

## Facts on Bangladesh's Garment Industry

### Key statistics:

**Population:** more than 160 million people (2014); Bangladesh has the highest population density in the world<sup>1</sup>

**Employment in garment industry:** around 3.5 million to 4 million workers (2013)<sup>2 3</sup>

**Garment % of GDP:** 12% (2010)<sup>4</sup>

**Garment % of export:** 80%<sup>5 6</sup> (2013)

**Value garment export:** 20 billion USD<sup>7 8</sup>(2013) (15 billion EUR)<sup>9</sup>

**Percentage of the world market for garment:** Bangladesh is the second largest garment supplier of the world market, after China.<sup>10</sup>

**Minimum wage:** 5,300 taka<sup>11</sup> (2014) (68 USD; 54 EUR)<sup>12</sup>

**Living wage calculation by Asia Floor Wage:** 25,687 taka (2013)<sup>13</sup> (332 USD; 262 EUR)<sup>14</sup>

### Background of Bangladesh:

- **Geography:** The world's eighth-most populous country is located in South Asia at the Bay of Bengal; the population density is 1,101 persons per square kilometer.<sup>15</sup> It shares borders with India and Burma.
- **Politics:** Bangladesh is a parliamentary democracy and its state religion is Islam; hence, its population is predominantly Muslim. It faces political challenges such as instability, corruption, poverty and overpopulation.

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<sup>1</sup> <http://www.worldometers.info/world-population/bangladesh-population/>

<sup>2</sup> <http://www.waronwant.org/overseas-work/sweatshops-and-plantations/sweatshops-in-bangladesh>

<sup>3</sup> <http://asiafoundation.org/media/view/slideshow/66/bangladeshs-garment-workers>

<sup>4</sup> <http://bangladeshaccord.org/bangladesh/>

<sup>5</sup> <http://www.waronwant.org/overseas-work/sweatshops-and-plantations/sweatshops-in-bangladesh>

<sup>6</sup> <http://bangladeshaccord.org/bangladesh/>

<sup>7</sup> <http://www.forbes.com/sites/alyssaayres/2014/06/20/274/>

<sup>8</sup> <http://bangladeshaccord.org/bangladesh/>

<sup>9</sup> <http://www.xe.com/currencyconverter/convert/?Amount=20000000000+&From=USD&To=EUR>

<sup>10</sup> <http://www.forbes.com/sites/alyssaayres/2014/06/20/274/>

<sup>11</sup> <http://www.bloomberg.com/news/2013-11-13/bangladesh-garment-factories-to-stay-shut-amid-worker-protests.html>

<sup>12</sup> <http://www.xe.com/currencyconverter/convert/?Amount=5300+&From=BDT&To=USD>

<sup>13</sup> <http://www.cleanclothes.org/livingwage/asia-floor-wage-in-local-currency>

<sup>14</sup> <http://www.xe.com/currencyconverter/convert/?Amount=25687+&From=BDT&To=EUR>

<sup>15</sup> <http://www.worldometers.info/world-population/bangladesh-population/>

## Factsheet Bangladesh

- **History:** The country was a British colony until 1947 when the present Bangladesh became East Pakistan. In 1971 Bangladesh became an independent country.
- **Economy:** Bangladesh is classified as a Least Developed Country.

### **Biggest issues in Bangladesh's Garment Industry:**

- Very low wages
- Dangerous working conditions in the factories

### **General economic data:**

#### *Producing factories, trading companies and retailers*

<i>Production</i>	There are about 5,000 garment producing factories or more. <sup>16 17</sup>
<i>Trade</i>	
<i>Retail</i>	H&M, WalMart, Tesco, <sup>18</sup> C&A, Mango, Primark and many others, see <a href="http://bangladeshaccord.org/signatories/">http://bangladeshaccord.org/signatories/</a> . <sup>19</sup>

### **Exports**

	Textile or Garments?	Total exports	Exports to US	% of total exports to US	Exports to EU	% of total export to EU
2013	Garments	21.5 billion USD <sup>20</sup> (17 billion EUR) <sup>21</sup>	3.7 billion USD (woven apparel) (2.9 billion EUR) <sup>22</sup>  1.2 billion USD <sup>23</sup>		9.7 billion EUR <sup>25</sup> (12.2 billion USD) <sup>26</sup>	89.9 %; <sup>27</sup> other sources say 60% <sup>28</sup>

<sup>16</sup> <http://www.economist.com/news/business/21588393-workers-continue-die-unsafe-factories-industry-keeps-booming-bursting-seams>

<sup>17</sup> <http://www.ibtimes.com/despite-low-pay-poor-work-conditions-garment-factories-empowering-millions-bangladeshi-women-1563419>

<sup>18</sup> <http://www.bloomberg.com/news/2013-11-13/bangladesh-garment-factories-to-stay-shut-amid-worker-protests.html>

<sup>19</sup> <http://www.ibtimes.com/despite-low-pay-poor-work-conditions-garment-factories-empowering-millions-bangladeshi-women-1563419>

<sup>20</sup> [http://en.wikipedia.org/wiki/Economy\\_of\\_Bangladesh#Manufacturing\\_and\\_industry](http://en.wikipedia.org/wiki/Economy_of_Bangladesh#Manufacturing_and_industry)

<sup>21</sup> <http://www.xe.com/currencyconverter/convert/?Amount=21500000000+&From=USD&To=EUR>

<sup>22</sup> <http://www.xe.com/currencyconverter/convert/?Amount=3700000000&From=USD&To=EUR>

<sup>23</sup> <http://www.ustr.gov/countries-regions/south-central-asia/bangladesh>

## Factsheet Bangladesh

			(knit apparel) (949 million EUR) <sup>24</sup>			
2013	Textiles				361 million EUR <sup>29</sup> (456 million USD) <sup>30</sup>	3.3% <sup>31</sup>
2008						

### Imports

Bangladesh needs around 3 billion yards of fabric a year for producing garments. 85 to 90 % percent of the needed fabric is imported from China and other countries.<sup>32</sup>

	Textile or Garments?	Total imports	Imports from US	% of total imports to US	Imports from EU	% of total imports to EU
2013	Textiles		106 million USD <sup>33</sup> (cotton, yarn, fabric) (83 million EUR) <sup>34</sup>		(39 million USD) <sup>35</sup> 31 million EUR <sup>36</sup>	1.9% <sup>37</sup>

### Local dependency on garments/ textile export

80% of Bangladesh's exports are garments and textiles. This creates a large dependency on the export revenues.

### Turnover/profit

Bangladesh's annual turnover of garment exports is 20 billion USD<sup>38</sup> <sup>39</sup>(2013). The annual value of garment

<sup>25</sup> [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113349.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113349.pdf)

<sup>26</sup> <http://www.xe.com/currencyconverter/convert/?Amount=9700000000&From=EUR&To=USD>

<sup>27</sup> [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113349.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113349.pdf)

<sup>28</sup> <http://www.ibtimes.com/despite-low-pay-poor-work-conditions-garment-factories-empowering-millions-bangladeshi-women-1563419>

<sup>24</sup> <http://www.xe.com/currencyconverter/convert/?Amount=1200000000&From=USD&To=EUR>

<sup>29</sup> [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113349.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113349.pdf)

<sup>30</sup> <http://www.xe.com/currencyconverter/convert/?Amount=361000000&From=EUR&To=USD>

<sup>31</sup> [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113349.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113349.pdf)

<sup>32</sup> <http://www.textileworldasia.com/Issues/2006/January-February/Features/Bangladesh-A Growing Textile Economy>

<sup>33</sup> <http://www.ustr.gov/countries-regions/south-central-asia/bangladesh>

<sup>34</sup> <http://www.xe.com/currencyconverter/convert/?Amount=106000000&From=USD&To=EUR>

<sup>35</sup> <http://www.xe.com/currencyconverter/convert/?Amount=31000000&From=EUR&To=USD>

<sup>36</sup> [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113349.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113349.pdf)

<sup>37</sup> [http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_113349.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113349.pdf)

exports is growing; in 2013 it grew by 11% .<sup>40</sup>

### Investment figures

Bangladeshi clothes and textiles enjoy duty free access to the EU which is an investment incentive for many factory founders and traders.<sup>41</sup> Foreign investment comes mainly from China and South Korea.<sup>42</sup>

### GSP <sup>43</sup>

Bangladesh enjoys duty free import into the EU under the most preferential EU trade scheme EBA (Everything But Arms) - this means that Bangladesh, as a least developed country, has free access to the EU for exports of all products, except arms and munition.<sup>44</sup>

### Cotton

One of Bangladesh's top import products is raw cotton.<sup>45</sup> Moreover, Bangladesh has its own cotton production which is steadily expanding.<sup>46</sup> In 2013 Bangladesh produced 120 bales of cotton,<sup>47</sup> <sup>48</sup> but imported around 4 million bales.<sup>49</sup> So, the demand for cotton is much higher than the local production of cotton. Bangladesh mostly imports cotton from the US, India, Pakistan, Australia, Uzbekistan and other countries.<sup>50</sup>

### Workers:

- **Textile workers:** *no data found*
- **Garment workers:** around 3.5 to 4 million,<sup>51</sup> 80 % of them are females<sup>52</sup>
- **Garment workers as percentage of total workforce:** *no data found*

### The Accord

The Accord is "an independent agreement designed to make all garment factories in Bangladesh safe

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<sup>38</sup> <http://www.forbes.com/sites/alyssaayres/2014/06/20/274/>

<sup>39</sup> <http://bangladeshaccord.org/bangladesh/>

<sup>40</sup> <https://globalconnections.hsbc.com/united-kingdom/en/tools-data/trade-forecasts/bd>

<sup>41</sup> <http://www.economist.com/news/business/21588393-workers-continue-die-unsafe-factories-industry-keeps-booming-bursting-seams>

<sup>42</sup> <http://www.boi.gov.bd/index.php/investment-climate-info/fdi-in-bangladesh>

<sup>43</sup> <http://www.strongandherd.co.uk/news/2013-11-06/eu-gsp-scheme-from-january-2014/>

<sup>44</sup> <http://ec.europa.eu/trade/policy/countries-and-regions/countries/bangladesh/> ,  
<http://www.economist.com/news/business/21588393-workers-continue-die-unsafe-factories-industry-keeps-booming-bursting-seams>

<sup>45</sup> <http://atlas.media.mit.edu/profile/country/bgd/>

<sup>46</sup> <http://www.indexmundi.com/agriculture/?country=bd&commodity=cotton&graph=production>

<sup>47</sup> <http://www.indexmundi.com/agriculture/?country=bd&commodity=cotton&graph=production>

<sup>48</sup> <http://www.pecad.fas.usda.gov/highlights/2013/06/Bangladesh/>

<sup>49</sup> <http://www.thedailystar.net/business/cotton-demand-to-remain-stable-31497>

<sup>50</sup> <http://www.thedailystar.net/business/cotton-demand-to-remain-stable-31497>

<sup>51</sup> <http://www.economist.com/news/business/21588393-workers-continue-die-unsafe-factories-industry-keeps-booming-bursting-seams>

<sup>52</sup> <http://asiafoundation.org/media/view/slideshow/66/bangladeshs-garment-workers>

workplaces.”<sup>53</sup> The Accord is binding on the signatories - over 150 apparel corporations from 20 countries in Europe, North America, Asia and Australia signed it<sup>54</sup> as well as two global trade unions (IndustriALL and UNI) and numerous Bangladeshi unions. Clean Clothes Campaign, Worker Rights Consortium, International Labor Rights Forum and Maquila Solidarity Network are NGO witnesses to the Accord. The International Labour Organisation (ILO) acts as the independent chair.<sup>55</sup> The Accord entails inspections of factories (see list: <http://bangladeshaccord.org/wp-content/uploads/Accord-Public-Disclosure-Report-1-November-2014.pdf>) , building standards for factories and compilation of reports on the safety standards.

What triggered brands to become signatories to the Accord was the collapse of the Rana Plaza building in 2013. (housing five garment factories), which killed more than 1300 workers and seriously injured 200 workers.

### Trade Unions

There are around 120 registered garment trade unions in Bangladesh.<sup>56</sup> Bangladesh’s largest and most important trade union for the garment sector is the National Garment Workers’ Federation (NGWF) which has 27,000 members, mostly women. <sup>57</sup> Other trade unions are a.o.: IndustriAll Bd IBC, BIGUF, BGIWF, Garment Workers Unity Forum (GWUF), Garment Workers TU Center and Pana Plaza Garment Workers Union. Other organisations active around the garments workers issue are: BILS (Bangladesh Institute of labour Studies), BLAST (legal aid), Sromik Nirapotta Forum (Workers Security Forum), Activist Anthropologists.

### Working Conditions

Suchorita, who was forced to leave her home in Gaibandha district after it was repeatedly destroyed by floods, is a single mom and struggles to make ends meet on her 4,000 taka (50 USD; 31 EUR)<sup>58</sup> monthly salary at the CIPL garment factory. Her son of 11, works full time at a spinning mill. Despite the family’s poverty, she said she is determined to keep her daughter in school.”<sup>59</sup>

### Historic disasters

- 2013: collapse of the Rana Plaza factory causing 1,133 deaths amongst the garment workers in the factory;<sup>60</sup> thousands more were critically injured.
- 2012: fire in a Dhaka garment factory (owned by Tazreen fashion) causing 113 deaths<sup>61</sup>
- 2005: collapse of Spectrum garment factory killing 64 workers and critically injuring more than 100 workers.
- Fires in garment factories occur regularly, mostly due to the bad conditions of the the buildings and the electric wiring.

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<sup>53</sup> <http://bangladeshaccord.org/>

<sup>54</sup> <http://bangladeshaccord.org/signatories/>

<sup>55</sup> <http://bangladeshaccord.org/>

<sup>56</sup> <http://www.ibtimes.com/despise-low-pay-poor-work-conditions-garment-factories-empowering-millions-bangladeshi-women-1563419>

<sup>57</sup> <http://www.waronwant.org/overseas-work/sweatshops-and-plantations/sweatshops-in-bangladesh>

<sup>58</sup> <http://www.xe.com/currencyconverter/convert/?Amount=40&From=USD&To=EUR>

<sup>59</sup> <http://asiafoundation.org/media/view/slideshow/66/bangladeshs-garment-workers>

<sup>60</sup> <http://bangladeshaccord.org/wp-content/uploads/140508-Bangladesh-Accord-Guide-for-Potential-Signatories.pdf>

<sup>61</sup> <http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1391>

**Overview of relevant Labour Laws, International Law and implementation:**

Area	International Law	Ratified?	National Law	Implementation
General	<p>There are several International treaties as well as International Labour Organisation (ILO) Conventions that grant individual rights and obligations. The treaties that will be regarded are:</p> <p>ICCPR (International Covenant on Civil and Political Rights); ICESCR (International Covenant on Economic, Social and Cultural Rights); CEDAW (Convention on the Elimination of Discrimination against Women); CRC (Convention on the Rights of the Child).</p>	<p>These instruments oblige Bangladesh to comply only if it has ratified them.</p>	<p>Rights and obligations also derive from national legislation.</p>	<p>The rights granted and the reality is not always the same; eventually, the situation depends on the implementation.</p>
Forced Labour	<p>ILO Conventions 29 (1930)</p> <p>105 (1957)</p>	<p>Ratified (both in 1972)</p>	<p>Forced labour is prohibited under Art 34 of the Constitution.</p>	<p>The low wages on the one hand and the dangerous and unreasonable working conditions can be seen as exploitation of workers. Despite the bad conditions, workers have to keep their jobs in the factories for economic reasons. They are</p>

*Factsheet Bangladesh*

				forced to work overtime and there are reports that factory doors get locked so that workers are forced to stay and work. <sup>62</sup>
	ICCPR, Arts 7,8 (1966)	Ratified (2000)		
<i>Non-Discrimination</i>	ILO Conventions 100 (1951) 111 (1958)	Ratified (1998 and 1972)	Art 28 of the Constitution prohibits discrimination by the state on grounds of sex and others.	Women and people with lower social status can become victims of discrimination at work. <sup>63</sup>
	ICCPR, Arts 2, 26 (1966) ICESCR, Art 2(2)(1966) CRC, Art 2 (1989) CEDAW, Art 1 (1979)	Ratified (2000) Ratified (1998) Ratified (1990) Ratified (1984)		
<i>Women</i>	CEDAW	Ratified	Art 27 of the Constitution provides for equality of all citizens.  Art 45 of the Labour Act grants 8 weeks of maternity leave.	Sexual harassment and discrimination occurs in factories and the right to maternity leave is often not granted. <sup>64</sup>
<i>Child Labour</i>	ILO Conventions 138 182 (1999)	Ratified 182 (2001)	Art 34 of the Labour Act prohibits the employment of children.	Child labour occurs in Bangladesh in various sectors, and also in the textile and sector. <sup>65 66</sup>
	CRC, Art 32	Ratified		
<i>Freedom of Association/Collective Bargaining</i>	ILO Conventions 87 (1948) 98 (1949)	Ratified (both in 1972)	Art 176 of the Labour Act gives the right to form and join unions.	Some sectors are excluded from forming unions, such as factories in the Export Processing Zone (EPZ).

<sup>62</sup> <http://www.theguardian.com/global-development/poverty-matters/2013/may/16/bangladesh-garment-workers-exploitation-slavery>

<sup>63</sup> <http://www.dhakatribune.com/op-ed/2013/jul/09/women%E2%80%99s-rights-and-discrimination-bangladesh>

<sup>64</sup> <http://www.waronwant.org/overseas-work/sweatshops-and-plantations/sweatshops-in-bangladesh>

<sup>65</sup> <http://www.theguardian.com/world/2014/feb/06/bangladesh-garment-factories-child-labour-uk>

<sup>66</sup> <http://www.fashionunited.co.uk/fashion-news/fashion/textile-industry-child-labor-still-common-2013100818674>

*Factsheet Bangladesh*

				Moreover, workers often get fired for joining trade unions. <sup>67</sup> However, the Accord provides that joining trade unions and collective bargaining are allowed. Women often have less access to unions than men. <sup>68</sup>
	ICCPR, Art 22 ICESCR, Art 8	Ratified Ratified		
<i>Living Wage</i>	ILO Conventions 26 131		Art 15 of the Constitution states that the right to a reasonable wage is fundamental. Arts 10 and 14 of the Constitution prohibit exploitation of “man by man” and oblige the state to make sure there is no exploitation.	The wages in Bangladesh are amongst the lowest in the world and the situation, many workers are in could be regarded as economic exploitation.
	ICESCR, Art 7	Ratified		
<i>Reasonable Working Hours</i>	ILO Convention 1 (1919)	Ratified (1972)	Art 100 of the Labour Law states that that there shall be no more than 8 hours of work per day.  Art 15(c) of the Constitution grants the right to reasonable rest.	Many garment workers have to work 14-16 hours shifts. <sup>69</sup>
	ICESCR, Art 7	Ratified		
<i>Safe Working Conditions</i>	ILO Convention 155		Art 51 of the Labour Law provides that clean and healthy standards must be upheld in work places.	Often, workers face unsafe, cramped and hazardous conditions at work which can lead to health problems

<sup>67</sup> <http://www.ituc-csi.org/bangladesh-and-the-labour-law>

<sup>68</sup> <http://www.hrw.org/news/2014/02/06/bangladesh-protect-garment-workers-rights>

<sup>69</sup> <http://www.waronwant.org/overseas-work/sweatshops-and-plantations/sweatshops-in-bangladesh>



			Chapter VI further prescribes certain safety standards.	of the workers and to dangerous situations in the factories such as fires and collapses. <sup>70</sup>
	ICESCR, Art 7	Ratified		

### **Other regulations on the living conditions of workers:**

#### *The Social Insurance law*

- Art 45 of the Labour Act grants 8 weeks of maternity leave and Art 46 states that there is a right to maternity benefit.
- Art 150 of the labour Act provides that the employer has to pay compensation in case of accidents arising at work.<sup>71</sup> As stated in the Labour Act, the highest amount of compensation is 100,000 taka (equals 1,130 USD; 1,140 EUR); this amount is prescribed for the occurrence of death or permanent disablement of underage workers.

However, often this is not implemented.

#### *Housing*

Rent can take up more than half of the monthly wage. For migrant workers and females it is often very difficult to find affordable and safe accommodation.<sup>72</sup>

#### *Medical facilities*

- When an accident happens at work, the injured is entitled to a free medical examination at the expense of the employer, see Art 160 of the Labour Act.

However, often this is not implemented.

#### *Food arrangements*

There are often no areas for eating available in the factories and usually there are no food arrangements.<sup>73</sup>

### **Living Wage vs Minimum Wage:**

Area	Minimum Wage	Context	Living Wage
Bangladesh	5,300 taka a month <sup>74</sup> (68 USD; 54 EUR). <sup>75</sup>	It is estimated that workers have to spend	25,687 taka is the living wage calculated by the

<sup>70</sup> <http://www.waronwant.org/overseas-work/sweatshops-and-plantations/sweatshops-in-bangladesh>

<sup>71</sup> [http://www.vivhaan.com/wp-content/uploads/2012/01/Bangladesh\\_Labor\\_Law.pdf](http://www.vivhaan.com/wp-content/uploads/2012/01/Bangladesh_Labor_Law.pdf)

<sup>72</sup> <http://www.banglajol.info/index.php/IBT/article/viewFile/9935/7378>

<sup>73</sup> <http://www.hrw.org/news/2014/02/06/bangladesh-protect-garment-workers-rights>

<sup>74</sup> <http://www.bloomberg.com/news/2013-11-13/bangladesh-garment-factories-to-stay-shut-amid-worker-protests.html>

<sup>75</sup> <http://www.xe.com/currencyconverter/convert/?Amount=5300+&From=BDT&To=USD>

## Factsheet Bangladesh

	This is below the average in Asia.	about 70 % of their earnings on food. <sup>76</sup>	Asia Floor Wage calculation. (332 USD; 262 EUR) <sup>77</sup>
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<sup>76</sup> [http://news.bbc.co.uk/2/hi/south\\_asia/7383859.stm](http://news.bbc.co.uk/2/hi/south_asia/7383859.stm)

<sup>77</sup> <http://www.xe.com/currencyconverter/convert/?Amount=25687+&From=BDT&To=EUR>