



Turmoil puts efforts to find new RMG mkts in jeopardy

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Joint efforts of the government and the apparel makers to explore readymade garment (RMG) markets beyond the traditional ones are set to be in jeopardy if the ongoing political deadlock prolongs further, industry insiders apprehend.

Bangladesh's apparel exports to some potential non-traditional markets declined while shipments to other emerging markets like India, China, Japan and Russia witnessed a slow pace of growth during the first half of the current fiscal year 2014-15 compared to the corresponding period of last fiscal, according to official data.

The slow export growth in new markets is the result of Tazreen blaze, Rana Plaza building collapse and political impasse in 2013, apparel makers said.

They feared that if the unstable political situation continues further, it would result in further declining trend in growth, especially in the new and emerging markets.

Exports to Turkey and Mexico dropped drastically by 33.50 per cent and 5.94 per cent respectively while to Chile, it fell by 0.21 per cent, data showed.

On the other hand, shipments to India, China, Japan and Russia recorded a slow pace of growth at 10.14 per cent, 23.98 per cent, 6.56 per cent and 8.68 per cent respectively.

Locally-made apparel products' export growth to those destinations was 53.39 per cent, 60.49 per cent, 36.95 per cent and 72.86 per cent respectively in July-December peri-

od of fiscal 2013-14, it revealed.

Faisal Khan Mojlsh, managing director of Origin Apparels Ltd, a newcomer in apparel export trading, said, "Though the new entrepreneurs are more concerned about workplace safety and compliance which require huge investment, all these efforts will be futile if we can't ship goods in time."

Along with some of the EU buyers, his company started negotiating with a Brazilian importer who recently cancelled the orders of about 0.15 million pieces of apparel products mainly because of uncertainty over timely shipment as the country is passing through an unstable political situation, he noted.

"At the end, buyers want the stores full of products," he said adding manufacturers failed to reply to the buyers' queries when such a situation will come to an end.

Referring to such queries and e-mails, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) president Md Atiqul Islam said buyers from both traditional and non-traditional markets are worried over the ongoing situation.

"When the sector started recovering the image crisis of industrial accidents through various safety initiatives, buyers also assured us of increasing export orders but we're missing the opportunity due to the political deadlock," he added.

The buyers of traditional markets are familiar with such a situation while those of emerging and potential ones

are not, Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) former president Fazlul Hoque said adding the present situation is discouraging them to visit Bangladesh and explore its potentiality.

Md Hatem, managing director of MB Knit Fashion, attributed the safeguard duty imposed by the Turkish government to fall in export to that country.

Admitting attempts to explore the Chilean market as insufficient, Mr Hatem, also former BKMEA vice president, expressed his hope that export to Chile would increase with the duty-free facility there taking effect in January.

Some problems like high duty, third-party sourcing from Bangladesh in Russia, visa processing for Latin American countries as there is no embassy there yet are still hindering exploration of new export destinations, he explained.

He was of the opinion that exporters need government support to negotiate and solve the problems. "But political stability is a must to grab the potential markets."

Manufacturers said they had started diversifying the markets in the face of the falling demand for local items during the global recession in 2007 and then in 2008.

The cash incentives offered to the exporters by the government also encouraged the manufacturers to explore the new destinations, they said, demanding a stable political situation to grab those markets.

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