _____

E-mail: _____ minhaz.uddin@ulab.edu.bd _____

Phone: _____ 01818202573 _____

EXECUTIVE SUMMARY

The probable impact of the coronavirus disease 2019 (COVID-19) pandemic on Bangladesh's textile sector is discussed in this study. The textile business, which accounts for around 80% of Bangladesh's overall exports (\$34.13 billion in 2018-19), is a significant contribution to the country's economic progress. Bangladesh has seen fast industrialization as a result of garment manufacturing, which has aided the country's transition to a higher economic trajectory. It exports RMGs to 132 nations, making it the world's second-largest exporter but the recent pandemic crisis has rocked global markets and is to have a rising and perhaps long-term impact on the global economy. Due to the huge disruption of end-to-end global supply chains and the rising health catastrophe in Bangladesh, textile manufacturers have been compelled to suspend production or decrease capacity, resulting in national limitations on people and economic activity. The fact that both the demand and supply sides of operations are affected makes the current scenario exceptionally tough - and extraordinary.

Letter of Transmittal

Date: January 30, 2022

Minhaz Uddin Ahmed, PhD

Assistant Professor

ULAB School of Business (USB),
University of Liberal Arts Bangladesh.
House 56, Road 4/A, Satmasjid Road,
Dhanmondi R/A, Dhaka 1209.

Dear Sir,

Subject: Submission of Research Report

With best regards and my utmost gratification to submit the report on “The impact of COVID-19 on the textile industry of Bangladesh” to you as a part of a requirement for completing the BUS 499 course. I have prepared this report by giving my uttermost efforts. As per your guidelines, I tried to make this report as informative and descriptive as I could by conducting Quantitative Research. I chose this topic due to the topic’s availability and tried to give another dimension to a common topic as “The impact of COVID-19 on textile industry of Bangladesh” with the ongoing pandemic of COVID-19. I sincerely hope that my report will meet your expectation. However, there might be several minor errors, but I still urge you to overlook them with your kind consideration.

Sincerely,

Mohammed Luthful Haider

ID: 173011090

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CHAPTER 1: INTRODUCTION

The worldwide textile and clothing trade has been greatly influenced by globalization and for textile and garment production, affluent countries are now heavily reliant on emerging producing nations.

Bangladesh is currently the world's second-largest garment maker, which earns around 80% of its revenue from exports. Bangladesh is the second-largest supplier of western fast fashion brands globally where sixty percent of western brands' export contracts are with European customers, thirty percent with American buyers, and ten percent with foreign buyers. Bangladesh's gross domestic product (GDP) was estimated at US\$6.29 billion by the World Bank in 1972, and it soared to \$368 billion by 2021, with \$46 billion coming from exports, 82% of which were ready-made clothes (Latifee, 2022). Bangladesh has 430 yarn manufacturing mills, 802 weaving mills, 244 dyeing-printing finishing mills, 32 denim fabric manufacturing mills, and 22 home textile manufacturing mills, according to the Bangladesh Textile Manufacturers Association (BTMA) with top names being Beximco Textile, Square Textile, Noman Group, etc. (Ovi, 2019).

BACKGROUND OF THE RESEARCH:

The current pneumonia outbreak, which began in early December 2019 in Wuhan City in Hubei Province, China, is caused by a novel coronavirus (CoV) known as '2019-nCoV,' '2019 novel coronavirus,' or 'COVID-19,' according to the World Health Organization (WHO). The virus was verified to have spread to Bangladesh in March 2020. On March 8, 2020, the country's epidemiology institute, IEDCR, announced the first three known cases. Since then, the epidemic has spread across the country, with the number of persons infected continuously increasing. Bangladesh is the most impacted country in South Asia after India (Research (IEDCR), Corona Info, 2020). As a result, Bangladesh imposed a countrywide curfew that went into effect on March 20, 2020, and is still in effect on and off. As Bangladesh's ready-made garment industry ramps up production to meet the country's goal of \$50 billion in apparel exports by 2021, it has created new opportunities for domestic and international yarn/fabric manufacturers and suppliers to capitalize on the situation and expand their market share in the country (Resources, 2016). However, owing to the introduction of the COVID 19 lockdown, the aforementioned target has taken significant damage. Figure 1 depicts the projected decline in Bangladesh's GDP growth between the pandemic and the loss of textile businesses (Aktar, Siddika, Auntu, Adnan, & Rahman, 2021). Bangladesh's ready-made garment and textile industries suffered greatly, affecting the whole clothing industry as well as adjacent industries. Global demand for garments has been dropped as a result of the COVID epidemic, and prominent fashion houses are still hesitant to make large orders, creating a serious

issue for Bangladesh's vital textile sector. Around USD 3.2 billion in orders were postponed or withdrawn in early March 2020, when factory owners in Bangladesh began receiving notices from brands to defer order shipping until the end of April 2020. By the end of May 2020, Bangladeshi employees would have lost nearly 30% of their salary, totaling \$502 million. Exports of textiles from South Asian countries declined by almost 17% in 2020, exports to Europe, which account for over 60% of Bangladesh's textile exports, decreased by nearly 19%. There has been no rise in demand or exports in 2020, according to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) (Ahmed, 2021). The enormous economic shock that workers experienced resulted in major cutbacks in spending and asset depletion. According to a UC Berkeley-BRAC research conducted in mid-2020, 82 percent of Bangladeshi employees said that their incomes in April-May 2020 were lower than their earnings in February 2020. Between February and May, 77% of workers said it was tough to feed everyone in their households (Banarjee, Mullins, & Tripathi, 2021). The major units' workforces live in labor colonies next to the industrial grounds. Some employees were forced to return once the lockdown was released due to a lack of transportation equipment, and many of them escaped to their villages and hometowns. The cost of raw materials and electricity has not increased so far, but the rest of the charges have been a severe setback for factory owners. As per the Bangladesh Textile Mills Association (BTMA), a kilogram of yarn costs \$3.25 on average, with prices ranging from \$2.80 to \$2.90 (Ovi, 2019), and the cost of production has risen even more after COVID 19. Due to a domestic supply glut that emerged when shipments to China came to a standstill, cotton and yarn prices have decreased by up to 10% in the previous month. Due to the shutdown of shops and businesses in that nation as a result of the coronavirus epidemic, shipments to that country were halted (Kumar & Narasimhan, 2020). Figure 2 shows the turnover of textile-related products in the year 2020 compared to the year 2019 (The impact of COVID-19 on the Textile industry, according to an ITMF survey, 2021). These are some of the areas that briefly summarized COVID 19 that had impacted the textile industry and this study aims to focus on the impact COVID 19 had in the Bangladesh textile industry in an elaborate manner and in that process develops ideas that can be implemented to tackle further catastrophes.

OBJECTIVES OF THE RESEARCH:

The objectives of this research can be concise into two parts:

- i. Primary Objectives: The objective is to analyze the trend of the textile industry of Bangladesh during the pandemic cycle and formulate approaches from studying prior articles and researches and integrate those approaches as a whole.

ii. Specific Objectives:

- To analyze the history of the textile industry of Bangladesh briefly.
- To assess the evolution of the Bangladesh textile industry and the supply chain factors behind it.
- Analyze the impact of COVID 19 on Bangladesh's economy as a whole.
- In-depth analysis of COVID 19 impact on textile industries such as supply chain factors that contributed to the downfall amidst the COVID 19.
- Differentiate between firms in terms of their approaches to COVID 19 and sought out the most reliable ones.
- Establish research-based methods that will assist businesses in dealing with future circumstances such as the COVID 19 pandemic.

IMPORTANCE OF THE RESEARCH:

This research, as a general, elaborately studies the impact of COVID 19 in textile industries at different stages of the pandemic and tries to pinpoint the factors of textile industries that made the situation dire and find results that help to overcome the troubles if similar scenarios arise in the future.

MAIN RESEARCH QUESTIONS:

- What is the current situation of the COVID 19 pandemic in Bangladesh?
- What is the current situation of the textile industry amidst the pandemic?
- Which factors of the supply chain contributed to the downfall of the textile industry of Bangladesh?
- What are the situations of other industries that are closely knitted with the textile industry of Bangladesh?
- What is the situation of workers working in the apparel industry during the pandemic?
- Was there any government action to aid corporations with their financial troubles, and if so, how did the government assist?
- What are the approaches that can be ensured by apparel companies for such a disaster as COVID 19?

CHAPTER 2: LITERATURE REVIEW

The textile industry has been a vital part of Bangladesh in its development process and it is deeply rooted in the history of Bangladesh even before it was born. There have been many studies done in regards to the textile industry talking about its history, growth, etc., and below are some of the research which touched on aspects related to the textile industry.

TEXTILE INDUSTRY HISTORY:

Industrialization is a crucial factor in a country's economic progress and has a profound impact on the monetary structures of emerging countries. Bangladesh's textile industry dates back more than 500 years and is one of the oldest and most successful industries in the world, having a long and illustrious history in addition to that yarn and fabric production has advanced significantly in recent years. During the Mughal era (16th–18th centuries), Bengal Subah served as a crossroads for the global muslin and silk commerce (Heitzman & Worden, 1988). Bengal, notably around its capital city of Dhaka, was the most significant hub of cotton production during the Mughal Empire, resulting in muslin being referred to as "daka" in distant markets such as Central Asia (Eaton, 1996). Bengal also exported cotton and silk fabrics to European, Indonesian, and Japanese markets (Richards, 1993). Bengal, for example, provided more than half of the textiles and around 80% of the silks imported by the Dutch from Asia (Cypher, 2014). The textile sector, like other businesses in East Pakistan, was predominantly controlled by West Pakistanis from 1947 to 1971. Local Bengali entrepreneurs had established their huge textile and jute industries during that period, in the 1960s. The newly constituted Bangladesh lost access to both financial and technical expertise after its independence from West Pakistan. Until Bangladesh's independence in 1971, the textile industry was largely used to replace imported goods as part of the import substitution industrialization (ISI) process. Bangladesh implemented export-oriented industrialization (EOI) after independence, concentrating on the textile and apparel industries, notably the readymade garment (RMG) sector.

TEXTILE INDUSTRY TREND AND GROWTH:

There was only 9 export-oriented garment manufacturing industry in 1978 which earned only 1 million dollars. Till the end of 1982, there were only 47 garment manufacturing units but a breakthrough occurred during 1984-85 when numbers of garment factories increased to 587 and presently the country boasts over 4000 plus garment manufacturing units. Figure 3 demonstrates the growth of Bangladesh's textile industry in regards to the number of garment factories, employment, export, and percent of garments in the country's export earnings. The industry's extraordinary success is primarily attributable to the low

degree of technology required as the equipment is reasonably priced and readily available and garment manufacturers may operate in fewer spaces than are required by typical textile manufacturing techniques. Furthermore, Bangladesh has a plentiful supply of cheap labor, primarily women, who find this to be one of the most suited types of work. Women's engagement in Bangladesh's official sector has always been modest but with the advent of Bangladesh's ready-made garment industry, the structure of female participation in the economy shifted dramatically. According to World Bank estimates, there were 50,000 female workers in the business in the 1980s; by 2008, that number had risen to 2.85 million, and it now likely exceeds 4 million (Titumir, 2003). Bangladesh's hallmark export-oriented ready-made garment industry, on the other hand, was "based to a considerable degree, on the provision of inexpensive and flexible female labor in the nation," with female labor accounting for 90% of the workforce. More than 58 percent of Bangladeshi clothing is exported to European markets, with only 2% of the price going back to the person who created it, according to research by (Usman, 2021). This demonstrates that the absence of standard pay, the enormous number of employees, and the low cost of energy in Bangladesh are all factors attracting businesses to the country. These elements, as well as other advantages including free trade rules, cheap taxes on imported machinery, and guaranteed warehousing facilities, aided the garments industry's expansion (Kiron, 2020).

CHALLENGES OF TEXTILE INDUSTRY MOVING FORWARD:

Bangladesh's textile industry has a promising future due to strong demand in the apparel sector, however, there are several hurdles that Bangladesh must overcome to remain competitive. Although non-cotton clothing makes up about 65 percent of global apparel, cotton is used in Bangladesh. Bangladesh exports primarily five product categories: trousers, t-shirts, jackets, shirts, and sweaters, therefore this is a challenge for the country to further gain market share by boosting investment in non-cotton garments since the nation has a captive market and trained workforce. Figure 4 showcases the trend in Bangladesh exports by garment type. Bangladesh used to produce solely low-end products, but investors are increasingly looking for the high-end stuff and Bangladesh may have enormous investments in high-end items like blazers, sportswear, swimwear, raincoats, uniforms, and lingerie if Bangladesh updates their factories with the newest technology and employees with strong technical understanding. However, this product requires man-made fibers (MMF), such as polyester, rayon, and spandex, but MMF manufacturing capacity is still limited (Kiron, 2020). Another major challenge the industry face is the increasing cost of production due to the rise of increasing interest rate, double-digit inflation, and decreasing value of Bangladeshi Taka.

EMERGENCE OF COVID 19:

The COVID-19 pandemic, also known as the coronavirus pandemic, is a global coronavirus disease 2019 (COVID-19) pandemic caused by coronavirus 2 that causes severe acute respiratory syndrome (SARS-CoV-2). In December 2019, the unique virus was discovered in an epidemic in the Chinese city of Wuhan, and attempts to contain it there failed, allowing it to spread throughout the world. On January 30, 2020, the World Health Organization (WHO) proclaimed a Public Health Emergency of International Concern and a Pandemic on March 11, 2020. The pandemic has produced over 433 million illnesses and 5.93 million fatalities as of February 26, 2022, making it one of the worst in history. Fever, dry cough, and exhaustion are the most prevalent COVID-19 symptoms, which can range from undetectable to fatal. Patients who are elderly or have specific underlying medical issues are more prone to have severe sickness. COVID19 is spread through the air when droplets and minute airborne particles harboring the virus are inhaled. When individuals are close by, the risk of inhaling them is greatest, but they can also be breathed across greater distances, especially indoors. Contaminated fluids can also spread the disease if they come into contact with the eyes, nose, or mouth, and in rare cases, contaminated surfaces. Infected people are infectious for 10 days on average, and they can spread the virus even if they don't show any symptoms. Many strains (variants) with varying degrees of infectiousness and severity have resulted through mutations (Clinical Questions about COVID-19: Questions and Answers, 2021).

COVID 19 ON BANGLADESH ECONOMY:

The COVID 19 is not limited to life-threatening but has also left its scar in the world's economy which is deeply tied to people and their livelihood. Figure 5 illustrates the projected Exports, Imports, and Remittances outcomes from FY 2017 to FY 2020 and shows how the COVID 19 pandemic dramatically reduced these factors impacting the economy (Aktar, Siddika, Auntu, Adnan, & Rahman, 2021). The Bangladeshi government, like other nations, acted quickly to stop the spread of COVID-19 by shutting down the economy. Bangladesh's economy is strongly reliant on global supply chains, notably ready-made garments (RMG) and remittances, and the country has been hit hard by the global economic downturn. More precisely, the exposed vulnerabilities of RMG's cross-country supply chain have wreaked havoc on Bangladesh's economy, since this industry accounts for more than 80% of the country's export profits. COVID-19 has had a significant impact on the banking sector in Bangladesh, as banks rely largely on RMGs for business. Similarly, remittances from Bangladesh's diaspora, which number over 10 million people, are an essential part of the country's economy (Siddiquee & Faruk, 2020). Figure 6 depicts data from a study done in April 2020 to determine the virus's impact on various enterprises, based on replies from 3,346 firms in 118 countries. As per the International Labor Organization (ILO), the

pandemic will eliminate about 7.2 percent of working hours in the Asia Pacific region, resulting in the loss of 125 million jobs, while remittances from South Asia are expected to drop 22 percent, amounting to \$109 billion, and the region's economic growth rate of 6.1 percent in 2019 will also fall (Karim, Islam, & Byomkesh, 2020). The COVID-19 has put a huge strain on Bangladesh's labor market, and many individuals have lost their employment as a result of the economic slowdown and lockdown. According to the ILO, more than 85 percent of Bangladesh's informal labor is very vulnerable, affecting low-income individuals who work as self-employed or day laborers. This issue mostly impacts urban employment, resulting in poverty, reverse migration, and inequality by making it difficult for graduates to find work. The COVID-19 epidemic obliterates possibilities for young people to enhance their talents and decreases job opportunities for recent graduates. According to ILO research, this epidemic impacts over 20 million Bangladeshi graduates in the labor market, indicating a massive economic disruption for the country (Shahriar, Zayed, & Raisa, 2021). According to a poll conducted by the Bangladesh National ICT Household, around 5.5 million individuals would lose their work by the end of 2020, with another 2.5 million losing their positions the following year. The COVID-19 epidemic has had a significant impact on Bangladesh's startup enterprises from March 2020. Around 24% of firms said they are likely to shut down, and 50% said they had seen a decrease in income. 60 percent of startup enterprises shuttered within three months of the lock-down, posing a threat to 1.5 million jobs, with a predicted annual loss of \$53 million in 2020 (Ferdous, et al., 2020).

The RMG industry, which accounts for over 80% of Bangladesh's total exports, has been hit by the epidemic in a variety of ways. According to a recent survey, more than half of Bangladesh's export-oriented readymade garment (RMG) producers have had to accept orders for items at substantially lower rates than before in the event of an emergency caused by the continuing Covid-19 outbreak. When the pandemic initially hit in March 2020, 77 percent of manufacturers reported that at least a portion of their orders was canceled without payment from customers. Only 27% of these same vendors currently claim that all or most of their orders have been paid in full. According to the poll, manufacturers would have to wait an average of 77 days to obtain money after completing and shipping new orders for consumers. The average was 43 days before the epidemic. According to the study, the majority of suppliers stated they had less than half the order volume today compared to the same period last year, and 57 percent indicated they will be driven out of business if present trends continue (Hossain, 2021).

THE NICHE OF THE CURRENT RESEARCH AND ITS CONTRIBUTION TO THE FIELD:

Because the use of textiles and materials for clothing and other purposes is intricately tied to human activity, the textile industry is tremendously essential in today's society. For years, the sector has provided much-needed jobs in rural regions and served as a catapult for individuals out of poverty into well-paying jobs. Due to this sudden arrival of the pandemic, the industry has been shaken to the core but it is slowly but gradually rejuvenating. This research tries to formulate overall approaches from different studies based on the insights that have been gathered during the time of the pandemic so that situations like the pandemic could be tackled with more smart and safe approaches that are benefitted to everyone.

LIMITATIONS OF THE STUDY:

This study is not without limitation and the following points illustrate those limitations:

- The global comprehensive examination of weaved companies is not taken into account in this analysis and the reason for this is that such an inquiry is impossible to conduct. Furthermore, in highly fragmented sectors like woven textiles, enterprises, particularly those in Bangladesh, compete as a complete industry with exporting nations in destination markets, rather than competing with each other.
- Aggregation of enterprise could not be supplied due to the extremely fragmented character of the business, especially in the domestic market (with over 400 woven manufacturers present in various segments of the woven garments value chain) rather, the industry's entire perspective has been adopted because just a few woven textiles industries are registered on the stock exchange, researchers in this study are unable to use financial aggregation.
- The research was limited to the textile industry's most important markets. Bangladesh's exports to markets where it only sometimes exports or where the volume of export is very modest are omitted from the study's scope.

CHAPTER 3: RESEARCH METHODOLOGY

This research is a descriptive study that studies different researches and articles and gathers insights about different areas of the textile industry. This is explanatory research that builds a foundation for further research that enables a comprehensive understanding of the topic so that the questions asked can be addressed much more appropriately and is carried out through a cross-sectional study.

VARIABLES:

The following variables are taken into consideration in this research where these variables are assessed deeply to get a better understanding. The following are:

- COVID 19 impact on textile workers- A look at how workers were affected due to COVID 19.
- COVID 19 impact on the supply chain- A look at how the international market related to Bangladesh fared during the pandemic
- COVID 19 impact on textile manufacturers- An insight into how factories operated amidst the pandemic.
- COVID 19 impact on future challenges: An assessment about the future of the textile industry and how the introduction of the pandemic thwarted those outcomes.

DATA:

For the research following secondary sources were mostly used:

- Information from Bangladesh Garments Manufacturers and Exporters Association (BGMEA).
- Information from Bangladesh Export Promotion Bureau Bangladesh (EPB) relating to readymade garments export.
- Reports from the Ministry of Commerce, Government of Bangladesh.
- Books and Journals from the internet.
- Online news archive of newspapers and news agencies from both home and abroad.
- Statistical data derived from websites of several countries related to the topic.

CHAPTER 4: RESULTS AND INTERPRETATION

COVID-19 is a continuing pandemic that is quickly changing, therefore its course is uncertain. We started by looking at the overall influence on the textile sector, and now we're looking at probable transmission pathways to several major business elements. We now move to the observed and expected repercussions of the pandemic, as the basic COVID-19 scenario has already been discussed in the background section. In this part, we look in-depth at the impact of the pandemic on many elements, at an individual level.

COVID 19 IMPACT ON TEXTILE WORKERS:

The government of Bangladesh proclaimed a state of lockdown (closing of all public and private offices) across the nation from March 26, 2020, 15 until May 30, 2020 (Adhikary & Hasan, 2022), in response to the daily increase in the number of COVID-19 infections in the country. Bangladesh Garment Manufacturers and Exporter Association (BGMEA) stopped their operations as a result of the lockdown, as directed by the government. The workers suffered greatly due to the lockdown and some of the troubles they endured are listed as follows:

- Unpaid Salaries- The consequences of the COVID-19 pandemic for these RMG workers are dire, including uncertainty about whether they will be entitled to wages during the pandemic.
- Loss of Jobs- Apparel employees lost an estimated \$502 million in earnings between March and May 2020, a loss of about 35%, with a large number of workers, including pregnant and elderly women, being fired or laid off without pay (Banarjee, Mullins, & Tripathi, 2021).
- Increase poverty- The Bangladesh Rural Advancement Committee conducted a countrywide survey among 2675 low-income respondents between March 31 and April 5, 2020, and discovered that 14% of respondents had no food reserves at home, while 29% only had adequate food for 1–3 days (Extreme poverty rises 60% amid Covid-19 outbreak: Brac survey , 2020).
- Migration- Due to the loss of jobs ten million workers, including RMG employees, returned to their hometowns from Dhaka, unable to maintain themselves in the city without a job (Kabir, Maple, & Usher, 2020).

- Mental wellbeing- The development of mental health issues as a result of the effect of losing a job and the fear of catching COVID-19, as well as the health dangers associated with a lack of protective measures in the workplace.
- Women layoff- Many garment workers, particularly young women and those with little skills and education, have used the industry as a stepping stone to more formal manufacturing positions with regular pay and now these women are jobless.

COVID 19 IMPACT ON GLOBAL SUPPLY CHAIN:

In terms of a certain country, 'Mosaic Brands, a major Australian retailer (which owns Katie's, Rivers, Noni B, Rockmans, Millers, Autograph, W.Lane, and Beme) is holding or canceling orders worth a total of \$15 million and delaying payment (Bainbridge & Vimonsuknopparat, 2020). This conclusion had the potential to result in joblessness and a reduction in RMG workers' negotiating leverage over salaries and other rights-related concerns and the following contains the set of reasons for the conclusion to occur:

- Decrease in Export- Due to the COVID-19 epidemic, worldwide supply lines were interrupted thus exports have decreased by 25.55 percent in the first six months of 2020 compared to the previous year's same period. In April 2020, exports fell to \$520.01 million, the lowest level in a decade and 80.97 percent lower than the previous month. Figure 7 illustrates Bangladesh's woven RMG export market over 5 years and points out the decline of export.
- Cancelled orders- On March 27, the 'Centre for Global Workers' Rights' and the 'Worker Rights Consortium' performed research on the impact of the COVID-19 issue in Bangladesh's RMG industry, with 316 Bangladeshi suppliers participating. According to the survey, major companies and retailers have halted apparel purchases worth up to 3 billion USD (Clothing brands abandon BD workers in pandemic: HRW, 2022) The COVID-19 pandemic breakout has led to several clothing orders from multinational brands/buyers being canceled.
- Foreign channels- Bangladesh's RMG sector's future is inextricably linked to the restoration of economic activity in Europe and the United States, as well as a boom in demand because these nations are still battling the virus's spread and the number of infected people and fatalities is growing, the prospect of them reviving their economies shortly appears gruesome.

- Government Intervention- The country's exports were badly affected by the government's rigorous lockdown, which resulted in a drop in orders from industrialized nations, shipping limitations, and other factors.

COVID 19 IMPACT ON TEXTILE MANUFACTURERS:

A study by (Boudreau & Naeem, 2021) finds smaller industries were forced to sell land, buildings, or equipment as a result of COVID-19, while bigger factories were not. Due to the consequences of COVID-19, about 10% of smaller enterprises have reported selling physical capital. In contrast, less than 1% of bigger factories report selling tangible assets as a result of COVID-19's consequences. The effect of COVID 19 not only burdens the workers but the factory owners as well and they are also negatively affected by the pandemic in the following ways.

- Shortage of Supply- A study by (Boudreau & Naeem, 2021) finds due to delayed or canceled import shipments, 51 percent of manufacturers report a scarcity of raw materials. China is the most prevalent raw material sourcing location; 81 percent of respondents say China is one of their key sourcing destinations, with 50 percent reporting shipment delays or cancellations. (International Labor Organization, 2021).
- Labor Shortages – Textile Manufacturers didn't get access to labor due to COVID 19 lockdown. This occurred be due to pay disputes, health concerns, government restrictions, etc. (International Labor Organization, 2021).
- Lack of Demand – The impact of COVID 19 has already disrupted the spending cycle of consumers with lockdowns and social distancing, thus no revenue to generate for textile manufacturers (International Labor Organization, 2021).
- Compulsory Temporary Closure- The continuous lockdown has made the business of textile manufacturers more miserable with not allowing them to operate and keeping the businesses at a standstill without any assurance (International Labor Organization, 2021).
- Reduced Work Hours- The decline or due in orders placed by buyers has significantly reduced workload thus the decrease in cash flow which doesn't allow manufacturers to thrive (International Labor Organization, 2021).

COVID 19 IMPACT ON CHALLENGES REGARDING TEXTILE FUTURE:

COVID-19 prompted factories to postpone or cut back on anticipated investments in automation.

A survey by (Boudreau & Naeem, 2021) finds before COVID-19, 58.2 percent of factories said they planned to invest in automation in 2020 but the pandemic has caused 38 percent of these factories to delay projects, and another 26 percent to reduce investments. While this may increase their reliance on labor in the short term, it may also delay or degrade Bangladesh's capacity to move into higher-value-added parts of the global garment industry, resulting in fewer and perhaps lower-quality employment for workers in the long run.

CHAPTER 5: RECOMMENDATION AND CONCLUSION

Given the pandemic's scope and the number of people lost worldwide, Bangladesh's effect has been less severe than anticipated. However, this does not mean that there is any space for complacency, since new virus varieties emerge all the time, necessitating constant attention. The responsibility is shared between the government, companies both Bangladesh and foreign, and the international community to tackle such situations as the pandemic and address the challenges that the pandemic brings with it.

RECOMMENDATIONS:

The following recommendations are simply a summary of the steps that all key players should do to solve the difficulties that Bangladesh's textile industry is facing, which the COVID-19 epidemic has brought to light.

GOVERNMENT AID IN RESPONSE TO COVID 19:

To combat the effects of COVID-19, the government announced a Tk956 billion stimulus program in April 2020, to help the economy recover by bolstering the social safety net, export industries, SMEs, and other key sectors. The package included Tk50 billion for RMG and other export-oriented sectors, which had previously only been utilized to pay workers and staff wages and allowances. The Export Development Fund, which offers short-term financing for buying raw materials for export-oriented enterprises, has been boosted in size from \$3.5 billion to \$5.0 billion. The central bank established a Tk\$600 million Pre-Shipment Credit Refinance Scheme for RMG and other export-oriented companies as part of this package. The government also ensured to hold back loan installments during the initial period of COVID 19 to let businesses run.

Government can go beyond to further ensure the casualties can be lessened in the future such as:

- Ensure that workers have convenient access to their places of employment and homes, as well as transportation that adheres to social distancing guidelines (Banarjee, Mullins, & Tripathi, 2021).
- Allow adequate liquidity for Bangladeshi manufacturers to pay their workers their full salaries (Banarjee, Mullins, & Tripathi, 2021).
- Distribute clear information to factories regarding the health standards and norms that they must follow, and conduct frequent inspections to ensure that they are being followed (Banarjee, Mullins, & Tripathi, 2021).

- Allow payments to be sent electronically to workers' accounts, reducing their exposure to infections by eliminating the need for them to visit banks (Banarjee, Mullins, & Tripathi, 2021).

RECOMMENDATION FOR TEXTILE MANUFACTURERS:

The following things can be done by textile manufacturers to play their part to ease the pandemic:

- The factory's top concern should be to preserve its workers' health. If the plant stays open, management should ensure that all employees, particularly women and migrant workers, who are underrepresented in industrial decision-making, are involved in avoiding the spread of COVID-19. This will result in a workplace that is safer, healthier, and more productive (International Labor Organization, 2021).
- Organizing meetings with manufacturing employees to inform them about the COVID-19 and virtual sessions to discuss how to maintain proper social distance (International Labor Organization, 2021).
- The presence of occupational health and safety officers who can provide employees with advice and place signs and posters at the factory that encourage healthy social distancing, cleanliness, and personal safety practices (International Labor Organization, 2021).
- Factories should also be informed of the COVID-19 scenario. This will allow them to make informed decisions based on the virus's potential impact on their business. When analyzing accessible data, they should think about how and to what degree it could impact manufacturing operations. The spread of the COVID-19 virus and what different countries are trying to address the problem are both important pieces of knowledge (International Labor Organization, 2021).
- Enterprises are frequently forced to shut down operations due to a lack of financial liquidity or cash flow problems, especially during difficult times. Depending on how long it takes for global supply chains to return to normal, manufacturers, even those that were in good financial shape before the virus epidemic, will likely be required to take measures to maintain a steady cash flow as the situation unfolds. As a result, managing cash flow should be a top responsibility for companies for them to continue operating despite interruptions in global supply networks (International Labor Organization, 2021).
- Communication is crucial during a crisis and no manufacturing can run successfully without the help of internal and external stakeholders. During the COVID-19 epidemic, manufacturers should keep in contact with stakeholders and establish a positive connection with them (International Labor Organization, 2021).

- Due to the COVID-19 epidemic, factories have been temporarily shuttered or are functioning at reduced capacity and the extra time might be utilized to improve worker abilities, which is something that is sometimes overlooked due to the pressures of day-to-day operations. Upskilling the staff, given the labor-intensive nature of the industry, may significantly lower costs while boosting efficiency, resulting in improved profits over time (International Labor Organization, 2021).

RECOMMENDATIONS FOR THE INTERNATIONAL COMMUNITY:

The international community should play a part to mitigate threats that affect businesses:

- Conform to international requirements so that their suppliers may maintain their facilities following applicable regulations, such as health and hygiene regulations and other labor rights safeguards (Banarjee, Mullins, & Tripathi, 2021).
- Respect the agreements they've made and accept the shipping of items that have already been created or are in the process of being manufactured, even though delivery may be delayed (Banarjee, Mullins, & Tripathi, 2021).
- Maintain transparent, verifiable accounting and make them available to suppliers and other relevant stakeholders so that money owing to them is paid promptly (Banarjee, Mullins, & Tripathi, 2021).
- Consumers should be made aware of the actual cost of rapid fashion (Banarjee, Mullins, & Tripathi, 2021).

RECOMMENDATIONS FOR CONSUMERS:

Finally, customers have a role to play and must learn about the working conditions in the factories where their garments are manufactured. If customers' taste for 'quick fashion' has waned, now could be the moment to recognize the power and consider a more ethical and sustainable business model that might disrupt the current uneven power connections between global brands, suppliers, and employees. This will necessitate increased consumer education and openness so that they are aware of the costs of quick fashion that the expense of low-priced jeans and T-shirts purchased by customers is borne by many lives in Bangladesh.

CONCLUSION:

Due to the obvious epidemic and subsequent lockdown, both local and foreign demand fell, and companies responded by reducing output to offset the loss, particularly in industrial sectors like the textile industry. Bangladesh, like the rest of the globe, is currently experiencing an unprecedented economic crisis. However, the epidemic has struck Bangladesh at a critical juncture, when the nation was making significant progress on several economic and social fronts. Staying ahead of the curve and preparing for proper emergency and post-crisis support in many forms is necessary to reduce the approaching economic and probable social crises. Though COVID-19 has an influence on several economic sectors in addition to the textile industry, assistance to the textile business, which is one of the most important contributors to Bangladesh's economic growth, may benefit other related industries in the supply chain, allowing the economy to normalize considerably and more quickly when sudden situation arise just like the COVID 19 pandemic.

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GRAPHS AND TABLES

FIGURE 1: BANGLADESH GDP GROWTH FORECAST 2020S

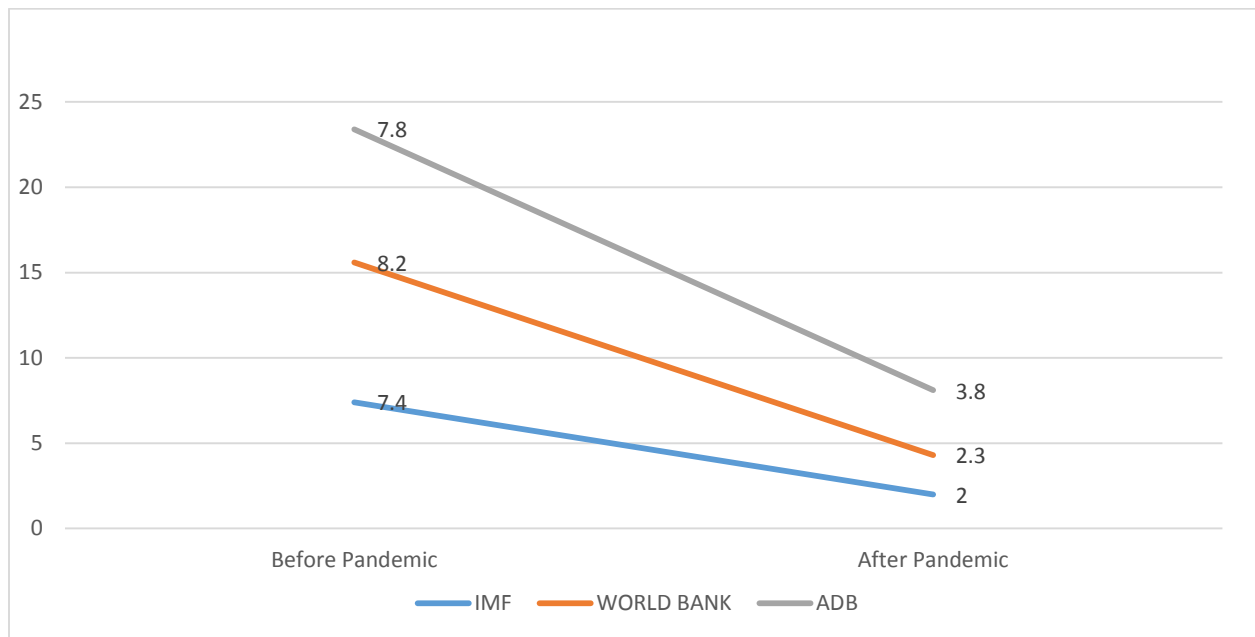


FIGURE 2: TURNOVER OF TEXTILE-RELATED PRODUCTS IN THE YEAR 2020 COMPARED TO THE YEAR 2019



FIGURE 3: HISTORICAL GROWTH OF BANGLADESH'S TEXTILE INDUSTRY

Fiscal year	Number of Garment Factories	Employment (million workers)	Export value (billion USD)	% of garments in the country's export earnings
1983/84	134	0.04	0.03	3.9
1987/88	685	0.28	0.43	35.2
1991/92	1163	0.58	1.18	59.3
1995/96	2353	1.29	2.55	65.6
1999/00	3200	1.6	4.35	75.6
2004/05	4107	2.1	5.17	74.2
2007/08	4740	2.5	10.7	75.8

Note. In Bangladesh, the fiscal year starts in July and ends in June.

Sources: Bangladesh Export Promotion Bureau (2005) and Bangladesh Garment Manufacturers and Exporters Association (BGMEA), RMG Export Statistics,

http://bgmea.com.bd/index.php?option=com_content&task=view&id=56&Itemid=175 (Accessed July

FIGURE 4: BANGLADESH RMG EXPORT MARKET, BY GARMENT TYPE

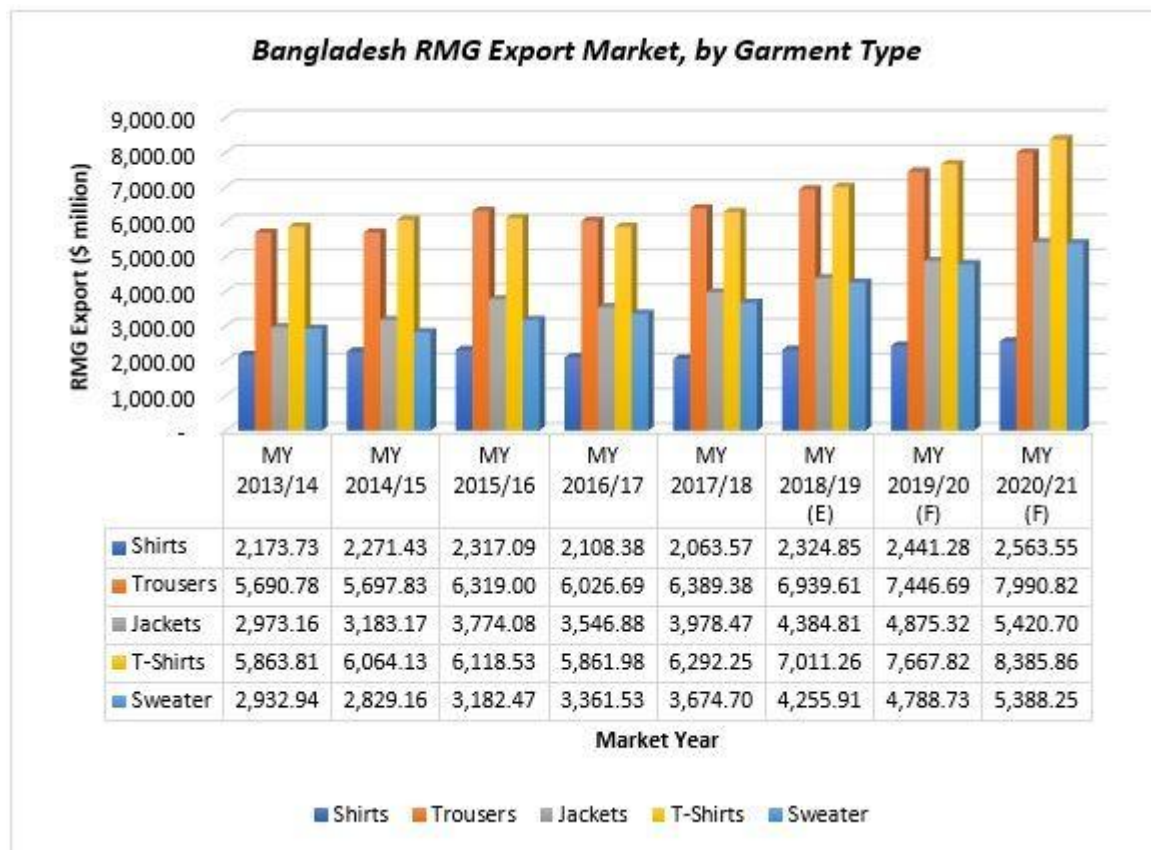


FIGURE 5: THE PROJECTED EXPORTS, IMPORTS, AND REMITTANCES OUTCOMES FROM FY 2017 TO FY 2020

Projected Exports, Imports and Remittances (USD MN)

	FY'17	FY'18	FY'19	FY'20
Exports	34019	36668	40535	35086
Imports	43491	58865	59915	52845
Remittances	12769	14982	16420	17405

Projected Exports, Imports and Remittances Growth %

	FY'17	FY'18	FY'19	FY'20
Exports	1.7%	7.8%	10.5%	-15.4%
Imports	9.5%	35.4%	1.8%	-11.8%
Remittances	14.55	17.3%	9.6%	6.0%

FIGURE 6: COVID 19 IMPACT ON DIFFERENT INDUSTRIES

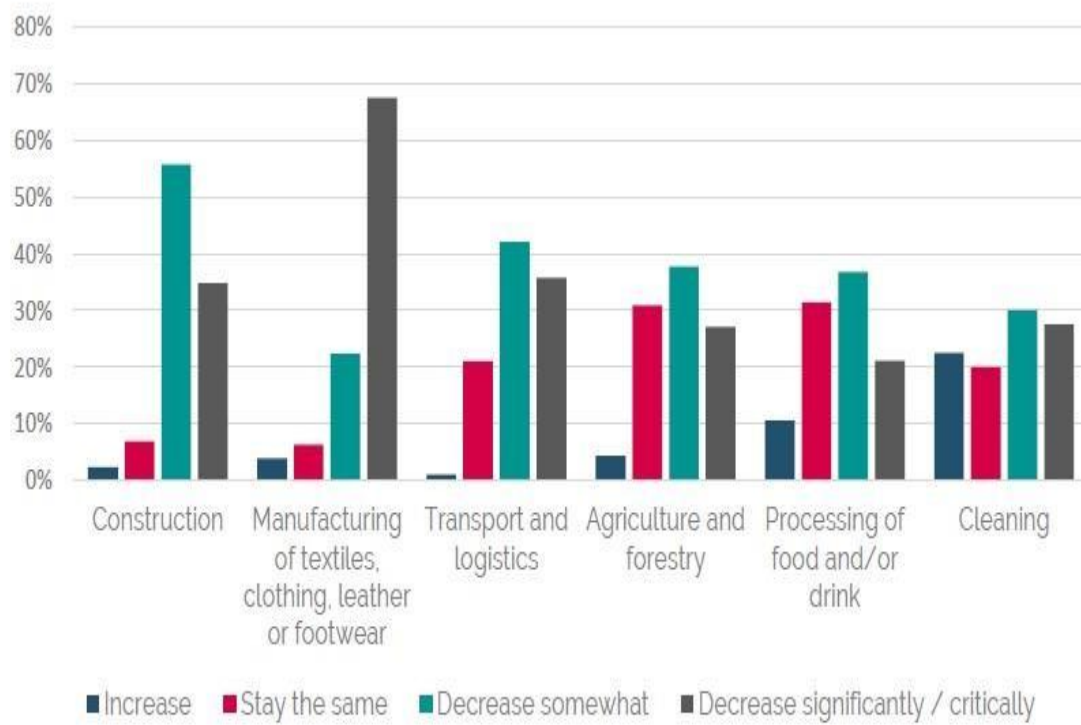


FIGURE 7: BANGLADESH'S WOVEN RMG EXPORT MARKET AT A GLANCE

