

22 January 2024

Subject: Country-wise RMG Export Performance for 2018-2023.

Dear Honorable Members, Colleagues, Friends, and well-wishers,

I trust this message finds you in good health.

I am writing to provide you with an update on the country-wise performance of our Ready-Made Garment (RMG) export for the calendar year 2018-2023. Please find the detailed statistics in the attachment for your reference.

In 2023, our RMG export to world reached US\$ 47.39 billion, with 3.67% growth compared to 2022. If we look at 6 years data it shows that our RMG export was worth US\$ 32.93 billion in 2018 with a year-over-year growth of 12.71%. In 2019 it slightly grew by 0.44% and reached US\$ 33.07 billion, and then in 2020 it had a drastic decline by 16.94% and came down to US\$ 27.47 billion due to the Covid pandemic. In 2021, our export started turning around, grew by 30.36% and reached US\$ 35.81 billion, which is above the pre-Covid export level. In the subsequent year 2022, RMG export continued to saw the growth momentum and reached US\$ 45.71 billion, with a y-o-y growth of 27.64%. Such a growth reflects post-Covid surge in demand for clothing, and most importantly rise in unit price due to increase of freight and raw materials costs including cotton, yarn, chemicals, dyes, etc. The year 2023 has been a tough one since its beginning as the growth curve kept faltering over the months, and in the end of the year we were finally able to retain 3.67% y-o-y growth having an export turnover of US\$ 47.39 billion.

It's crucial to acknowledge the concerning global import reduction throughout 2023, which is evident through the monthly import performance by our major markets, particularly EU and USA (I have been sharing with you the monthly statistics of EU and USA's clothing imports). This phenomenon, caused by a confluence of factors including supply chain disruptions, geopolitical tensions, and the ongoing pandemic, affected not just us but major clothing exporters like China, Turkey, Vietnam, and India. As we follow the export data of all these supplying countries, all are experiencing declines in their exports. Therefore, our estimate suggest that the global trading of apparel might see a significant decline while the data by WTO will be published in August this year. On the backdrop of such depressed global market and trade scenario, I would say our industry has done a commendable job retaining a positive growth, and I salute all of my fellow entrepreneurs for making it possible through their individual efforts and performance.

Now, if we look at the country-wise export performance in 2023, RMG export to the European Union (EU) has demonstrated a meager growth of 1.49%, a rather undesirable compared to 28.49% growth during the same period in 2022. The export to the EU reached US\$ 23.38 billion in 2023, increased from US\$ 23 billion in 2022. It is noteworthy that export to our largest destination in EU and the second largest destination in terms of world, i.e.

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Germany, saw a significant decline which contributed to such a setback in our export growth to EU. In 2023, our RMG export to Germany declined to US\$ 6.10 billion from US\$ 7.29 billion in 2022. Among other EU countries, Lithuania, Malta, Slovakia, and Slovenia, also experienced negative year-on-year growth.

Conversely, our positive performance was maintained in a few EU markets, particularly in Denmark, France, Italy, Spain and the Netherlands, which shows an increase by 16.21%, 8.46%, 10.52%, 12.69% and 13.27%, respectively. Poland joined the billion dollar club as a European market saw a deceleration in growth, which was 1.95% and reached US\$ 1.87 billion 2023. With the growth in these countries, our export to overall EU region was able to maintain a status-quo in growth in 2023.

After having two strong year in 2021 and 2022, our export to the U.S.A. in 2023, the largest export destination for Bangladesh, experienced a decline of -8.68%, totalling US\$ 8.27 billion. Export in 2022 was worth of US\$ 9.06 billion. The decline was solely caused by the dip in woven garment shipment to U.S.A, while knitwear export saw a marginal change compared to 2022. However, our export to U.S.A. was US\$ 5.84 billion in 2018.

U.K., our third largest export destination, managed to retain a growth by 12.46% in 2023 compared to 2022. Bangladesh's RMG export to U.K. reached US\$ 5.34 billion during the calendar year 2023 from US\$ 4.75 billion in 2022.

Additionally, our export to non-traditional markets demonstrated encouraging growth, increasing remarkably by 20.54% to US\$ 8.87 billion in 2023 from US\$ 7.36 billion in 2022. Currently, our clothing export share in the non-traditional markets stands at 18.72%, from 16.52% in 2018. Notably, Japan is our top destination among major non-traditional markets, fetching US\$ 1.68 Billion during the mentioned period, indicating a growth of 26.53% compared to 2022. Export to other non-traditional markets, including Australia, Russia, New Zealand, Saudi Arabia, South Korea and China has also posted positive growth. This exemplifies our commitment to diversifying our export portfolio, which is a result of the tireless efforts of our entrepreneurs to diversify our market base. A heartfelt appreciation to our valued members for your visionary steps reflected in the numbers of our export to new markets. Your dedication remains instrumental in our positive growth.

It is undoubtedly the collective result of the individual exporters in the industry, BGMEA is also humbled for being able to play a supportive role. Especially through our apparel diplomacy initiatives, we tried to create a noise around the global market, to tell the story of our transformation and the renewed vision and committed efforts toward sustainability. While our efforts was to communicate the sector's actions toward a safer and sustainable industry for the workers, community and environment, we also highlighted the transition toward a higher value added industry and diversification. I think this is where we need more efforts, branding and promotion so that we can unlock further growth opportunities in new items. I would particularly like to mention about the first ever Bangladesh Apparel Summit in Melbourne, our visit to Iraq and Saudi Arabia, the trade missions to Korea and Taiwan,

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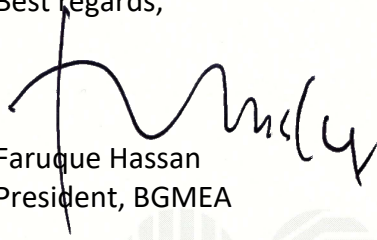
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inspired us through the encouraging response we got from the brands and retailers in those respective countries.

Additionally, I extend sincere gratitude to our valued brands for their unwavering support. Bangladesh, through its committed efforts in staying competitive as well as a forerunner in sustainability, has emerged as the most preferred destination for the global buyers. And I believe further collaboration will be the key to our mutual and continued success.

I trust this update provides valuable insights. Let's remain united as we navigate the complexities of the global market and cultivate new opportunities for the RMG sector.

Best regards,



Faruque Hassan
President, BGMEA

