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FUTUREPROOFING RMG

GLOBAL INNOVATION CONFERENCE AND CHALLENGE

INDUSTRY SNAPSHOT

Size of global fashion industry
1.7 trillion USD

Total garments export of Bangladesh
34.13 billion USD (2018-19)[1]

Garments accounts for **83 percent** of total exports of Bangladesh[2]

Replaced by **Vietnam** as the **2nd largest exporter** of garments and textiles (2020)[3]

THE BANGLADESH GARMENTS INDUSTRY

The RMG industry has long been the backbone of Bangladeshi export. Presently, the industry accounts for over 83 percent of total exports in Bangladesh. However, the industry has seen little innovation due to its focus towards its gross margin maintenance. Even in terms of products, the industry is heavily dependent on traditionally manufactured affordable, mass-market items. This lack of innovation has become a threat to the growth and survival of this industry with the rest of the world using automation and digitization to enhance competitiveness. Bangladesh recently lost its place as the 2nd largest exporter of garments and textiles to Vietnam in the first half of 2020.

In an industry still reeling from the effects of the coronavirus pandemic, this decrease in competitiveness can prove to be disastrous – resulting not only in revenue, but also in loss of employment for thousands of people.

THE IMPACT ON WOMEN GARMENTS WORKERS

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Female to male employee ratio (2016)[4]

60%

Projected job loss due to automation[5]

A 2019 study commissioned by Bangladesh's access to information (a2i) predicts that at least 60% of garments workers will lose their jobs to automation by 2041. This impact is likely to be more severe for women than men.

The RMG industry of Bangladesh has historically employed more females than males. Most of these women come from poor, rural areas, and RMG sector jobs are frequently the only wage-earning employment available to them. Loss of this employment can undo years of progress in economic empowerment of women in Bangladesh.

Factors that make women more vulnerable to job loss:

Women are more concentrated in low skilled jobs that can be easily replaced

Male-breadwinner model

Women are usually overlooked for training, giving men an advantage in terms of 'knowledge and skills'

Gender biases in hiring, pay gaps and lack of women in leadership roles

THE FUTUREPROOFING RMG PROJECT

Given the current situation, we need to answer **two key questions**:

How can we leverage technology to improve the competitiveness of the RMG industry?

How can we safeguard the jobs of female garments workers?

In order to find the answers to these questions, we have launched the futureproofing RMG project.

The first part of this project will comprise the "STITCH for RMG: Global Innovation Conference", which will bring together buyers from the global north and suppliers from the global south to jointly identify key challenges of the industry and identify areas of innovation. Following the conference, the innovation challenge will be launched where global innovators and entrepreneurs will be invited to share their solutions to increase the competitiveness of the industry while safeguarding the livelihoods of the female workers. The best fit ideas will receive funding and incubation support.

STAKEHOLDERS

The involvement of multiple stakeholders is important to ensure that the project is impactful. The key stakeholders are:

• Garments factory professionals

• Fashion brands

• Innovators

• Social development organizations

END NOTES

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