



# READY-MADE GARMENTS & TEXTILES

WEAVING THE WAY

DISCOVER  
LIMITLESS  
OPPORTUNITIES



# ABOUT BANGLADESH

- Strategic hub in South Asia linking India, China, and ASEAN countries
- 5-year GDP growth at a CAGR of 7%, one of the fastest growing economies in the world
- 41st largest economy, poised to become the world's 25th largest economy by 2035
- 10.5% annual growth in country's middle & affluent class population, projected to reach 34 million by 2025

## ACCOLADES & CREDENTIALS

- A 'Next-11' country, Bangladesh is poised to become one of the largest economies of the 21st century, according to Goldman Sachs
- Credit rating of BB- by Standard & Poor in 2021 indicates long-term stability
- As per JETRO survey on Business Conditions of Japanese Companies, 70% of surveyed firms present in Bangladesh want further 'expansion'



# READY-MADE GARMENTS & TEXTILES SECTOR AT A GLANCE



Exporting to over **150 countries** and contributing **16% to GDP**, Bangladesh has the **world's 3rd largest** apparel industry (2020)



With **150 LEED-certified** factories, Bangladesh has the **world's highest** number of green garment factories



Bangladesh ranked **2nd** in terms of **ethical manufacturing** due to world-class **safety standards** in apparel industry



Growing at **9.8%** per annum, RMG exports more than tripled between 2008 and 2018. Exports worth **USD 27.4 billion** captured 6.30% of \$435 billion **global market** of Dec, 2020

Around **73% RMG exports** are basic products such as **shirts, trousers, T shirt, jacket & sweaters**



**Artificial materials** make up 65% of all **fibers** utilized in the **global fashion industry** and around **98%** of **future growth** in fiber demand is also **expected** to come from **synthetic fibers**



Bangladesh's **import of artificial fibers** increased at a **CAGR of 8%** between **2015 and 2019**

## DEMAND DRIVERS



### Strategic location:

Bangladesh is the gateway to the massive regional markets in **South Asia and Southeast Asia**



### Diversified garment product:

To broaden its export basket, Bangladesh is **encouraging investment** in diversified items



**Artificial/Man Made fiber:** Bangladeshi businesses are increasingly **manufacturing** garments using imported **manmade fabrics**, which represents **opportunities for textile producers**

## GROWTH DRIVERS

- RMG industry in Bangladesh is vertically integrated, with the presence of textile, spinning and packaging industries.
- Bangladesh offers the most flexible wages for skilled workers. There are also several educational institutes with programs customized for RMG and Textile industry.
- Most reputed foreign clothing brands have been directly sourcing from Bangladesh over the years.
- Bangladesh enjoys duty-free access in 52 countries including the EU, Australia, New Zealand, Norway, Switzerland, Japan, Iceland, South Korea, Canada, Chile, India, Turkey and China.
- Bangladesh is also a member of SAPTA, SAFTA, APTA, BIMSTEC.

# INCENTIVES AND POLICIES

## Fiscal Incentives

- RMG factories with green building certification will pay income tax at a special rate of 10%.
- RMG factories without green building certification will pay income tax at a special rate of 12%.
- Under bonded warehousing facility, 100% export oriented RMG factories can import raw materials duty free at international price.
- Reduced rate of TDS (Tax Deducted at Source) or withholding tax: From Export Earnings Tax will be deducted at 0.5% rate, which is generally 1.0%.
- Firms established between July 1, 2019 and June 30, 2024 are eligible for phased or partial tax exemption from 5 up to 10 years.

## Eligible sub sector

- Artificial or man-made fiber.

## Conditions

- Paid-up capital of not less than BDT 2 million on the date of beginning of commercial production.
- 30% of the exempted has to be reinvested in the same or other industrial undertakings within one year.





[www.bida.gov.bd](http://www.bida.gov.bd)

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