

INTERNSHIP REPORT
ON
FOREIGN TRADE EVOLVING CHALLENGES & TRENDS: A CASE
STUDY ON KAZI OTEX

Submitted to

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United International University
QUEST FOR EXCELLENCE

Letter of transmittal

To

Mohammad Tariq Hasan, Ph.D.

Associate Professor

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Subject: Submission for Internship Report

Dear Sir,

I, Jareen Tasneem Nova, bearing ID number 111 181 092, am writing to formally submit my internship report titled “Foreign trade evolving challenges & trends: A case study on KAZI OTEX”. During my internship at Kazi Otex, Mohakhali DOHS, I have acquired extensive knowledge regarding trading and various frameworks. It is my utmost endeavor to meticulously and comprehensively complete this report to the best of my abilities. I believe that my diligent effort will contribute positively to the understanding of the subject matter. I am grateful for your valuable guidance, cooperation, patience, and suggestions throughout this process, which will undoubtedly help me progress as a competent professional. I am open to any inquiries or clarifications regarding this report whenever necessary.

Sincerely yours

Jareen Tasneem Nova

ID: 111 181 092

School of Business & Economics

Declaration of the student

I, Jareen Tasneem Nova, confirm the accuracy and relevance of the data utilized in this research. No verbatim content has been extracted from previous studies. The data collection process involved both primary and secondary sources, which were thoroughly evaluated before inclusion. Furthermore, this research adheres to the established conventions of formal report writing.

Jareen Tasneem Nova

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Acknowledgement

I begin by expressing my deepest gratitude to Almighty Allah. Additionally, I extend my sincere appreciation to the many individuals who supported me throughout the completion of this significant project. Their unwavering dedication and hard work deserve acknowledgment.

First and foremost, I am indebted to my Supervisor, Mohammad Tariq Hasan, Associate Professor of United International University. His invaluable guidance and feedback were instrumental throughout this journey. He consistently offered unwavering support and motivation, ensuring I remained focused and determined. His patience and meticulous attention to detail ensured the quality of the dissertation, even in instances where some aspects proved challenging to rectify. Furthermore, I extend my thanks to all those who provided essential information for this project; their contributions were indispensable, and I am truly grateful for their assistance.

Lastly, I extend my heartfelt gratitude to all the interns and employees at KAZI OTEX who stood by me whenever I required assistance. Their wealth of knowledge about the internal and external workings of the office greatly enriched my understanding of the subject matter. I am thankful for the resources they provided, which significantly contributed to the depth of my research. While I endeavored to produce an error-free report, I acknowledge that there may still be imperfections. I apologize for any unintentional errors and assure you of my commitment to rectify them.

Executive summary

The textile export and import industry has played a crucial role in Bangladesh's economy, with the country sourcing most of its textile and fabric imports from China (\$9.37B), India (\$3.49B), Pakistan (\$740M), Brazil (\$504M), and the United States (\$503M). Bangladesh is one of the leading importers of fabrics and a significant exporter of readymade garments, contributing by a large margin to the GDP, export income, and employment generation. Kazi Otex is a trading company providing a total solution for textile sourcing across the world. With 15 years of experience in the export and import trading industry, Kazi Otex has established itself as a high-tech private enterprise in the Bangladesh market, fully dedicated to textiles and clothing. Supplying esteemed buyers with customized fabrics from China and Taiwan according to their preferences, Kazi Otex specializes in a range of fabrics including Cotton, CVC, TC, TR, NR spandex twill/satin, and Viscose, available in various styles and dye pigments. Additionally, Kazi Otex offers a selection of compositions such as Linen, Ramie, and Viscose mixed with cotton, suitable for kids. This report thoroughly describes Kazi Otex's main goals, which other fabric trading companies strive to achieve, including customer satisfaction, market expansion, supplier relationships, operational efficiency, and compliance/sustainability. Kazi Otex succeeds in achieving its business objectives by focusing on attracting valuable customers to partner with their business. The company's dependence on maintaining public relations and personal contacts with domestic and international import-export traders is significant. "Kazi Otex's online website" is an essential platform for customers to learn about the company's activities and work ethic.

Key words: Foreign trade, challenges, trend, Kazi Otex, textile industry, Bangladesh

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CHAPTER ONE: INTRODUCTION

I.1 Background of the Report

"The textile sector is burgeoning in Bangladesh, and a strong marketing strategy is essential to sustain growth in this ever-evolving market. Businesses globally employ effective and innovative marketing tactics to enhance profitability and enlarge their presence. Conversely, failure to implement a successful strategy can result in financial setbacks. Additionally, businesses often recognize their social obligations, extending beyond mere profit-making to include corporate social responsibility. In Bangladesh, the garment industry has emerged as a cornerstone of the export sector, significantly contributing to foreign exchange earnings over the past 30 years. With around 4 million employees, predominantly women, the industry's prosperity is closely linked to production trends influenced by the allure of low labor costs. Presently, Bangladesh's ready-made garment industry holds sway over the nation's export landscape, garnering attention for its economic and social impact. Consequently, Bangladesh has become a primary hub for international buyers.

Kazi Otex functions as a trading entity, with a focus on this one key sector. Within its trading operations, the company engages in the exchange of commodities such as coats, jackets, pullovers, and knitting and woven fabrics such as corduroy, wool, micro fleece, polar fleece, coral fleece, Hacci fleece, or sweater fleece, soft shell bonded, microfiber, satin, Sherpa, fur, Roma, fake Roma, Bengaline, etc. This delineation of activities highlights Kazi Otex's involvement across different facets of the trading industry, showcasing its diversified business approach."

I.2 Objectives of the Report

The aim of this research is to formulate an understanding of the different facets of success and development within the garment industry. This investigation will enable me to examine

diverse industrial concepts and standardized export policies related to the production process, thereby enhancing my knowledge and skills for future career endeavors.

The objectives of the intended study are as follows:

- ❖ Explore emerging market trends and consumer preferences to adapt business strategies accordingly.
- ❖ Strengthen relationships with suppliers and manufacturers to ensure quality and reliability of garment products.
- ❖ Enhance customer satisfaction through personalized services, efficient order fulfillment, and responsive customer support.
- ❖ Assess strengths, weaknesses, opportunities and threats.
- ❖ Propose actionable steps to address identified challenges.

These objectives aim to drive growth, sustainability, and competitiveness within the garments trading industry.

I.3 Motivation of the Report

The motivation for creating an internship report on a trading company is multifaceted. Primarily, it serves as a platform for me to enhance my understanding of the industry, develop practical skills, and deepen my knowledge of specific business operations. Additionally, the report fulfills my academic requirements, contributing to academic assessment and grading. It also offers an opportunity to objectively evaluate the company's performance, identify strengths and weaknesses, and provide recommendations for improvement. Furthermore, the report may contribute to the broader body of industry knowledge, informing best practices, trends, and future research directions. Ultimately, it facilitates career exploration and professional development within the garments trading sector.

I.4 Scope of the Report

During the internship at Kazi Otex, valuable firsthand insights into the company's trading activities were gained. This report serves as a comprehensive overview of the experiences and observations during this period. Through visits to the company premises and interactions with personnel at all levels, including workers, subordinates, and executives, practical knowledge about the strategies employed by Kazi Otex was gathered. The cordial assistance and support extended by the staff greatly facilitated the learning process. This report aims to provide a clear and detailed understanding of Kazi Otex's trading endeavors based on the internship experiences.

I.5 Limitation of the Report

This marks my inaugural assignment beyond the confines of academic coursework, representing a significant transition into practical life. As a student in the BBA program nearing the completion of formal studies, challenges arise when attempting practical engagements. These challenges stem from a lack of both theoretical and practical knowledge. Additionally, several constraints compound the situation:

- ❖ Limited availability of my work time due to employment commitments.
- ❖ My insufficient access to essential information.
- ❖ Withholding of valuable insights and confidential data.
- ❖ Inadequate dissemination of information, with some data not available online.
- ❖ Access to strategic and confidential materials, reports, and forms is not available.
- ❖ Time poses a significant constraint for the research. A comprehensive plan must be condensed into a more concise outcome to ensure success.

CHAPTER TWO: COMPANY AND INDUSTRY PREVIEW

Bangladesh's economy heavily relies on foreign trade, which plays a pivotal role in its development. A nation's prosperity often hinges on its ability to export more than it imports. Since Bangladesh gained independence, the government has placed a strong emphasis on enhancing its export capacity. Key exports include raw materials, fabrics, jute products, frozen foods, fish, and ready-made garments. In terms of imports, Bangladesh brings in a diverse array of goods such as fabrics, oil, ships, aircraft, and cars from various countries. However, challenges such as the RANA Plaza and Tazreen Fashion tragedies, alongside political instability, have led to a decline in export earnings. Consequently, the government has shifted its focus towards bolstering the Ready-Made Garments (RMG) sector, resulting in a notable increase in foreign revenue, especially from knit and woven products.

Bangladesh heavily depends on imports for machinery, food, and other essential items. When imports outweigh exports, it presents considerable challenges for the country's economic stability. Hence, the government is committed to maintaining a balance between export and import activities to ensure sustainable economic growth. The textile and clothing sector holds a crucial position in Bangladesh's economy, with more than 7000 apparel factories playing a significant role in its economic progress. Exporting Ready-Made Garments (RMG) and textiles contributes substantially to the country's foreign earnings, with major markets including the European Union, USA, China, UK, and Australia. In 2022, approximately 84.5% of Bangladesh's total exports, valued at \$47 billion, originated from the RMG, apparel, and textile sector.

Bangladesh stands as the world's third-largest hub for apparel manufacturing and holds a dominant position in South Asia. It ranks second only to China as an RMG producer and is the second-largest exporter of Western fashion globally. With competitive pricing and top-notch products, Bangladesh attracts prominent global brands like Adidas, Calvin Klein, H&M, Puma, Tommy Hilfiger and Nike etc. The RMG sector benefits from duty-free market access to numerous developed nations, including the EU, Norway, and Canada. Concerted efforts are being made to ensure safety and sustainability in the garment industry. The

government is actively supporting the RMG sector by allocating land for industrial parks for worker skill development.

2.1 Company Analysis

2.1.1 Overview and history

Kazi Nibir the founder of Kazi Otex which was established in 2008 and adorned with registrations from prestigious entities like the City Corporation, DCCI, ERC, IRC, and the Indenting Association, KAZI OTEX stands as a beacon of excellence in the textile industry. With an unwavering commitment to crafting superior-quality fabrics that resonate with global trends, Kazi Otex journey of 15 years has elevated us to the esteemed status of a High-Tech Private Enterprise within the vibrant marketplace of Bangladesh. Nestled in the heart of Dhaka City's Garments Trade Area in New DOHS, Mohakhali, Company's presence has been synonymous with quality and innovation for over a decade. At KAZI OTEX, their passion revolves around textiles and apparel, where they specialize in delivering bespoke finished fabrics sourced from China and Taiwan, meticulously tailored to meet the discerning needs of our esteemed clientele, who cater to the most elite consumers worldwide. The company relentless pursuit of excellence extends to constant research and development efforts, ensuring that each year, we unveil captivating new designs and styles, tailored not only to meet customer demands but to surpass them with company's own unique flair.

KAZI OTEX offers a comprehensive textile solution worldwide, specializing in various fabrics like cotton, twill, satin, and more for all clothing needs. They also provide a wide range of coats, jackets, and knitwear options. Additionally, they develop fabrics suitable for kids' garments and are expanding into high-functional wear. They prioritize timely delivery and offer online order tracking for customer convenience.

Mission

As your trusted textile source and partner, we unite with esteemed mills and our mission is to seamlessly blend quality, innovation, and sustainability, weaving a legacy of excellence and reliability in every fabric.

Vision

Kazi Otex endeavors to be a financially efficient, environmentally aware, and accountable business associate. The company's aim is to establish themselves as a frontrunner in the market, defining the benchmark for outstanding performance within the industry.

Goals

The primary goal of the company is to deliver top-notch products by optimizing processes, fostering knowledge growth, and elevating quality standards across all aspects of operation.

- ❖ Minimize employee safety and health hazards to the lowest possible levels.
- ❖ Foster talent and leadership development in alignment with individual competencies, personal objectives, and organizational needs.

Objectives of Kazi Otex

- ❖ Kazi Otex prioritizes achieving the utmost level of customer satisfaction to not only thrive as a successful firm but also to establish itself as the foremost leader in the market.
- ❖ Kazi Otex aims to bolster its sales volume by elevating customer satisfaction through enhanced products and services.
- ❖ Kazi Otex meticulously crafts an efficient delivery schedule to ensure customer satisfaction during the handover process. Moreover, the company furnishes its customers with detailed product information, fostering trust and credibility.

- ❖ By enhancing networking systems, the company facilitates seamless business transactions. Furthermore, analyzing customer buying decisions empowers.
- ❖ Also analyzing supplier actions to enhance product quality.

2.1.2 Trend and growth

Growth of textile industry

The textile and clothing sectors serve as the primary drivers of growth in Bangladesh's rapidly advancing economy. Textiles and garment exports stand out as the main contributors to foreign exchange earnings. By 2002, these exports represented 77% of Bangladesh's total merchandise exports. During the fiscal year 2021-2022, Bangladesh's garment exports totaled US \$42.613 billion, establishing it as the world's second-largest exporter of apparel, as per data from the Export Promotion Bureau.

During the past ten years, Bangladesh's textile industry has experienced a steady growth rate of 10%, with the exception of the COVID-19 period. This expansion has resulted in an export market valued at nearly US\$50 billion, constituting approximately 8% of the global market valued at US\$700 billion. According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), ready-made garment (RMG) exports from Bangladesh amounted to \$29.825 billion in the initial eight months of 2022, marking a notable increase of 38.39% compared to the corresponding period in the previous year.

Also, the factory growth and the employment rate were rapidly increasing which is 4.4 million workers among them almost 86% are female. Lastly according to BGMEA, Bangladesh's textile and garment sector is projected to sustain its growth trajectory, potentially surpassing a 10% share of the global market by 2025.

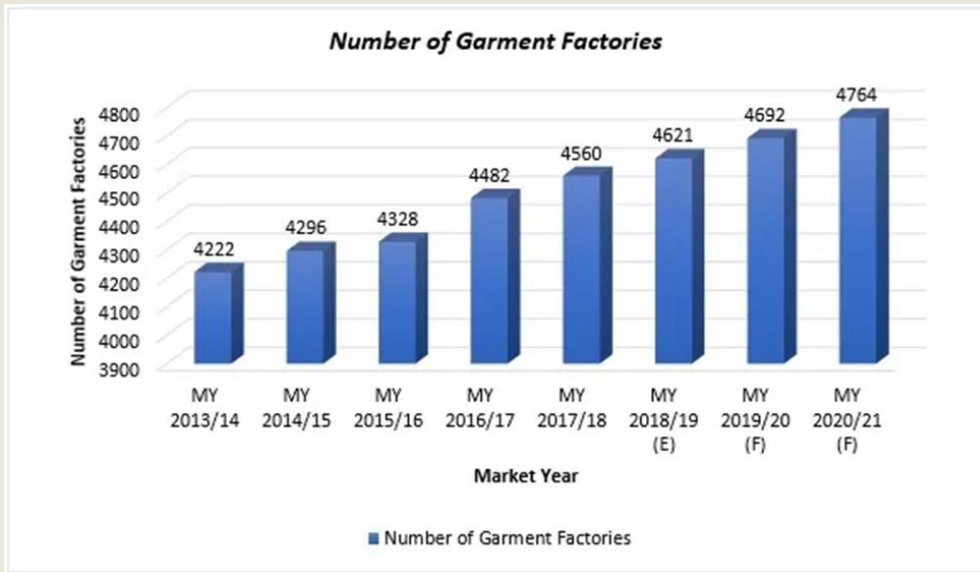


Figure 1: Number of garment factories

The graph shows that the garment industry in Bangladesh is witnessing a consistent rise in the number of factories, with a stable to high growth rate. From MY 2016/17 to MY 2018/19, the number of factories increased from 4482 to 4621, marking a 3.10% growth. Projections suggest a continued increase, with a compound annual growth rate (CAGR) of 1.53%, reaching 4764 factories by MY 2020/21 compared to MY 2018/19.

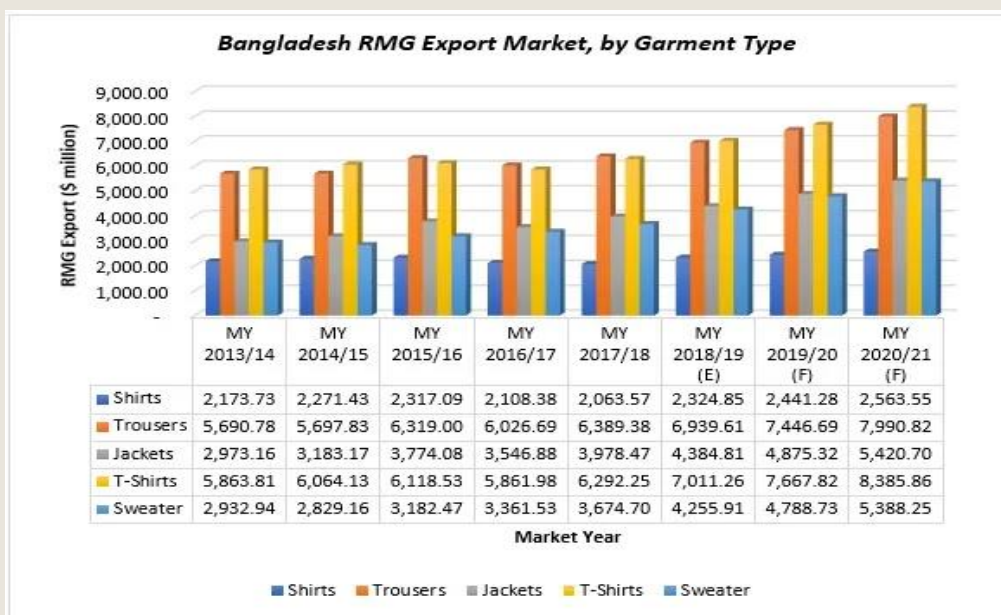


Figure 2: Bangladesh RMG export market by garment type

The chart illustrates Bangladesh's RMG export market, where shirts, trousers, jackets, t-shirts, and sweaters hold significant positions. Trousers and t-shirts lead the exports, accounting for 27.85% and 28.14% respectively in MY 2018/19. Sweaters and jackets saw significant export growth rates of 26.60% and 23.62% from MY 2016/17 to MY 2018/19. Projections indicate continued growth, with shirts, trousers, jackets, t-shirts, and sweaters expected to reach \$2,563.55 million, \$7,990.82 million, \$5,420.70 million, \$8,385.86 million, and \$5,388.25 million respectively by MY 2020/21, with compound annual growth rates (CAGR) of 5%, 7.31%, 11.18%, 9.36%, and 12.51%.

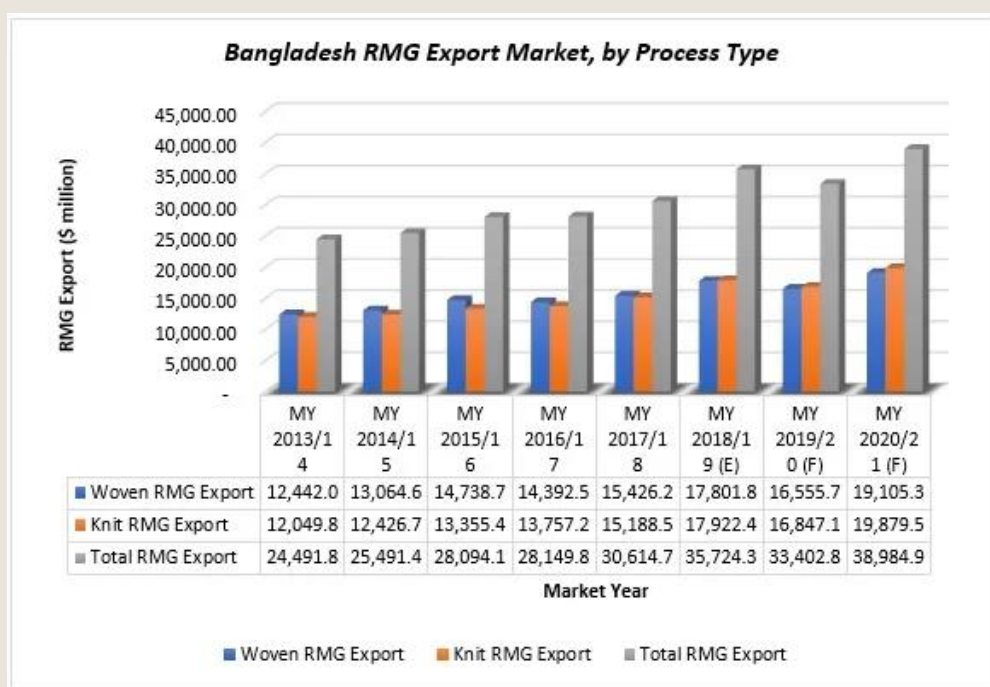


Figure 3: Bangladesh RMG export market by process type

In this graph it is observed that In MY 2016/17, woven RMG exports totaled \$14,392.59 million and increased by 23.69% to \$17,801.89 million in MY 2018/19. Total exports rose by 15.40% in MY 2018/19 and are projected to reach \$19,105.35 million in MY 2020/21, with a compound annual growth rate (CAGR) of 11.22% from MY 2018/19. Similarly, knit RMG exports were \$13,757.25 million in MY 2016/17, rising by 30.28% to \$17,922.44 million in MY 2018/19. Total exports increased by 18% in MY 2018/19 and are expected to reach \$19,879.57 million in MY 2020/21, with a CAGR of 14.14% from MY 2018/19.

Although the primary export markets for Bangladesh garments, the US and the EU, are not experiencing recessions, exports are anticipated to decrease in MY 2019/20. Due to reduced global consumption and devaluation of currencies in key competitor nations. During the initial months of the current fiscal year, China began importing from Bangladesh following the grant of duty-free access to over 5,000 Bangladeshi products by the Chinese government. Concurrently, Bangladeshi garment exports to India witnessed positive growth, particularly with renowned international brands like Zara and H&M, alongside an expanding domestic market driven by a rise in fashion-conscious consumers. Bangladesh also sources raw materials such as cotton and machinery for garments from India.

The growth of Bangladesh's garment industry has been remarkable, it has not been without challenges. During the initial months of the current fiscal year, China began importing from Bangladesh following the grant of duty-free access to over 5,000 Bangladeshi products by the Chinese government. Concurrently, Bangladeshi garment exports to India witnessed positive growth, particularly with renowned international brands like Zara and H&M, alongside an expanding domestic market driven by a rise in fashion-conscious consumers. Bangladesh also sources raw materials such as cotton and machinery for garments from India.

Kazi Otex growth and trend

Kazi Otex, strategically positioned in the garment trading sector, is on a promising trajectory driven by various growth factors. As a key player importing fabrics from China and distributing them to local RMG manufacturers in Bangladesh, the company mirrors the dynamic global commerce landscape. Its success is fueled by the expanding global textile market, driven by increasing consumer demand, especially in emerging economies. By ensuring a steady supply of quality fabrics to local manufacturers, Kazi Otex sets its crucial role in the garment supply chain.

Moreover, the company's growth is propelled by its adeptness at optimizing the supply chain. Through streamlined sourcing processes and efficient distribution, it enhances operational efficiency, reduces costs, and accelerates delivery times. Embracing technological advancements further augments these efficiencies, positioning Kazi Otex for sustained

growth. Additionally, the company's exhibits strategic agility by diversifying its product portfolio beyond traditional fabrics. Exploration into sustainable alternatives and expansion into complementary segments strengthen its market appeal and resilience against industry fluctuations. The company's commitment to sustainability enhances brand reputation and taps into environmentally conscious markets.

Furthermore, leveraging its expertise and network, Kazi Otex taps into global markets through partnerships and direct exports, diversifying revenue streams and amplifying its presence in the competitive garment trading arena. Overall, the company's adaptability, supply chain efficiencies, diversification strategies, sustainability focus, and international expansion efforts position it for continued success and market prominence.

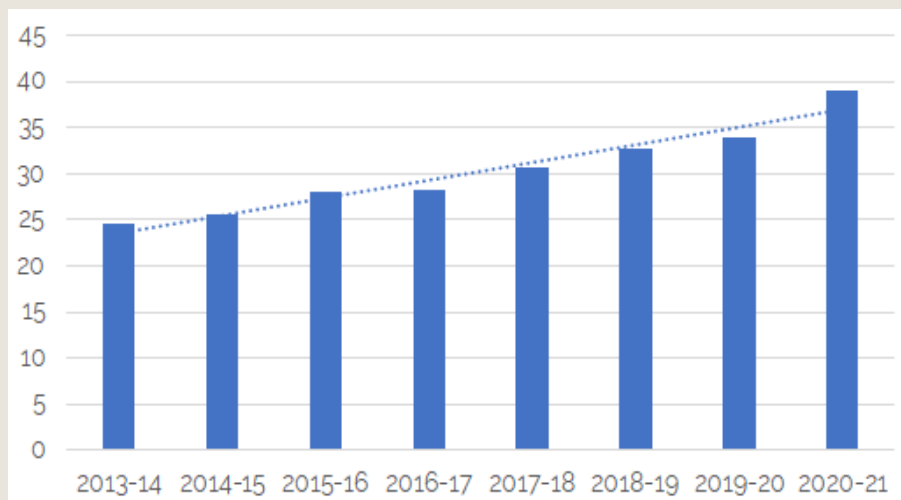


Figure 4: Kazi Otex growth trend

In this graph from 2013 to 2021, the growth of Kazi Otex has increased every year. Now Industry is changing day by day with many opportunities arise. Currently Kazi Otex keeps up with the latest trends by importing high quality fabrics which are supplied to local garments here that enhances their growth. The company's fabric is high quality and unique features that are becoming more desirable to consumers. Because of increase in demand for fabric products due to factors like population growth, fashion trends, or changes in consumer preferences. The company have a competitive advantage over other fabric manufacturers,

such as lower prices, better distribution channels, and stronger brand recognition this is also the reason for their growth.

Trend

Considering the above data information, we can say that the demand of the company's fabric is increasing. There are huge potentials of exporting cloths in the international market.

2.1.3 Customer mix

Understanding buyer behavior is crucial for marketing success, involving the observable processes before, during, and after purchases. Recognizing, recording, and responding to such behavior is essential for a win-win strategy for marketers and customers. The ready-made garment (RMG) industry of Bangladesh emerged in the late 1970s, quickly becoming a significant contributor to the economy.

Kazi Otex works with the following clients:



Figure 5: Customers of Kazi Otex

These are some brands who regularly buy Kazi otex products.

2.1.4 Product/service mix

Here are some products of Kazi Otex:



Figure 6: products of Kazi Otex

Bangladesh has gained prominence for its export of sewn garments. The sewing industry is rapidly growing in Bangladesh, with sewn products becoming highly favored for export in the textile sector. Bangladesh's exports encompass a diverse range of knitwear and woven garments, including items like shirts, pants, t-shirts, denim, jackets, sweaters, and more.

2.1.5 Operations

Kazi Otex, a prominent player in the garment trading sector, initiates its operations with a proactive approach. It begins by establishing connections with various factories and employing marketing strategies to attract potential customers. Once a prospective client is identified, Kazi Otex embarks on the task of sourcing materials from China, seeking suppliers willing to meet the client's requirements. The process unfolds with Kazi Otex inquiring about the customer's budgetary constraints, subsequently evaluating sourcing options to ensure

alignment with the specified price range. Negotiation ensues, focusing on crucial aspects such as timelines, material specifications including type and color, as well as the desired quantity. Following successful negotiation, Kazi Otex issues a proforma invoice, encapsulating the agreed-upon terms. Concurrently, in dealings with sourcing entities, Kazi Otex dispatches a "work order," marking the commencement of operational activities.

The issuance of the proforma invoice catalyzes financial discussions between the customer and the bank, prompting negotiation to ensue. Subsequently, the bank issues a Letter of Credit (L.C.) to the customer, signaling Kazi Otex to initiate production upon receipt of confirmation. Upon completion of production and subsequent delivery, the transaction reaches its culmination. Following a designated grace period of 120 days, payment is received and disbursed to the supplier, signifying the successful execution of Kazi Otex's meticulously structured operational framework. The company sends their fabrics to the local buyer who is situated in Bangladesh and after the local buyer manufactures the fabrics into ready-made clothing, they export it to the ultimate buyer. (Most orders of the ultimate buyer comes from Canada while a minority comes from other countries.)

In essence, Kazi Otex's modus operandi exemplifies a harmonious blend of proactive engagement, meticulous negotiation, and seamless execution. Through its systematic approach, Kazi Otex endeavors to ensure the satisfaction of both its clientele and its sourcing partners, thereby fostering enduring relationships and facilitating the seamless flow of commerce in the realm of garment trading.

2.1.6 SWOT analysis

A SWOT analysis assists a company in enhancing its position, product quality, overcoming weaknesses, managing risks, and leveraging opportunities, thereby identifying the competitive advantage of the organization. It also helps a company understand its market position. Here's the SWOT analysis of Kazi Otex aimed at gaining deeper insights into the company's operations.



Figure 7: SWOT analysis of Kazi Otex

Strengths:

- ❖ Kazi Otex's management systems are consistently dedicated to providing excellent service.
- ❖ Kazi Otex boasts a team of sincere and accountable employees.
- ❖ Effective communication between senior management and staff is upheld by Kazi Otex.
- ❖ Challenges in maintaining compliance with regulations stem from government interference.
- ❖ Kazi Otex have the ability to provide tailored fabric solutions to meet the unique needs of clients.

Weakness:

- ❖ Compliance with regulations is hindered by government interference.
- ❖ External factors dependency such as exposure to fluctuations in raw material prices, currency exchange rates, and geopolitical dynamics can disrupt profitability and operational consistency

- ❖ Also have some competitive pressure. Intense competition within the textile industry can result in pricing pressures and reduced profit margins.
- ❖ Operational obstacles like sometimes difficulties involving supply chain interruptions, and production delays can impede meeting customer demands and maintaining reputation.
- ❖ Inadequate governmental policies exacerbate the situation.
- ❖ Market coverage in Bangladesh is insufficient.

Opportunity:

- ❖ Attracting new international buyers entering the market
- ❖ Enhancing service quality beyond competitors
- ❖ Elevating customer satisfaction through high-quality product offerings
- ❖ Seizing the chance to secure significant financial gains
- ❖ Using online platforms and digital marketing to broaden audience reach and improve purchasing convenience can take advantage of the increasing popularity.

Threats:

- ❖ Rise in the quantity of international buyers.
- ❖ Government policies disrupt development initiatives.
- ❖ Complexity inherent in BGMEA regulations.
- ❖ Alterations in trade policies, tariffs, or environmental regulations may disturb supply chains, elevate expenses, and require adjustments to meet compliance standards.

2.2 Industry analysis

Bangladesh's economy is largely export-oriented, with garments as its main export product. The country also exports textiles, seafood, jute and jute goods, leather and leather goods, pharmaceuticals, and agricultural products. On the import side, Bangladesh depends heavily

on machinery and equipment, raw materials, chemicals, textiles, food items, and petroleum products to support its industrial and consumption needs.

The remarkable success of the RMG sector is now recognized globally. Despite current achievements and potential challenges, with proper management, there are bright prospects for further expansion and growth. While significant risks persist, Bangladesh can overcome them. The RMG industry plays a vital role in Bangladesh's economy, contributing significantly to foreign exchange earnings, employment generation, and poverty alleviation. Currently, it stands as the leading foreign currency earner and largest source of employment in Bangladesh. Around 4.4 million people, primarily impoverished women, are currently employed in Bangladesh's RMG industry.

2.2.1 Specification of the industry

Quality control is essential in all aspects of fabrics, from pre-sales to post-sales service, delivery, pricing, and more, for manufacturers, distributors, or exporters. It's crucial not to overlook any quality-related issues, as buyers expect good products at low costs. The quality of products reaching customers depends on the cost. Quality management, a part of overall management, establishes and implements quality policies. Quality assurance encompasses all processes within a company that contribute to producing quality products. Inspection is conducted by representatives of current production, and results are documented on a control chart. Garment inspection aims to visually examine randomly selected articles from a delivery to ensure their overall conformity and appearance with instructions/descriptions or samples received.

2.2.2 Size, trend, and maturity of the industry

The role of the RMG sector in our national economy cannot be overstated. Over the past decade and a half, there has been consistent growth in our RMG export industry, particularly in recent years. The Readymade Garment (RMG) industry continues to be the primary source of export revenue for Bangladesh, accounting for approximately 83% of the country's total

export earnings. During the July-September period of fiscal year 2023-24, Bangladesh's RMG exports surged to US\$ 11.61 billion, marking a 13.07% year-over-year increase from US\$ 10.27 billion in the same period of FY 2022-23.

Knitwear exports experienced a notable growth of 19.70% year-over-year, whereas woven garments exports saw a modest increase of 4.97% year-over-year. In September 2023, the country's RMG exports rose by 14.46% year-over-year. Competitive pricing is a major draw, expected to continue due to efficiency improvements offsetting wage rises. Apart from labor costs and duty benefits, raw materials and land are cheaper in Bangladesh. Additionally, it benefits from trade agreements granting duty-free access to many countries.

2.2.3 External economic factors

Economic factors refer to essential information about an economy or market that influences a company's performance. These factors are often considered when predicting a firm's performance, and investors rely on them to assess the value of a company or investment. Economic factors are external influences on the business environment and investment value. Understanding these factors is crucial for investors to make well-informed decisions about the performance of a specific investment. Kazi Otex engages in similar practices, analyzing various economic factors to predict the long-term prospects of businesses. The aim of this analysis is to determine how these elements might impact both the business environment and the overall market.

Economic factors, both direct and indirect, play a significant role in shaping the business environment. They impact supply and demand, thereby influencing the smooth flow of goods and services within an economy. Approximately 75% of total exports are influenced by external factors. The primary reason for sourcing from Bangladesh is its competitive pricing. Efficiency improvements are expected to counterbalance rising wage costs, maintaining competitive price levels in the future. Additionally, apart from lower labor costs and tariff advantages, Bangladesh benefits from cheaper raw materials and real estate. Furthermore,

Bangladesh benefits from several preferential trade agreements that grant tax-free access to multiple countries.

External factors affecting business:

- ❖ **Social:** The business is impacted by a growing proportion of older individuals in the population, as its design and fashion primarily target younger demographics.
- ❖ **Economic:** The business is affected by a rise in income tax, which decreases the disposable income available to customers.
- ❖ **Political:** Factors such as increased government spending on public services like education and healthcare, political stability, regulations on monopolies, and taxation influence the business environment.
- ❖ **Technological:** The widespread adoption of the internet has consequences for the business.

2.2.4 Technological factors

Kazi Otex implements advancements in materials, machinery, and business processes, which include:

- ❖ Advancements in mechanical processes
- ❖ Advancements in product design and the introduction of new distribution channels
- ❖ Innovations in pricing strategies
- ❖ Impact of technology on product design, production, distribution, pricing, and consumption

2.2.5 Barriers to entry

Barriers to entry are factors that impede or complicate the entrance of new firms into a market, diminishing market openness and competitiveness. In markets with higher barriers to entry, competition tends to be weaker. These barriers are especially significant in monopolistic markets.

- ❖ **Brand Loyalty:** Establishing strong consumer loyalty through a robust brand presence can discourage potential new entrants. Creating such brand loyalty often entails substantial advertising expenses, which serve as a deterrent to newcomers. Some brands may have such entrenched consumer loyalty that extensive advertising efforts may not displace the incumbent firm.

- ❖ **Limit Pricing:** Limit pricing involves setting prices at levels low enough to discourage new entrants. Despite resulting in reduced profits, monopolistic firms may engage in limit pricing to deter potential competitors. This tactic is closely tied to economies of scale.

- ❖ **Economies of Scale:** Economies of scale arise when increased production leads to lower average costs. Consequently, new firms operating at lower output levels may struggle to compete due to higher average costs compared to established firms benefiting from economies of scale. The prospect of confronting higher average costs may dissuade potential new entrants from joining the market.

2.2.6 Supplier Power

Bangladesh has consistently maintained an advantageous position in negotiating its terms with suppliers, despite its reliance on imported raw materials due to limited domestic resources. However, this dependency presents challenges in initiating backward linkages, consequently enhancing supplier power. Nevertheless, Bangladesh continues to procure

inputs from suppliers at competitive world prices. The primary allure of Bangladesh's export industry remains its potential for growth and success, offering investors promising opportunities.

Domestically, supplier power is gradually increasing as more local companies venture into the market, establishing integrated supply chain management systems to streamline production processes. These companies increasingly prefer sourcing from local suppliers who manage the importation of raw materials and essential components, thereby reducing production burdens. This proactive approach benefits both suppliers and Bangladesh's concentrated industry, located in specific regions.

Bangladesh's favorable global reputation enables it to negotiate competitive prices with both international and local suppliers. Despite suppliers' advantageous position, they view Bangladesh as a reliable source of repayment, facilitating the timely supply of raw materials. This positive reputation aids Bangladesh in maintaining efficient supply chains and ensuring uninterrupted production processes.

2.2.7 Buyer Power

Bangladesh recognizes the substantial influence of buyers in the procurement process, particularly given the advancements made by China and India. This dynamic keeps Bangladeshi producers and suppliers vigilant, allowing room for negotiation on price and cost. Bangladesh places a strong emphasis on providing the lowest production costs along with high-quality labor to meet the demands of international trade. Cost-effectiveness is pivotal in positioning Bangladesh as the preferred destination for buyers. Significantly, many companies in Bangladesh operate as franchises or subsidiaries, while local firms further bolster its reputation as an outsourcing hub in the industry. Renowned brands frequently choose Bangladesh for outsourcing due to its blend of quality and affordability.

Furthermore, new entrants hold a competitive advantage against Bangladesh, which sustains a growth rate of nearly 20% annually even after the MFA. However, Bangladesh's greatest

advantage lies in its abundant cheap labor, which serves as a barrier against new competitors until labor standards improve. Despite its attractiveness, investors and foreign firms exercise caution when considering Bangladesh. This creates an opportunity for countries like Sri Lanka and smaller Latin American nations to attract potential buyers away from Bangladesh.

2.2.8 Threat of Substitutes

In terms of substitutes, Bangladesh faces challenges in both job displacement and missed opportunities. China and India are rapidly expanding their customer base compared to Bangladesh due to poor country branding and limited ability to influence customers. Consequently, customers sometimes prefer China or India over Bangladesh. Additionally, Bangladeshi products are being substituted due to a lack of supplier power and the government's reputation. Some firms, buyers, and investors are hesitant to invest in Bangladesh due to its unstable political situation, leading to opportunities being shifted to China or India. Furthermore, the cost of substitution is relatively low for buyers to switch to a Chinese or even a Sri Lankan manufacturer.

2.2.9 Industry rivalry

In Bangladesh's textile sector, intense rivalry prevails as companies vie for market dominance amid various challenges and opportunities. This competitive landscape is shaped by numerous factors, including market saturation, economic fluctuations, government policies, technological advancements, and resource availability. Market saturation presents a major hurdle, as many companies vie for market space both locally and globally. In a market with a surplus of suppliers and limited buyers, firms need to set themselves apart by offering superior product quality, innovation, and competitive pricing. Another Economic changes, both at home and abroad, affect the export-import sector. Fluctuations in exchange rates, inflation, and economic growth impact demand, intensifying competition among firms to sustain profitability and market presence.

Also technological advancements benefit textile trading firms, improving efficiency and customer service. However, firms must innovate constantly to stay competitive amidst rapid technological changes. Resource availability also impacts industry rivalry, affecting access to raw materials, skilled labor, and transportation infrastructure. Firms optimize resource usage and supply chain management to boost competitiveness by reducing costs and enhancing efficiency. Overall Bangladesh's textile sector faces fierce competition due to market dynamics, government regulations, technology, and resource limitations. Firms must innovate constantly to thrive globally.

CHAPTER THREE: METHODOLOGY

3.1 Types of data and method

There are two types of data collecting method.

1. Primary sources

Primary data collected from the following sources:

- ❖ Conversations and discussions with Kazi Otex employees.
- ❖ Face to face discussion
- ❖ Record
- ❖ Over telephone
- ❖ Document

2. Secondary sources

The secondary data collected from the following sources:

- ❖ Websites of SEN GROUP.
- ❖ Internet

3.2 Data or Information collecting procedures

In this report I mostly used secondary data, I used different type of record, documentation of operational processes, also take some formal and informal interviews for making this report. Multiple sources of primary data were also consulted.

CHAPTER FOUR: INTERNSHIP EXPERIENCE

As an intern in the accounts department at Kazi OTEX, the opportunity to learn and gain various experiences presents itself. The internship at Kazi OTEX commenced in the accounting department. A lovely working atmosphere is maintained at Kazi OTEX, and all the staff are quite nice. Working as an intern has provided ample opportunities to apply practical knowledge gained throughout the academic career. The office boasts a tasteful design and is well structured. The workplace is surrounded by a natural setting, and collaborating with the highly experienced team has been a fantastic accomplishment for the intern.

4.1 Position, duties, and responsibilities

In the role as an intern within Kazi OTEX Accounting department, collaboration with the Reward & Talent Acquisition Team is close. In the capacity as an intern, undertaking various tasks such as processing payments, verifying invoices, and maintaining accurate records of the company's finances, including those related to new projects, is essential. Additionally, involvement with the talent acquisition team has provided valuable insights into aligning financial considerations with recruitment efforts, ensuring that candidates not only fulfill job requirements but also contribute to the company's overall objectives. During the internship, responsibility for meticulously reviewing all Purchase Orders (PO) and other expenditures was also assigned.

Even though Consumer the company operates primarily through a computer-based system, its employees maintain a parallel system of paperwork for their transactions. This approach ensures that in case of any discrepancies, the paperwork serves as tangible evidence. Throughout the internship, the intern was tasked with managing some of this paperwork. This included receiving bills, organizing them, as well as handling vouchers and petty cash files.

4.2 Training

On the first day of the training session, an unexpected arrangement led to technological issues that were collectively faced by the interns. The unfamiliarity with the tasks at hand resulted in a slow comprehension of the overall concept for the newest member. Being the sole intern present in the training session amplified feelings of nervousness. However, as time progressed, the individual gradually adapted, benefiting from the supportive environment fostered by the team. Throughout the four-month job experience, the intern assumed diverse responsibilities, including organizing and facilitating discussions, as well as coordinating group meetings. Despite the status as an intern, all interns seamlessly integrated into the team and receiving equal levels of respect and consideration as their colleagues. The workplace culture defined by its friendliness, provided a wonderful environment conducive to professional growth. Entrusted with various tasks and duties, the intern approached each assignment with dedication and diligence, contributing positively to the team's objectives.

4.3 Contribution to departmental functions

During this internship incident, as an intern demonstrated commendable dedication to the organization like:

Data Entry: In the role, data entry into Excel spreadsheets for reviewed bills, such as those for travel and expenses, was a primary responsibility. Additionally, the task was involved with developing an Excel-based VAT Tracker to ensure thorough storage and organization of VAT records.

Bills checking: After receiving the bills, the subsequent step involves processing them. This entails reconciling the received quantity with the ordered quantity, cross-referencing the MRIR (Material Received and Inspection Report) against the received and inspected quantities, eliminating any rejected materials from the original bill, and rechecking for any discrepancies or issues. Once these adjustments are made, the bills are forwarded for further payment processing.

Final Settlements File: When bills were settled by Kazi Otex, the Accounts and Finance department compiled Final Settlement Copies, which served as documentation for both parties to acknowledge the conclusion of any claims between Kazi Otex and the individual. As an intern, didn't play any vital role but assisted them done this kind of work.

Use of Microsoft Word and Excel: Data entry tasks using Microsoft Excel were conducted, while report generation was carried out using Microsoft Word.

Preparation of Files and Folders: Most of the times need to prepared personal files and list of problems. These files were sorted by employee name and company code. Additionally, also need to categorized bills into folders.

4.4 Internship Evaluation

At the conclusion of the internship, the supervisor assessed the performance based on Kazi Otex policy, which evaluates interns across 8 criteria such as:

	Excellent	Good	Satisfaction	Fair	Unsatisfaction
Attendance		✓			
Punctuality		✓			
Ability to learn	✓				
Communication		✓			
Dependability			✓		
Professionalism		✓			
Quality of work		✓			
Overall performance		✓			

4.5 Skills applied

The internship is an essential part of the BBA program, crucial for degree completion. It offers students invaluable practical exposure to the business world, enabling them to learn and apply themselves as interns. Similarly, the opportunity to leverage skills effectively was experienced during this period. Due to internship period need to applied several skills like:

Interpersonal skills, essential for effective communication and relationship-building, are crucial in various interactions. Engaging with customers, suppliers, colleagues, and managers may be part of the role. It's vital to establish and sustain relationships and be the type of person colleagues enjoy working with daily. Interpersonal skills are valued by employers who seek individuals capable of understanding others' needs and perspectives.

Collaboration, As an intern, excelling in collaborating with fellow interns and company staff is evident. Effective communication and interpersonal skills are vital for successful teamwork, along with the ability to work together toward common goals. Recognizing strengths and weaknesses, effective contribution is made to help bring out the best in colleagues.

As an intern, engagement in fieldwork activities like conducting factory visits and evaluations was undertaken. Additionally, contribution to audit tasks, assessing the precise market prices and product quality, was made. Achievements in these endeavors were greatly supported by an understanding of finance and marketing principles. During the internship in the accounting accounts Department, significant experience working with Microsoft Word and Microsoft Excel was gained. Thanks to prior familiarity with these tools, tasks in both programs were efficiently completed. Also, in the academic journey, subjects like accounting, financial statement analysis, and related courses were studied. These courses included numerous Excel tasks, which were found to be highly advantageous.

4.6 New skills developed

During the internship, lots of issues were being learned which would help for the future, such as:

Initiatives: In the internship, actively seeking opportunities to contribute and drive positive change, rather than waiting for instructions, was a priority. For instance, projects aimed at improving processes were initiated, and collaboration with team members to implement innovative solutions was emphasized. Demonstrating this proactive approach during interviews showcases the ability to add value and make meaningful contributions to the organization without constant direction.

Receptiveness: In addition to taking initiative, the significance of being receptive to feedback is recognized. For instance, when addressing mistakes, open acknowledgment of the feedback received and illustration of how constructive responses were made are emphasized. Emphasizing the willingness and capability to address weaknesses demonstrates commitment to personal and professional growth.

Corporate skills: Throughout the internship, the focus was on developing essential corporate skills, including effective collaboration with colleagues, time management, and clear communication. By immersing oneself in the corporate culture, valuable insights into navigating professional relationships and optimizing productivity were gained.

Research and analysis: Internships completed as part of coursework have equipped the individual with experience in research and analysis. During interviews, empirical research projects are confidently showcased, emphasizing the capacity to handle new information and analyze it effectively. This ability underscores readiness to excel in any assigned role within the organization.

Technical Proficiency: While not necessarily a specialist in the specific platform used by the company being applied to, especially in a highly specialized field, basic computer skills are

possessed. Proficiency in navigating through common productivity software ensures quick adaptation to the company's technological requirements.

4.7 Application of academic knowledge

Starting the internship in accounting at Kazi Otex, numerous tasks in MS Word and MS Excel were encountered, which were managed proficiently due to prior experience. Additionally, the academic background, including courses like Accounting, corporate finance, and financial statement analysis, proved beneficial. Throughout the internship, valuable Excel skills were gained that greatly contributed to effectiveness in handling various responsibilities. During the internship period, several academic knowledge applications were made, including:

Time management: Effective time management is employed to successfully finish each trimester's coursework and meet the deadlines for term assignments. This skill also proved invaluable during the internship as tasks were consistently completed within the designated timeframes.

Microsoft Office (Word, Excel, PowerPoint): During the time at Kazi Otex, proficiency in Microsoft Office, especially Excel, was crucial since most bills were checked using Excel. Additionally, training on advanced financial tasks using Excel was received.

Presentation skill: Completing courses every trimester and delivering presentations during the course helped in developing confidence, improving audience engagement, and fostering strong connections with the supervisor and colleagues.

Critical Thinking: Critical thinking means being able to look at a situation or problem, think about it carefully, and make a decision. Being good at critical thinking means you're open to asking questions to understand a problem from different angles and coming up with creative solutions. It's a skill that my teachers often mention as important for solving tough problems.

CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATION

5.1 Recommendations for improving departmental operations

During the experienced at Kazi OTEX, it was observed that the company is really good at getting things done efficiently. Prioritizing fair business practices, the work atmosphere is safe and friendly. Everyone ensures honesty in all actions, and all levels of employees work well together, contributing to better company performance. In the Trade Accounting department where the individual worked, it was noticed that everyone is very knowledgeable and skilled. They excel at planning and executing financial strategies while being careful not to waste the organization's resources. Although Kazi OTEX is performing well, it's surprising that they're not leading the industry despite their efficiency and quality fabrics. Therefore, bold steps should be taken to improve their position and stay competitive..

So, this company needs some recommendation such as:

- ❖ Kazi Otex needs to focus on promoting their company and products to raise awareness and build a strong brand image.
- ❖ Should be maintain good relation with the supplier
- ❖ Advancement of production technology, ordering procedure and delivering system.
- ❖ Making individuals more clear about their responsibilities.
- ❖ All employees need to stick to the same process to get their tasks done.
- ❖ The company should provide thorough training to ensure employees understand how to perform their roles effectively.

5.2 Key understanding

Through making this report, a strong understanding of the textile and garment industry's dynamics, including supply chains, market trends, and customer demands, was gained.

5.3 Conclusion

The Textile and RMG (Ready-Made Garments) industry plays a crucial role in Bangladesh's economic advancement. Over the last few years, it has consistently been a top contributor to the country's exports. As we know garment exports play a vital role in our economy, contributing significantly to foreign exchange earnings. However, the industry's ability to generate substantial foreign currency depends heavily on its efficiency and effectiveness. To maximize its potential, the garment and textile sector must address inefficiencies and adapt to the quota-free trading environment post-2005. Without quota restrictions, there is immense opportunity for increased foreign currency earnings and greater integration into the global economy. Nevertheless, the industry faces various challenges, including natural disasters, strikes, and political instability, which severely impact garment export marketing. Despite these obstacles, Kazi Otex stands out as an attractive option for local entrepreneurs. Its pivotal role in marketing and distributing high-quality fabrics sourced from China strengthens the local garment industry's position in the global market. By supplying these fabrics to local customers, Kazi Otex facilitates the export of finished goods to diverse countries, further boosting foreign exchange earnings. Recognizing the importance of efficient marketing and distribution, the company has undergone significant development. This growth aligns with its vision to streamline operations and enhance convenience for both buyers and suppliers in the garment industry supply chain. Overall, the success of the garment and textile sector in contributing to the economy hinges on its ability to overcome challenges and seize opportunities. Companies like Kazi Otex play a crucial role in bridging the gap between fabric supply and garment exports, thereby driving economic growth and prosperity.

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