REVIVING RMG SECTOR (PART-1)
A COVID-19 SERIES BY BIPSS

RMG sector in Bangladesh

The economy of Bangladesh is highly dependent on the RMG industry as it accounts for more than 80% of Bangladesh’s overall exports. Due to the new pandemic, the RMG sector is on the verge of an unprecedented humanitarian and business catastrophe.

11.2% of the overall GDP
6.5% of the Global market share
36% towards Manufacturing employment

More than 4,600 RMG factories constitute the largest industrial sector in Bangladesh, engaging 4.1 million workers, where 61% workers are women.

COVID-19 & RMG sector

Bangladesh’s exports earnings from the RMG sector:
Last Fiscal Year Earning: $20.22 billion
Current Fiscal Year Earning: $19.06 billion
Decline in Export Earning: 5.71%

Since the Outbreak of Pandemic, 1 million workers got fired (approx.)
179 Factories forced to shut down
Orders worth $3.18 billion got cancelled

Socio-Economic Impact on Bangladesh

Opportunities going to Competitor countries
Collapse in demand-supply chain
International Order cancellation
Decline in Export earning
Increase in forced Factory Closure
Massive Unemployment
Emergence of "New Poor" class
Increase in Social Instability
Lack of Foreign Direct Investment
Prolonged Economic Uncertainty in Bangladesh