Import and Export Policies of the Textile Sector of Bangladesh

With an Empirical View on M&J Group of Companies, Bangladesh

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This report is submitted to the school of Business and Economics, United International University as a partial requirement for the degree fulfillment of Bachelor of Business Administration

Import and Export Policies of the Textile Sector of Bangladesh

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Letter of Transmittal

Date: 22 July, 2026

To

Mofijul Hoq Masum

Associate Professor-AIS, SoBE, UIU

Director of Institutional Quality Assurance Cell (IQAC), UIU

Subject: Submission of Internship Report on “Import and Export Policies of Bangladesh’s Textile Sector”

Dear Sir,

With due respect, I am feeling pleased to be able to submit my internship report titled “Import and Export Policies of Bangladesh’s Textile Sector”. This report has been prepared based on several areas which includes my academic knowledge, internship experience, and secondary research on Bangladesh’s textile and RMG industry. From the best of my abilities, I have tried the report to focus on the import and export policy environment of Bangladesh’s textile sector, the role of M&J Group, industry trends, fiscal policy measures, sustainability issues, and the practical learning gained during my internship.

I sincerely thank you for your valuable guidance, support, and encouragement throughout the preparation of this report.

Sincerely yours,

Mohammad Ifaz Shahriar

BBA in Accounting

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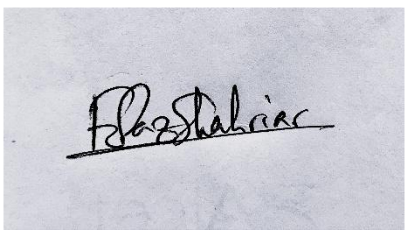
Declaration of the Student

I hereby declare that the internship report titled “Import and Export Policies of Bangladesh’s Textile Sector” has been prepared by me as a requirement for the completion of my BBA in Accounting from United International University. I have tried preparing the report based on my own knowledge, experience, and information collected from various sources.



Acknowledgement

In the preparation of this report, I have gained valuable insights through connecting my academic knowledge to real life job experiences. I do sincerely want to thank and am grateful to my mentor, Mofijul Hoq Masum, Associate Professor of Accounting Information System, SoBE for his cooperation and guidance on organizing the ideas, improving the quality to all the way to the preparation of the report in proper academic manner. I would also like to appreciate my university, United International University for enhancing me with the market knowledge, behavior, and skills necessary for improving in one's career.

Executive Summary

The report focuses on the factors and policies that answers the importance, growth, and trend of Bangladesh's textile and RMG industry globally, and how it is contributing to national economic development. From the perspective of M&J Group, an established apparel manufacturing group of Bangladesh, the report holds discussions on the background, objectives to scopes and key concepts of the industry with the help of charts, tables, and SWOT analysis.

With the rising demand for sustainable regulation policies, environmental concerns, and ethical labor practices, and not to mention the rising taxes, the report talks about the issues regarding source tax reductions, income tax exemptions, consideration of VAT and duty charges on recycled raw materials. These policy measures are important for improving liquidity, reducing production costs, encouraging sustainability, and strengthening export competitiveness.

The internship experience section reflects my practical learning in accounting-related tasks such as checking export and import bills, verifying invoices, recording payables, maintaining data in Oracle ERP and Microsoft Excel, monitoring sales revenue, sales realization, receivables, and export-related expenses. This experience helped me understand how accounting functions support export operations in a large apparel manufacturing organization.

Keywords

Bangladesh Textile Sector, Ready-Made Garments (RMG), Import and Export Policies, Sustainability, Circular Economy

Acronyms

Acronyms	Abbreviation
RMG	Ready Made Garments
LDC	Least Developed Country
MMF	Man-Made Fiber
VAT	Value Added Tax
QA	Quality Assurance
HS Code	Harmonized System Code
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
QC	Quality Control
AQL	Acceptable Quality Level
BKMEA	Bangladesh Knitwear Manufacturers and Exporters Association
C&F	Clearing and Forwarding
EPZ	Export Processing Zone

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INTRODUCTION

Chapter 1

1.1 Background of the Report

Bangladesh's textile and apparel industry is a major contributor to national exports, generating most foreign exchange earnings and providing employment to millions of workers. Since the 1980s, with the support of preferential access to developed markets, EU's Everything But Arms (EBA) and Canada's GSP, Bangladesh's ready-made garments (RMG) have dominated the country's trade profile. This resulted in becoming the world's second-largest garment exporter.

For the enrichment of this sector the government has introduced fiscal measures in the **Budget 2026–27** aiming to sustain competitiveness by reducing source taxes, rationalizing VAT on recycled fibers, and lowering duties on man-made fibers. In the face of rising global competition, sustainability demands, and post-LDC tariff hikes, these reforms are critical to ensuring resilience.

1.2 Objectives of the Report

Broad Objective

- To analyze the import and export policies governing Bangladesh's textile and ready-made garments sector, and examine their impact on industry competitiveness, sustainability, and growth.

Specific Objectives

- To provide an overview of Bangladesh's RMG industry, that includes the size, growth trends, challenges and contributions to the economy.
- To examine the major export and import policies related to this sector.

- To analyze government support mechanisms built around improving the competitiveness of the textile sector.
- To assess the importance of sustainability, environmental regulations, compliance requirements, and circular economy practices.
- To evaluate the business operations and strategic position of import and export policies of the RMG sector and M&J Group via company and SWOT analysis.
- To explore the opportunities for diversification and sustainability.

1.3 Rationale of the Report

The textile sector with it being the largest export industry, it is also the foundation of Bangladesh's industrialization, employment generation, foreign exchange earnings, and integration into the global economy. With the direct influence on production costs, market access, investment decisions, competitiveness, and long-term economic stability, are enough to justify why it is essential for policymakers, businesses, and researchers to understand the industry's import and export policies. More so ever, with the possible tariff increases, changing buyer requirements, and growing pressure from competitor countries, Vietnam, Cambodia, India, and China, regarding quality, efficiency, ethical, sustainable and environmentally responsible production, has broadened the relevance of this report. These challenges have also made it necessary to examine whether Bangladesh's current trade policies are strong enough to support diversification, value addition, technological upgrading, and circular economy practices.

1.4 Scope and Limitations

This report focuses on the trends, growth prospects and policies of Bangladesh's textile sector; gives an overview of the textile sector including its size, trends challenges, and contribution to the national economy. Furthermore, it discusses the major export and import policy frameworks, environmental and sustainability regulations and compliance requirements. To make it more real and practical the report includes a company analysis of M&J Group, highlighting its operations, maker position, and SWOT analysis. Despite the effort to make it comprehensive, the analysis is limited to secondary data and does not include primary interviews with industry stakeholders. Activities and practical experiences gained during my internship period in the company regarding accounting, export-import documentation, bank maintenance, etc. have also been incorporated here.

Despite the efforts of making the report comprehensive and informative, several limitations were encountered, from the report being primarily developed on secondary data collected from published reports, policy documents, company information, and other relevant online sources. Not to mention, due to time constraints and confidentiality requirements, access to certain company-specific financial and operational information was restricted. Moreover, the dynamic nature of international trade policies and market conditions means that they are frequently changing over time.

1.5 Definition of Key Terms

- **RMG (Ready-Made Garments):** Factory-produced clothing exported globally.
- **LDC Graduation:** Bangladesh’s transition from Least Developed Country status in 2026.
- **GSP/EBA:** Trade preference schemes offering duty-free access to developed markets.
- **Circular Economy:** An economic and production model that emphasizes the efficient use of resources through reducing, reusing, recycling, recovering, and remanufacturing materials.

COMPANY ANALYSIS AND INDUSTRY PROFILE

Chapter 2

2.1 Company Overview and History

M&J Group is one of Bangladesh's established apparel manufacturing groups, with its corporate office located at Red Crescent Concord Tower, Mohakhali, Dhaka. In the 1960s with the establishment of Northern Flour Mills Limited in Sirajganj the group started its journey and later expanded into the textile sector by opening Columbia Garments Limited, its first garment manufacturing unit in 1989. Later down the road, over time, the group further developed the existing manufacturing plants and diversified into not just manufacturing but washing, testing and running charitable ventures under its umbrella.

The company is mainly known for producing premium denimwear and garment dye products for international fashion buyers. Their slogan "Passion Makes Innovation," expresses their attention to modern production technological application and improvements, to product development, QC & QA while also maintain customer relationship in the long run.

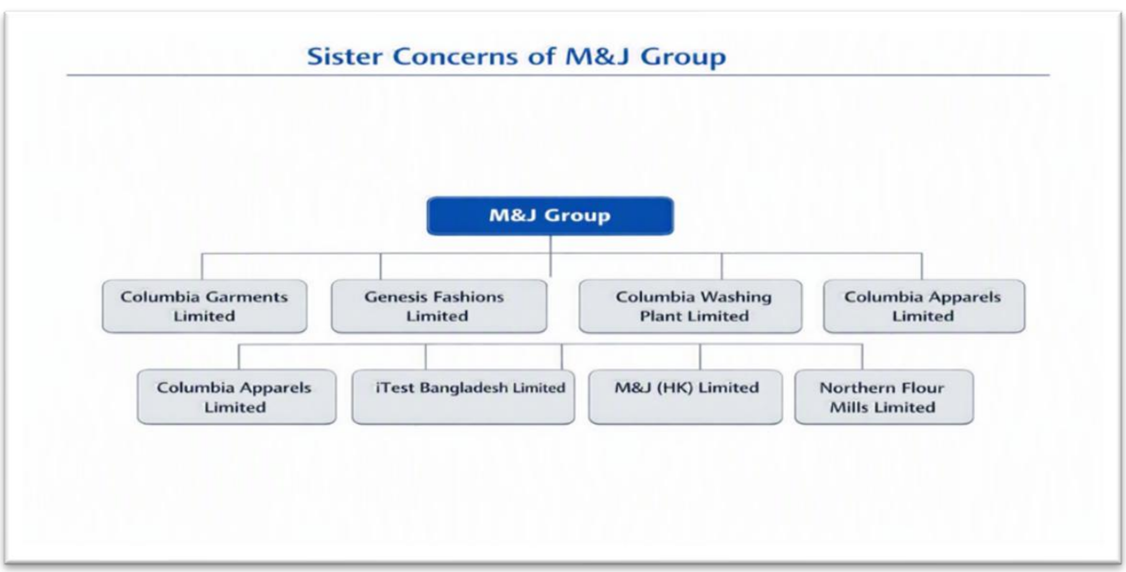


Figure 1: Sister Concerns of M&J Group

2.1.1 Product / Service / Customer mix

M&J Group’s core product mix is centered on denim tops and bottoms, washing and finishing, product development, and few other premium denimwear, non-denim, and garment dye products. These products are mostly exported to Western and European countries to various fashion brands including Zara, H&M, Target, G-Star, Diesel, and many more.

2.1.2 Company Operations / Activity

Beginning from product research and development to manufacturing the group integrates washing, finishing, quality testing and control, logistics, and client communication The operations of M&J Group are organized around apparel manufacturing activities that include product research and development, garment production, washing, finishing, quality control, laboratory testing, merchandising, compliance, logistics, and customer coordination. These are all possible due to the application of modern plants and machinery helping them to produce sustainable and high-quality apparel products according to buyer specifications.

Besides keeping the clients happy, the group also keeps in consideration about workplace safety, social compliance, environment friendly processes, and sustainability. Being everything down in-house, the dependency on external service providers is reduced by a lot helping in improving operational control and overall performance.

2.1.3 SWOT Analysis

SWOT Analysis of M&J Group	
Strengths	**Weaknesses**
Experience • Denim specialization • Global buyers • Integrated facilities • Sustainable technology	**Export dependence • Cost pressure • Limited brand visibility • Delivery pressure**

Opportunities	Threats
Sustainable apparel • Premium denim • Digitalization • Buyer expansion	**Global competition • Demand fluctuation • Compliance audits • Supply disruption**

The SWOT analysis shows that M&J Group has strong competitive advantages because of its long industry experience, specialization in denim products, established relationships with global buyers, integrated production facilities, and use of sustainable technology. These strengths help the company maintain product quality, improve operational control, and respond effectively to international buyer requirements.

However, the company also faces some weaknesses, including high dependence on export markets, pressure from rising production costs, limited visibility as an independent brand, and continuous pressure to meet strict delivery deadlines. Since M&J Group mainly works as a supplier for international fashion brands, changes in buyer demand or cost structure can directly affect its performance.

The company has several opportunities for future growth. Increasing global demand for sustainable apparel, higher-value premium denim products, digitalized production systems, and expansion into new buyer networks can help M&J Group strengthen its market position. By investing further in innovation, sustainability, and product development, the company can increase competitiveness in international markets.

At the same time, M&J Group must remain alert to threats such as intense global competition, fluctuations in international apparel demand, strict compliance audits, and possible supply chain disruptions. These threats can affect production planning, pricing, shipment schedules, and buyer relationships. Therefore, the company needs continuous improvement in efficiency, compliance, sustainability, and risk management to maintain long-term growth.

2.2 Industry Analysis

2.2.1 Specification of the Industry

The textile and ready-made garments (RMG) industry is the largest export-oriented industrial sector of Bangladesh and one of the most important drivers of the country's economic development. Converting fabrics and accessories into finished apparel for international retailers and brands, this sector is highly labor-intensive, export-focused, and deeply connected with global value chains, where production decisions are influenced by buyer requirements, lead time, price competitiveness, product quality, workplace safety, and sustainability standards.

Bangladesh's textile sector has developed through a combination of low-cost labor, entrepreneurial investment, and supportive government policies. Facilities such as bonded warehouse arrangements, export processing zones, and cash incentives have helped exporters import raw materials, produce garments, and ship finished products with lower transaction costs.

A major specification of this industry is its dependence on international buyers and export markets. The European Union, the United States, the United Kingdom, Canada, and several non-traditional markets such as Japan, Australia, India, and Turkey are important destinations for Bangladeshi apparel. Since most local manufacturers operate as suppliers rather than own-brand retailers, they must follow buyer-driven standards on design, fabric quality, yarn, accessories, packaging, washing, and finishing compliance, delivery schedules, social responsibility, and environmental performance. Therefore, competitiveness in this sector is not only based on low production cost but also on reliability, product development capability, ethical sourcing, and the ability to meet changing global fashion demand.

This makes import policy highly relevant for the sector because customs duties, VAT, tariff structures, port efficiency, exchange rates, and raw material availability directly affect production cost and export competitiveness. In recent years, the industry has been shifting toward greener factories, energy-efficient production, recycled materials, man-made fibers, automation, and higher-value apparel to respond to global sustainability requirements and the upcoming challenges of Bangladesh's graduation from LDC status.

2.2.2 Size, Trend, and Maturity of the Industry

Bangladesh's textile and RMG industry have grown from a small export activity into a major global apparel manufacturing hub which now contributes immensely to national merchandise export earnings and supports millions of direct and indirect jobs across manufacturing, transport, packaging, logistics, and other service activities. According to industry export data, RMG exports reached about USD 38.48 billion in 2024, while recent fiscal year figures also show that garments continue to account for around 81% of Bangladesh's total exports.

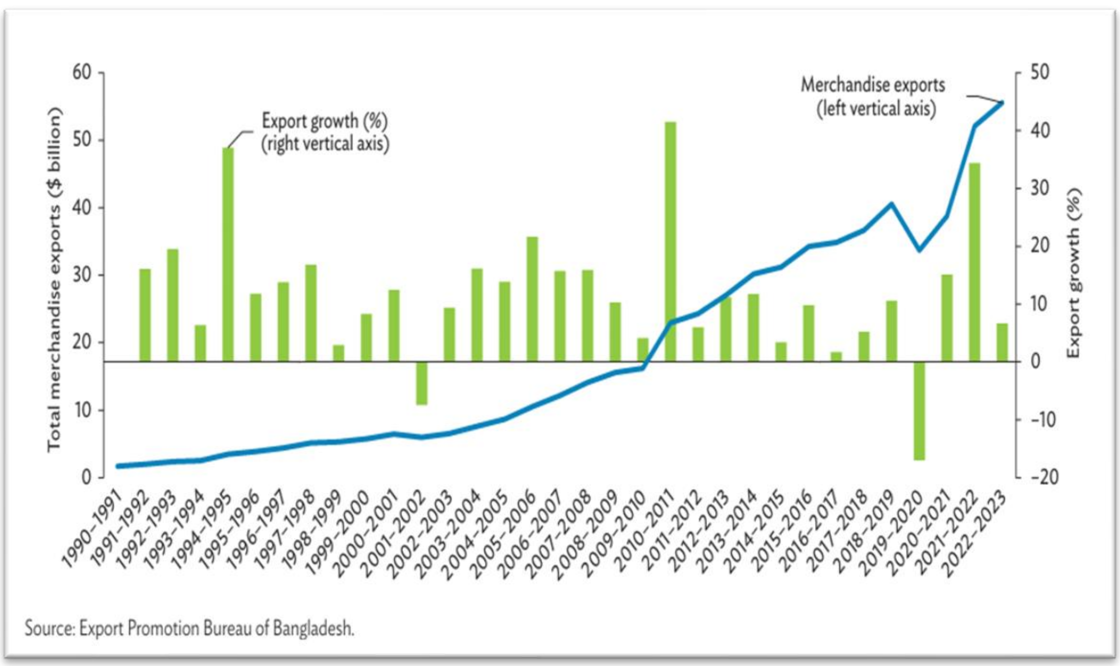
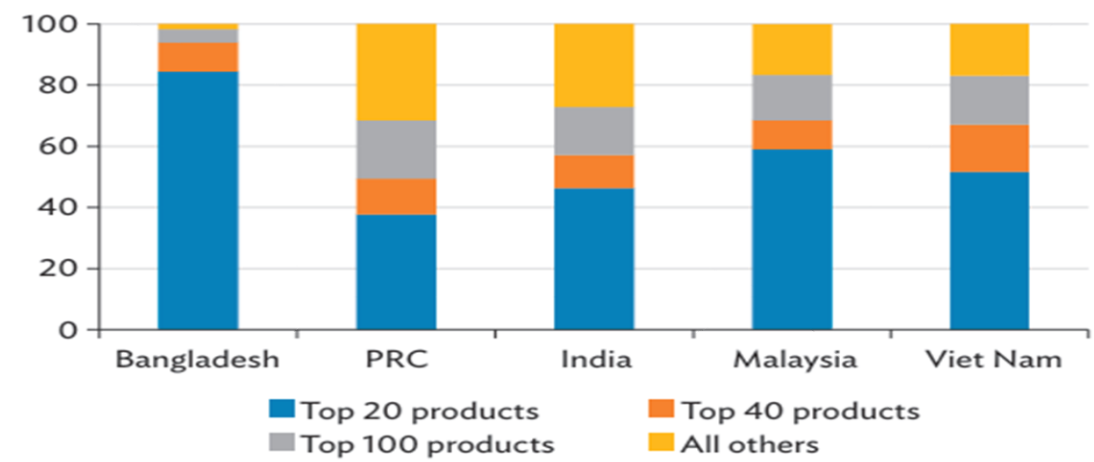


Figure 2: Export Growth of Bangladesh

The trend of the industry shows both resilience and pressure. On one side, Bangladesh remains an attractive sourcing destination because of large-scale production capacity, experienced manufacturers, competitive labor cost, and long-term relationships with global buyers. The country has also made progress in green industrialization, with a growing number of internationally recognized environment-friendly factories. These developments have improved the image of Bangladesh from a low-cost sourcing base to a more reliable and compliance-oriented apparel supplier. On the other side, the industry faces rising wages, energy shortages, higher utility costs, exchange rate pressure, logistics bottlenecks, and increasing competition from countries such as Vietnam, India, Cambodia, China, and Turkey.



PRC = People's Republic of China.
Note: Shares are computed for average exports during 2019–2021.
Source: Authors' analysis using International Trade Centre data.

Figure 3: Share of Top 20, 40, and 100 Products in Total Exports (at HS-6 Digit Level)

The top 20 products at the Harmonized System (HS) 6-digit level collectively represent over 80% of Bangladesh's total exports, whereas for countries like the India, Malaysia, the People's Republic of China (PRC), and Viet Nam, the corresponding figures range from 37% to 59% (Figure 4). Bangladesh's top 100 products constitute over 90% of its exports, contrasting with figures of 69% for the

PRC, 73% for India, and 84% for both Malaysia and Viet Nam. With RMG items prominently leading Bangladesh's top 100 products, there is a significant export concentration, even within the clothing export sector.

Overall, the sector is at a transition stage. It is mature enough to remain a leading global apparel exporter, but it must improve to protect its position in a more competitive post-LDC environment. The next phase of industry growth will depend less on volume alone and more on value addition, sustainability, speed, innovation, policy support, and stronger integration with global supply chains.

2.2.4 Industry SWOT Analysis

Factor	Details
Strengths	Low labor costs, strong global demand, preferential trade access, established supply chains.
Weaknesses	Overdependence on RMG, weak compliance standards, policy-induced anti-export bias, limited diversification.
Opportunities	Diversification into ICT, pharmaceuticals, leather, agro-processing, adoption of circular economy practices.
Threats	Tariff hikes post-LDC graduation, sustainability pressures, rising competition from Vietnam and Cambodia, global economic instability.

OVERVIEW OF THE POLICIES IN BANGLADESH TEXTILE SECTOR

Chapter 3

3.1 Keeping Environment at The Core

With the establishment of several policies and legal frameworks Bangladesh is continuously trying to address environmental concerns, including waste management.

- **Environmental Conservation Act 1995 (ECA)**

  With it being amended in 2000, 2002, and in 2010, this policy is serving as a key legislative framework concerning environmental protection through its guidance for vehicle emissions, environmental clearance for industrial projects, regulations for industries, discharge permits, quality standards for air, water, noise, and soil. This Act defines “waste” as any solid, liquid, gaseous, or radioactive substance whose discharge, disposal, or dumping could harm the environment. Furthermore, it also includes provisions for remedial actions for damage caused to ecosystems and outlines penalties for companies that violate their provisions. Key elements of ECA influence the requirement of prior environmental clearance, regulation of industrial waste, setting waste discharge and emission standards and mechanisms to enforce environmental justice.

  Like this, the National Environmental Policy 2018 and Environmental Conservation Rules 2023 serve the provides specific standards for waste disposal and other industrial wastes to minimize environmental impacts and ensure responsible waste management.

- **Bangladesh Labor Act, 2006**

Amendments approved in November 2023; the Labor Act supports decent working conditions aimed at protecting workers' rights. The law mandates that every garment factory must implement proper waste disposal mechanisms, maintain cleanliness and prevent harmful dust and fumes. Other than waste management, the act also provides provisions for protection and social security for young workers, health and wellbeing of the workers, and prohibition of hazardous work for minors.

Provision	Description
Protection for Young Workers	Section 34 of the Bangladesh Labor Act 2006 prohibits employment of children and adolescents without a medical fitness certificate. Exceptions for apprenticeships and training. Section 41 regulates working hours for adolescent workers, limiting shifts to two per day (max 7.5 hours each) and capping weekly hours. Overtime restrictions and mandatory holidays.
General Occupational Safety and Health (OSH) Measures	Chapter V outlines health and hygiene requirements, including Section 51 (Cleanliness), Section 53 (Prevention of Dust and Fumes), and Section 54 (Disposal of Wastes and Effluents).
Prohibition of Hazardous Work for Minors	Section 39 prohibits adolescents from hazardous work, with specific emphasis on preventing their involvement in risky fabric waste management tasks in informal sectors.

- **The 5R Approach**

Figure 4: 5R Approach in Bangladesh Textile Sector

Bangladesh's industrial policy has incorporated the 5R Framework to shift the country from just manufacturing and disposing to a more resource efficient and less wasteful one.

i. **Reduce.** Refers to the minimal usage of water, energy, chemical and other resource consumption where could be done so to achieve cleaner production process, and better control.
ii. **Reuse.** Industries are encouraged to reuse materials, components, and by-products, like scraps, and pre-used consumer products within production cycles.
iii. **Recycle.** Promotes systematic recycling of industrial waste, better sorting, pre-treatment, and technological upgrades to recycle.

iv. **Recover.** Recovery focuses on extracting value from waste that cannot be reused or recycled, such as energy recovery. For example, converting textile sludge or organic waste into biogas or energy.

v. **Remanufacture.** The policy encourages remanufacturing products using recovered or recycled materials, creating new value-added products. Like producing regenerated fibers, recycled yarns, and upcycled garments.

3.2 Fiscal Policy Measures in Budget 2026-27

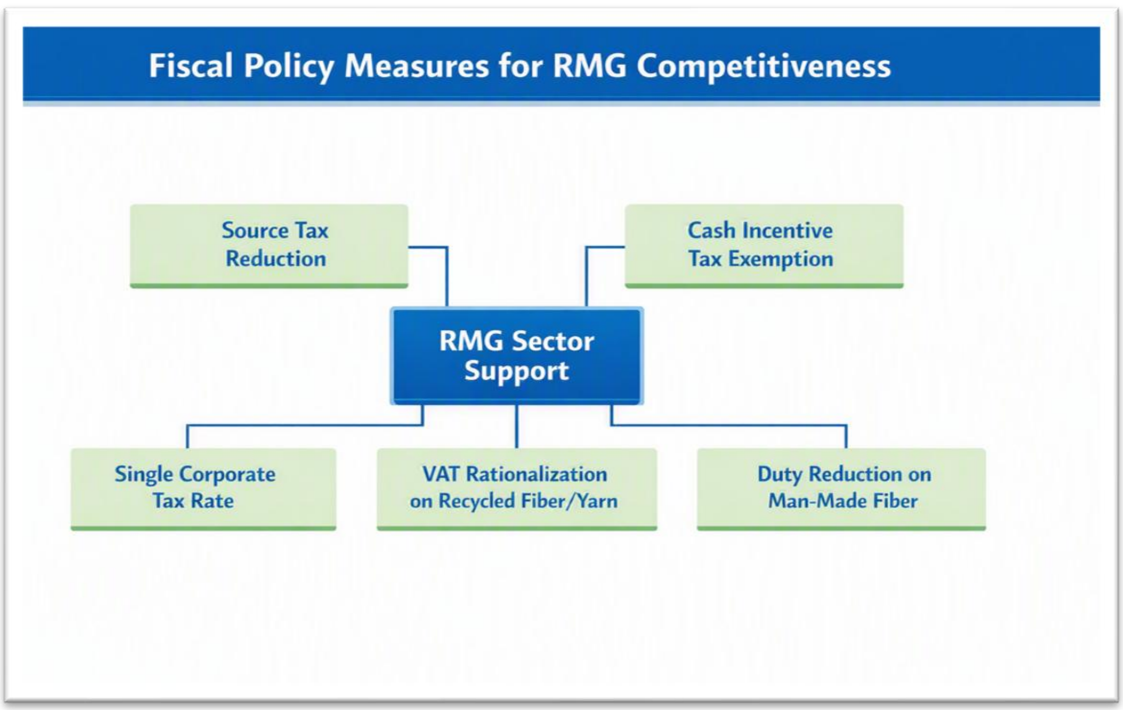


Figure 5: Fiscal Policy Measures for RMG Competitiveness

- **Reduction of source tax on export earnings from 1% to 0.5%**

To eliminate the burden of additional taxes on export earnings, boosting entrepreneurs' confidence to make long-term investment decisions, improving cash flow for the factories to pay their worker's wages, and purchase raw materials to other opportunities the current source tax has been proposed set at 0.5% for the five fiscal years (2026-27 to 2030-31) from 1%.

- **Exemption of 10% Income tax on cash assistance and incentives**

  Exporters in Bangladesh currently lose **10% of their cash assistance** due to mandatory income tax deductions. The government had previously lowered the deduction to **5%** through **SRO No. 02 Act/Income Tax/2020**, effective until **30 June 2020**, but since the order was not renewed, the earlier **10% deduction under the Finance Bill 2019** continues to apply.

  At the same time, the apparel sector's **special cash support** has been significantly reduced—from **1.00% to only 0.30%**, as stated in **Bangladesh Bank FE Circular No. 28 (10 July 2025)**. As incentives are getting narrower there is less than sufficient remaining for the exporter to fully benefit from the assistance still available. As for the stated situation, removal of the 10% income tax on cash assistance has been highly requested by the industry stakeholders; suggesting that it will improve the overall liquidity, enhance competitiveness, job creation and stronger economy.

- **Single Standard Corporate Tax Rate**

  Under the current tax framework, the apparel industry enjoys a **12% corporate tax rate**, and certified green factories benefit from an even lower **10% rate**. However, not all income streams are taxed at these preferential rates. Earnings from subcontracting, gains from selling assets, and expenditure classified as disallowable are instead taxed at the **general corporate rate**, which ranges from **25% to 27.5%**, and in some cases reaches **30%**. This disparity significantly reduces the sector's net profitability.

Because multiple tax rates apply to different types of income, businesses face added complications during audits and financial reporting. The varied rates also increase the overall tax burden on entrepreneurs, making compliance more difficult and reducing the sector's financial resilience.

Given these challenges, industry stakeholders argue that the **12% corporate tax rate should be applied uniformly** across all categories of income and expenditure for apparel manufacturers. A single, consistent rate would simplify audits, reduce administrative complexity, and ease the financial pressure on firms—ultimately supporting competitiveness and long-term sustainability.

- **Rationalizing VAT on Recycled Fiber/Yarn**

When a recycling mill collects fabric scrap or pre-consumer fabric waste from an apparel factory, it must pay 7.5% VAT, as per SRO No. 240-Act/2023/177, and subsequently, when recycled fiber or yarn is sold to a spinning or textile mill, another 15% VAT is imposed under the Value Added Tax and Supplementary Duty Act, 2012. In this way, it imposes multiple layers of taxation on the same product and incurs a high amount of VAT. As high VAT increases production costs, making imported yarn more competitive than locally produced recycled yarn, it discourages investment in recycling and undermines sustainable practices. Therefore, it is proposed to exempt recycled fiber/yarn from VAT.

- **Rationalizing Duty on imported Man-Made Fiber (MMF)**

While about 73-75% of Bangladesh's total exports are cotton-based, the global apparel market is showing strong demand for sustainable fashion and man-made fiber (MMF)-based products. At present, there is no duty on cotton imports, but in many cases, VAT and customs duties are imposed on the import of MMF fibers such as polyester, viscose, and nylon. In such a case, removing customs duties and advance taxes on all types of imported

MMFs fibers completely lets local yarn producers to access raw materials at lower prices, ultimately expanding the apparel export market.

3.3 Export and Import Policies Regarding the RMG Sector

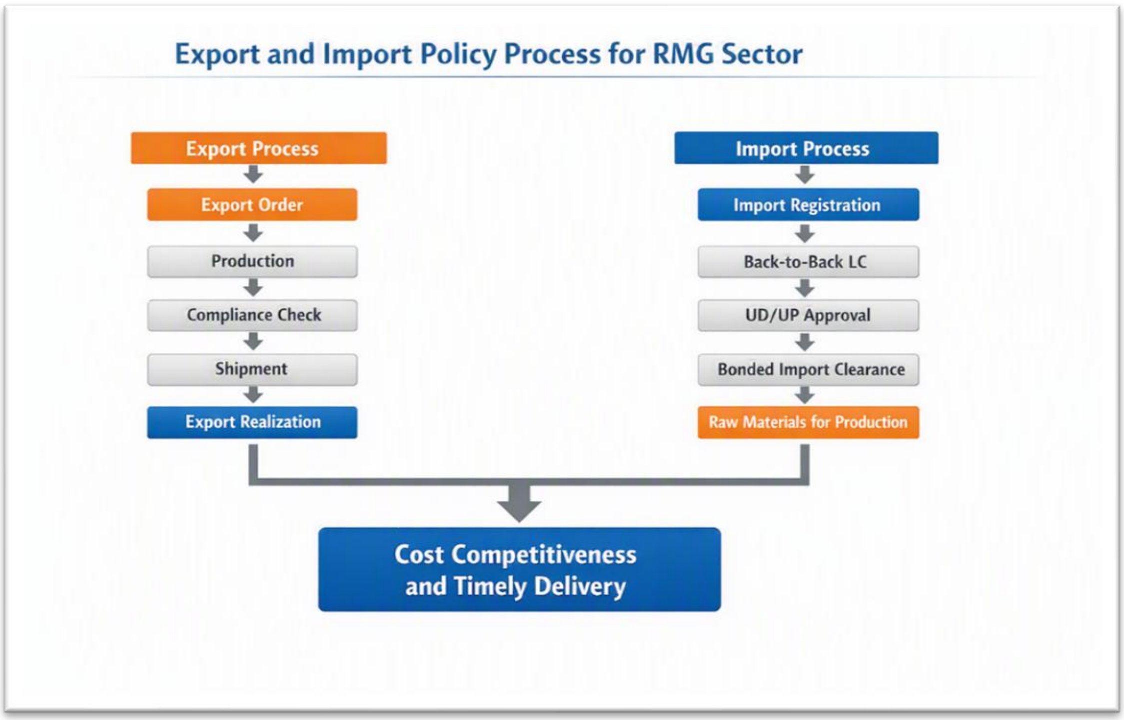


Figure 6: Export and Import Policy Process for RMG Sector

Bangladesh's ready-made garments sector operates under a policy framework designed to support export growth, reduce production cost, ensure access to raw materials, and improve competitiveness in global apparel markets. Since the RMG sector is the largest source of export earnings for Bangladesh, export and import policies play a direct role in factory operations, pricing decisions, buyer relationships, and long-term industry sustainability. The major policies related to the RMG sector are discussed below.

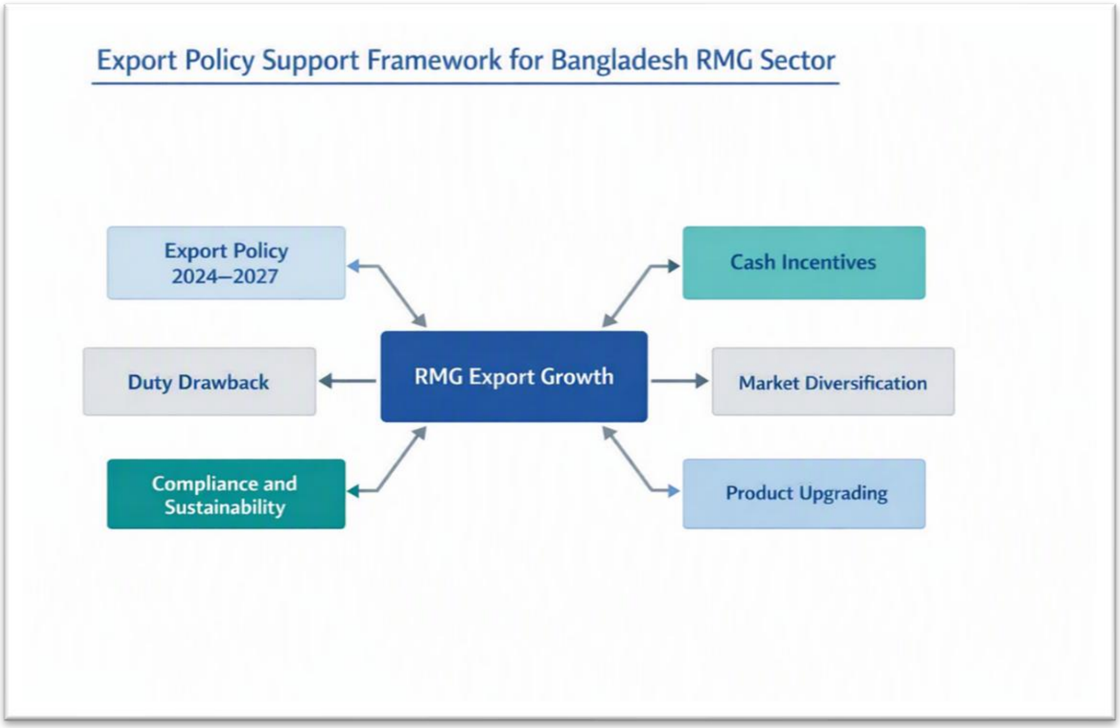


Figure 7: Export Policy Support Framework for Bangladesh RMG Sector

3.3.1 Export Policy 2024–2027

To focus on export-led growth, product diversification, market expansion, product quality and so on, the export policy 2024-2027 has been developed for guiding Bangladesh's export sector. This policy would encourage exporters to produce quality products at competitive prices; from basic low-cost apparels toward higher-value products such as denim, outerwear, sportswear, and other garments.

3.3.2 Export Cash Incentive Policy

To enable eligible exporters to receive assistance based on export value, product category, destination and the use of local input, this export cash incentive would support them to keep them competitive in the international market. For the RMG sector, cash incentives are especially important for small and medium garment exporters, textile mills, producers using domestic yarn and fabric, and exporters entering non-traditional markets.

The main purpose of this policy is to reduce cost pressure, encourage value addition, support backward linkage industries, and motivate exporters to expand their market reach. However, due to Bangladesh's upcoming LDC graduation and WTO-related subsidy rules, direct cash incentives are expected to be gradually reduced or replaced by alternative support measures. As a result, the RMG sector will need to depend more on productivity improvement, technology adoption, lower lead time, better compliance, and product diversification rather than direct subsidy support.

3.3.3 Duty Drawback Policy

To ensure that exported goods are not burdened with domestic taxes (VAT and other applicable taxes on RM) on inputs, duty drawbacks have been developed which would refund or let exporters recover duties and taxes paid on imported inputs which will be used for manufacturing exported goods. This would let businesses to remain price competitive while also supporting the principle that exports should not increase the COGS in international markets.

3.3.4 Back-to-Back Letter of Credit Policy

Back-to-back letter of credit lets an exporter open an import LC against a confirmed master export LC received from an international buyer. This allows the factory to import fabrics, yarn, accessories, trims, and packaging materials without making immediate full payment from its own funds.

Because garment production often begins before the exporter receives payment from the buyer, with this policy the buyer's export LC as security, banks can open a secondary LC in favor of suppliers. This improves liquidity, supports uninterrupted production, and allows factories to manage large export orders.

3.3.5 HS Code, Tariff, and Customs Compliance Policy

For customs compliance is more of a legal requirement than just a controlling matter, accurate HS code, correct valuation and proper documentation through customs systems helps export-oriented garments to reduce delays at ports and prevent unnecessary demurrage. It is important to declare every imported under the correct HS code for duties and taxes depend on classifications. On the other hand, incorrect HS codes could cause delays, fines or disputes with customs.

3.3.6 Import Policy for Capital Machinery and Spare Parts

With the rising demand for shorter lead time, higher quality, traceability, and sustainable production the import policy for capital machinery and spare parts allow garments factories to import machinery and essential spare parts smoothly in order to reduce downtime, improve efficiency, and reduce waste. The import policy for capital machinery and spare parts is highly relevant for the textile and RMG sector because modern production depends on sewing machines, cutting machines, washing equipment, boilers, generators, compressors, dyeing machinery, finishing equipment, testing machines, and automation tools.

Internship Experience

Chapter 4

4.1 Position, Duties, and Responsibilities

From checking export and import-related bills, verifying invoices received from suppliers, C&F agents, freight and logistics agents, and other providers to making sure that the financial information is accurate, my responsibilities comprised to maintain proper records in ORACLE and Excel. I do also had to update, and monitor, overall keeping the data organized for reporting and monitoring purposes.

The job also requires regular monitoring of export sales revenue, sales realization, receivable collection, and sales-related expenses such as bank charges, buyer commission, freight, courier, C&F, and other export-related costs. I assisted in preparing vouchers, checking sales invoices, updating sales and receivable records, and supporting the preparation of reports. These tasks helped me understand how export transactions are recorded, adjusted, and reported within a large apparel manufacturing organization.

My internship journey helped me improve my practical knowledge of accounting procedures, export revenue recognition, Oracle-based financial operations, document archiving, and professional communication.

1. **Proceeds realization Sales**
    a. Bank received follow up from CM foreign file server
    b. Advice received from Bank
    c. CI information collect from Treasury department from specific folder in file server
    d. Update Register
    e. Received in the specific bank and apply invoice in the system
    f. Apply all adjustments like, short realization, Interest on bill discount and foreign bank charges

g. Negative received in the specific bank for AIT, Central Fund and Bank Charge

h. Ensure AIT posted in the GL properly to extract GL

2. Proceeds realization Cash incentive

i. Bank received follow up from CM foreign file server

j. Advice received from Bank

k. Bill information collect from commercial department

l. Received in the specific bank and apply invoice in the system

m. Negative received in the specific bank AIT use code 15301030004-Source Tax against Cash Incentive and Bank Charge if necessary

n. Ensure AIT posted in the GL properly to extract GL

3. Transport Bill

a. Received transport bill from supplier

b. Send the bill to commercial and factory for their acknowledgement for exceptional cases.

c. Ensure the rate as per contract

d. Make standard invoice for the bill by using account code 43103050003-Carriage Outwards Selling

e. Attached all bill with invoice in the system

f. Maintain a register to make provision for the bills which are not available in our hands check with the report Delivery Chalan Summary

g. Apply for prepayment if necessary

h. Bill sends it to CM section

4. C&F Bill

a. Received C&F bill from commercial department

b. Soft copy from Ctg. Office accountant

c. Check and make standard invoices in the system by using code 43103050002-C & F Expenses Selling for all companies.

d. Again, for CAL and GFL bills make customer invoice in the books of CGL for export bills by using code 31201010010-C&F Revenue – Export

e. Make Standard invoice for export bill in the gooks of CGL for CAL and GFL by using code- 46101010009- C&F Expenses -Intercompany-Export

f. Received and applied invoice in the system for specific bank

g. CAL and GFL import bills make customer invoice in the books of CGL by using code 31201010009 -C&F Revenue - Import

h. Received and applied invoice in the system for specific bank

i. Bill sends it to CM section

j. Make provision for the bills which are not available in our hands to collect sheets from CTG office

5. **Air freight bill**

   a. Received bills from commercial department

   b. Check the bills rate approved by the MD sir

   c. Make GRN and invoice in the system and tag CI number in the DFF

   d. Attached invoice in the system and record keep I a specific folder

   e. Maintain register for future reference

   f. Bill sends it to CM section

   g. Transfer the cost to GWN to code 46101010004- Rejection Claim Expenses if necessary

6. **Petty expenses, BL, CO, GSP and others**

   a. Make GRN and invoice in the system

   b. For BL tag CI in the system

   c. Bill sends it to CM section

7. **Service income Wash, Embroidery, Print and Cash incentive**
    a. Prepare wash bill for CWPL and GWN
    b. For GWN data received from Factory and Collect rate from merchandiser and previous master data
    c. For CWPL data received from Factory and Collect rate from POC
    d. Embroidery and print data collect from Factory
    e. Cash incentive data extracted from Export sales report and applied country wise rate and make provision
    f. File submission data collected from commercial department and make customer invoice in the system and reversed the same from provision on time in the system
    g. Make customer invoices in the system for Wash, Embroidery, Print
    h. Records kept in the specific files
    i. Wash, Embroidery, Print sent to Mr. Rafiq and Pankaj
    j. Print that bill and obtain signature

8. **Ensure export sales monthly**
    a. Make sure all sales entered in the system cross check with export sales report and GL
    b. Make provisional sales for GFL and adjust previous by checking factory export data, commercial data and provision.
    c. Reversed sales if necessary

9. **Maintain DOA where necessary and comply with all regulatory requirements**

FINDINGS AND ANALYSIS

Chapter 5

5.1 Introduction

This chapter presents the major findings and analysis developed from the discussion of Bangladesh's textile and RMG sector, the policy environment, M&J Group's operations, and the internship experience. The findings tell how policies, measures and compliance requirements and sustainability practices influence competitiveness both nationally and internationally.

5.2 Major Findings

5.2.1 High Dependence on RMG Exports

Bangladesh's export structure is highly dependent on the RMG sector. While this has helped the country become a major global apparel exporter, it also creates risk because any decline in international apparel demand, buyer relocation, tariff change, or compliance failure can directly affect national export earnings. For this reason, the industry needs stronger product and market diversification to reduce vulnerability.

5.2.2 Export Policies Support Competitiveness but Require Adjustment

Export policies such as cash incentives, duty drawback, and others as discussed above help garment exporters reduce cost pressure and compete in globally. However, Bangladesh's graduation from LDC status may reduce the scope of direct export subsidies and preferential market access which would result in gradual transition from incentive-based competitiveness toward productivity, innovation, technological upgrading, and faster lead time.

5.2.3 Fiscal Measures Can Improve Liquidity and Investment Capacity

In the earlier, the fiscal policy measures we discussed, we see that lower source tax on export earnings, reduction of tax on cash assistance, rationalized VAT on recycled products, etc. can help exporters manage cash flow, invest in product development, and shift toward higher-value apparel. Therefore, tax and duty structures can significantly affect business liquidity, and for this reason, these measures are particularly important for factories facing rising production costs and shrinking export margins.

5.3 Analysis

With large scale production, goods quality and at a lower cost or cheap labor for which offering competitive pricing, Bangladesh's textile and RMG sector has already achieved global recognition. However, future competitiveness depends on how effectively the industry adapts to policy changes, sustainability pressure, and changing global fashion demand.

Figure 8: Impact of Export and Import Policies on RMG Competitiveness

The diagram above shows that export and import policies affect competitiveness through four major channels: cost reduction, faster lead time, better compliance, and market expansion.

- *Cost reduction* is supported by bonded warehouse facilities, duty-free inputs, cash incentives, and rationalized tax measures.
- *Faster lead time* depends on smooth import clearance, LC support, and efficient customs processing.
- *Better compliance* depends on proper documentation, HS code accuracy, audit readiness, and environmental responsibility.
- *Market expansion* depends on product diversification, higher-value garments, man-made fiber adoption, and entry into non-traditional export destinations.

5.4 Summary of Findings

- Export policies support competitiveness, but future policy support must focus more on productivity, innovation, and diversification.
- Import policies are directly connected with raw material availability, lead time, production cost, and shipment performance.
- Compliance, sustainability, and circular economy practices are necessary for long-term buyer confidence.
- Fiscal policy reforms can improve liquidity and encourage investment in higher-value and sustainable products.
- Accounting documentation and internal control play an important role in supporting export-import transactions.

CONCLUSIONS AND KEY FACTS

Chapter 6

6.1 Key Understanding

Several key insights emerge from this study:

- Bangladesh's textile sector is globally competitive but highly vulnerable due to its concentration in RMG.
- Sustainability and circular economy practices are no longer optional; they are prerequisites for maintaining access to global markets.
- Fiscal measures, trade negotiations, and compliance reforms must work together to ensure resilience.

6.2 Recommendations

Based on the findings of this report, the recommendations should focus not only on a single company but on the overall development of Bangladesh's textile and RMG sector. The industry must improve its policy implementation, production efficiency, export diversification, sustainability practices, and documentation systems to remain competitive in the global market.

6.2.1 Improve Import Clearance and Trade Facilitation

Efficient import procedures are essential for timely production in the textile and RMG sector. The government and customs authorities should make import clearance processes faster and more transparent. Digital documentation reduced manual approval steps, and better coordination among customs, banks, BGMEA, BKMEA, and exporters can reduce shipment delays, demurrage costs, and production disruption.

6.2.3 Encourage Investment in Man-Made Fibers and Backward Linkage

The global apparel market is increasingly moving toward polyester, viscose, nylon, recycled fiber, and blended fabrics. Bangladesh should therefore support investment in man-made fiber production, synthetic yarn, blended fabrics, textile recycling, and other backward linkage industries. Lower duties on MMF inputs, easier machinery import, and incentives for textile recycling can help local mills supply competitive raw materials to garment factories and reduce dependence on imported finished fabrics.

6.2.4 Strengthen Sustainability and Circular Economy Practices

Instead of looking at sustainability as an optional requirement business should be treated as a long-term competitiveness strategy for the whole industry with investments being made in wastage treatment, energy-efficiency, renewable energy, fabric recycling, and other green practices. The 5R approach should be applied more strongly in textile production.

6.2.5 Improve Compliance, Skills, and Worker Productivity

With skill development programs (advanced sewing, machine operation, ERP usage, etc.) factories should continue excelling labor compliance, safety, human resources, and overall productivity. This will result in reducing production costs while maintaining competitiveness in international markets.

6.3 Conclusion

In addition to remittances, the textile sector has been other strength of Bangladesh’s economic growth, but its future depends on strategic reforms which is possible through diversifying exports, rationalizing tariffs, and embracing sustainability. The export policy reforms, Budget’s fiscal measures, and circular economy initiatives provide a roadmap for this transformation. However, successful implementation requires collaboration between government, industry, and international partners, annual budget measures, and embracing diversification, and sustainability.

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