



INTERNSHIP REPORT

Prospects of Backward Linkage in RMG sector of
Bangladesh: A study on CMT Bd.



COMPAGNIE **M**AURICIENNE DE **T**EXTILE LTEE



Internship report

On

Prospects of Backward Linkage in RMG sector of Bangladesh: A study
on CMT Bd.

Submitted To

Mr. S.M. Asif-Ur-Rahman
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Submitted By

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Date of Submission: 18/07/2018



Letter of Transmittal

Date: 18/07/2018

To: The intern supervisor

Mr. S.M. Asif-Ur-Rahman

Assistant professor

School of Business and Economics

United International University

Dhaka, Bangladesh.

Subject: Submission of Internship Report.

Dear Sir,

this is a great opportunity pleasure for me to submit the internship report on prospects of backward linkage in RMG sector: a study on CMT bd. The examination in the report depends on the information and data found amid my entry level position period. I expect this report is enlightening and additionally exhaustive. the report gives inside and out data about CMT restricted my activity duty and entry level position result.

I give my best push to make it a commendable one. there are couple of constraints because of absence of time and different reasons however I have attempted my level best to influence it as right as would be prudent and I to have attempted my best to assemble related data from every single accessible source. with my restricted learning I will attempt my level best to set up the report advantageous.

Yours sincerely,

Md. Estekhar Alam

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Declaration of Student

This is to notify that this report “Prospects of backward linkage in RMG sector: A study on CMT BD”. has been prepared as a part of my internship formalities. It is a compulsory part of my Bachelor of Business Administration (BBA) program to submit an internship report.

Moreover, I was inspired and instructed by my supervisor Mr. S.M. Asif-Ur-Rahman, assistant professor, Business school and economics, United international university.

Yours sincerely,

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Acknowledgement

In the first place I might want to offer my most profound thanks to the almighty Allah for whose support I am ready to complete the undertaking on time. I am grateful to numerous individuals for their motivation and support amid the entire time I was chipping away at this report. I am extremely appreciative to my temporary position administrator; noteworthy Mr. S.M. Asif-Ur-Rahman, Assistant professor, Business school and economics, United international university, for his incredible supervision to me amid the entire time of entry level position period. Without his help, I would not have possessed the capacity to finish my report effectively.

I am especially appreciative to my supervisor, Mr. Anwar Hossain, Commercial Manager, for giving me the chance to finish my temporary position at CMT restricted. They gave profitable data and applicable information. I am certain that their dynamic administrative exercises will offer motivation to anyone to construct one's profession appropriately.

I additionally need to thank to say thanks to Mr Khalid Khan, Commercial officer. For her nearby supervision and all the person of CMT constrained, for their help that I have been accommodated setting up my report.



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Executive Summary

The RMG part of Bangladesh is the biggest supporter of Gross domestic product around 81% in the 2015 financial year. This RMG industry has expanded in huge sum since 1978. The development of this division has led Bangladesh to wind up one of the center acquiring nations of the world by 2021. Be that as it may, this segment has constantly confronted a few issues to face its actual potential. The consistence issue of the RMG part was the principal, now step by step the quantity of dangers is expanding quickly. The most huge risk to this area is its regressive linkages. Despite the fact that the ventures forward linkage, the generation unit has made its ground appropriately yet the crude material creation of this part is route beneath to the aggregate request. The regressive linkage industry of Bangladesh in RMG segment is 5-8% to the aggregate request. Consequently, the crude materials like texture, trims and adornments are being foreign made from different nations. A colossal measure of crude materials are being sourced from outside market. To buy the crude materials 60-70% of item cost leave in abroad market and the benefit pick up from these generation arrange is less. Buying crude materials from different nations takes a considerable measure time. There are a great deal of components is considered when buying the crude materials. The principle issue is confronted is making protection of lead time gave by the purchaser. At the point when the crude materials are being obtained from the remote market the maker needs to ensure the planning of the crude materials landing in light of the fact that if the crude materials are not in-housed in time the generation and shipment of purchaser won't be on time. In this way, when the items are not conveyed on time the purchaser change the industrial facility of request or the nation. So, keeping up the lead time has turned out to be vital for contending in the worldwide market. Bangladesh RMG industry has numerous contenders and a considerable lot of the contender's state of in reverse linkages are more grounded than that of Bangladesh. In this way, to manage in the worldwide market Bangladesh needs to build up its material part more and guarantee the crude materials emergency to be understood. On the off chance that the issue of crude material isn't comprehended Bangladesh will go into a predicament they are currently. Along these lines, to beat the issue Bangladesh should take activities to take care of the issue.



Chapter-1: Introduction





1.1 Origin of the study:

This is the age of competition in anywhere at any place. From that reason Education is one of the most competitive sectors of a human life. According to standard of teaching different universities in our country upgrade their procedure & teaching pattern. To respect that, internship is a mandatory part of the BBA to fulfill this program which offered by University. So, my respected teacher gives me a topic about RMG sector that is “Prospects of backward linkage in RMG sector: A study on CMT BD”.

1.2 Rationality:

BBA program objective is link between two things one is theoretical knowledge and another one is practical knowledge. Books or subject gives us theoretical knowledge and internship gives us practical knowledge. After completing this program, I can able to setup a bridge between corporate world and academic world.

1.3 Background of the study:

In CMT Bd. during my internship period, I got the opportunity to work with their commercial team. I was working there last three month & my work was related with backward linkage of this company. This company is 100% export-oriented company. My most of the assigned work is related with export process of this company.

The internship program at Compagnie Mauritiens Textile (CMT) Limited has given me the opportunity to learn about the organizational behavior through corporate environment as well as given me an insight of office environment through increasing my practical knowledge. My experience involves with the backward linkage of this company so that I have selected the topic “Prospects of backward linkage in RMG sector: A study on CMT BD”.

1.4 Objective of the study:

Garments industry is the fastest growing sector in Bangladesh. Most of the garments company are export oriented now a day. To export something, organization need a strong backward linkage.

Primary objective:

- To completing of graduate BBA program.
- To ready internship report based on my internship experience.



Secondary objective:

- To know about the CMT Bd. Environment & its operation strategy.
- To evaluate the backward linkage prospects of RMG sector in Bangladesh.
- To study the problems & prospects of backward linkage in RMG sector.
- To suggest some recommended ways of backward linkage in RMG sector of Bangladesh.

1.5 Methodology of the study:

This report information is based on both type of sources primary data sources & secondary data sources.

Primary data:

Primary data of this report is collect from face to face interview with officials. Their information is very crucial for this report.

Secondary data:

Secondary data collect from CMT website, their official paper & relevant articles.

1.6 Limitations of the study:

There have been few constraints faced for collecting data.

- Printed data are not available.
- Time shortage during prepare the report.
- Non-cooperative behavior of some officials in CMT.
- Less analytical power.
- Update information is not available.



Chapter-2: Overview of The Company





2.1 Who is CMT?

CMT full name is Compagnie Mauricienne De Textile LTEE. This is one of the leading vertically integrated garments manufacturer in the world.





2.2 A brief history of CMT:

In 1986 the company was started. CMT founded by Louis Lai Fat Fur and Francois Woo Shing Hai. At that time CMT have one sewing factory & 30 employees all are Mauritian.

In 1990-96 company go through capital investment and vertical integration. Then have they 2 fabric mills, 3 sewing factories and admin building. They expansion into knitting and dyeing operations.

In 1997-2002 CMT opening a hi-tech dyeing plant. That time they have 2 fabric mills, 5 sewing factories and admin building. CMT expansion on embroidery and printing facilities.

In 2003-06 CMT expansion on operations, upgrading service and global outreach. That time CMT have 2 fabric mills, 6 sewing factories and admin building.

CMT is the leader of jersey wear apparel industry in the global market. CMT headquarter in Mauritius & its marketing office in UK, France and in New York open soon. It is situated in sub-Saharan region.

CMT specialized in the design and production of fast-fashion jersey wear products. Around 10,000 people employing here and its turnover US \$200 million.

2.3 CMT Operation and Design:

A full-package service provides to its customers. Detailed operation includes;

- Product design & development
- Yarn dyeing & spinning
- Fabric knitting, dyeing & finishing
- Cutting & sewing
- Printing
- Embroidery
- Garment wash and dyeing
- Landed delivery into distribution centers



2.4 Mission Statement:

From where we come – to where we are going.

We strive to be the number one world-class manufacturer of top quality garments and jersey wear, by investing in technology promoting training and development for our people.

By becoming a hub for learning, we will contribute to our country's social and economic development.

We are the Dream Team!

2.5 About CMT Bangladesh Factory:

CMT Bangladesh started its journey as a multinational company in 2010 with CMI limited. CMI limited is an investing company for CMT Bangladesh. In January 2011, CMI started Dignity Textile Mills Limited (DTML) in Baluka. In October 2011 CMI acquired Consumer Knitex Limited (CKL). as a sign of growth In July 2016 CMT started a new factory is CKL Unit 2 (TRISHAL).





2.6 Company Profile at a Glance

Table-01 CMT profile overview

Name	Compagnie Mauricienne De Textile LTEE.
Short name	CMT
Company establishment	1986
Executive director	1. Mr Laval Ah Kine, Chairman 2. Mr François Woo Shing Hai GOSK, Managing Director 3. Mr Louis Lai Fat Fur GOSK, Managing Director 4. Mrs Marie-Claire Woo Shing Hai, Marketing Director
Type of company	100% export oriented
Present Address:	Abroad Address - DBM Industrial Estate, Phoenix, Mauritius. Bangladesh Address- Unique Trade Center (UTC), Level-20, 8 Panthapath, Kawranbazar, Dhaka-1215.
Total employees	10,000
Turnover	US \$200 million
Telephone Numbers:	(230)601-8888
E-mail:	info@cmt.mu
Floor space	270,000 m2 (3 million square ft.)
Production sites	7 in Mauritius
Sample Capacity	300 samples/day
Export capacity	60 million garments a year
Main export market	Europe – 88% US- 12%



2.7 CMT Key assets:

CMT key assets its employees. Employees are highly motivated to provide superior customer value. Around 10,000 employees are like family members. Its other key assets are;

- **Product design & development:**
A fantastic designer group upgrade their product design consistently according to R&D teams.
- **Information and communications technology:**
Strong online based order placement and information & technology-based system operation help to provide fastest service.
- **Customer care and marketing:**
A professional team work behind it. They analyze customer fashion trends & market. They also track production & monitor till customer warehouse.
- **Quality management:**
CMT always emphasize to ensure their product quality. And it's happened when quality management team independent.

2.8 CMT BD. Department:

In head office of CMT bd. (Dhaka) there have five departments. Such as;

- **Finance, Accounts & Audit Department:**
This department deal with all financial activities of CMT bd. They also audit all the departments activities every year. This department is the blood of this company.
- **Commercial Department:**
Commercial department deal with all kind of export-import related activities. This team is the backbone of this company.
- **Purchase Department:**
This department operate all purchase related activities for the factory operation & production.



- **Accessories Department:**
Accessories department deal with all kind of production related accessories and equipment which needed in the factory.
- **Admin & HR Department:**
This department responsible for providing administrative aid in information management systems, payroll, and human resource.

Department wise employee view;

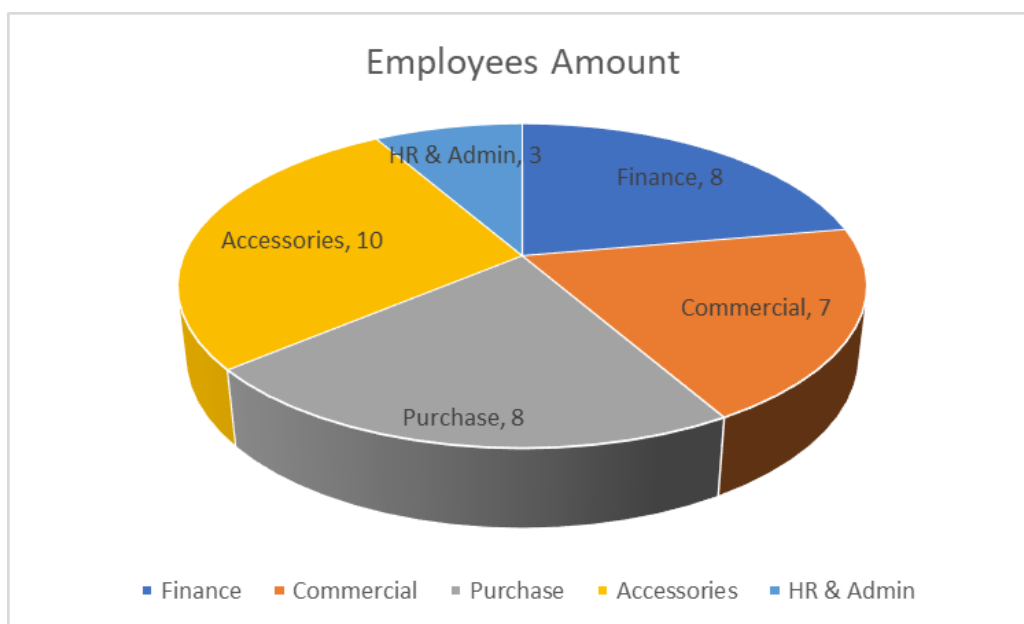
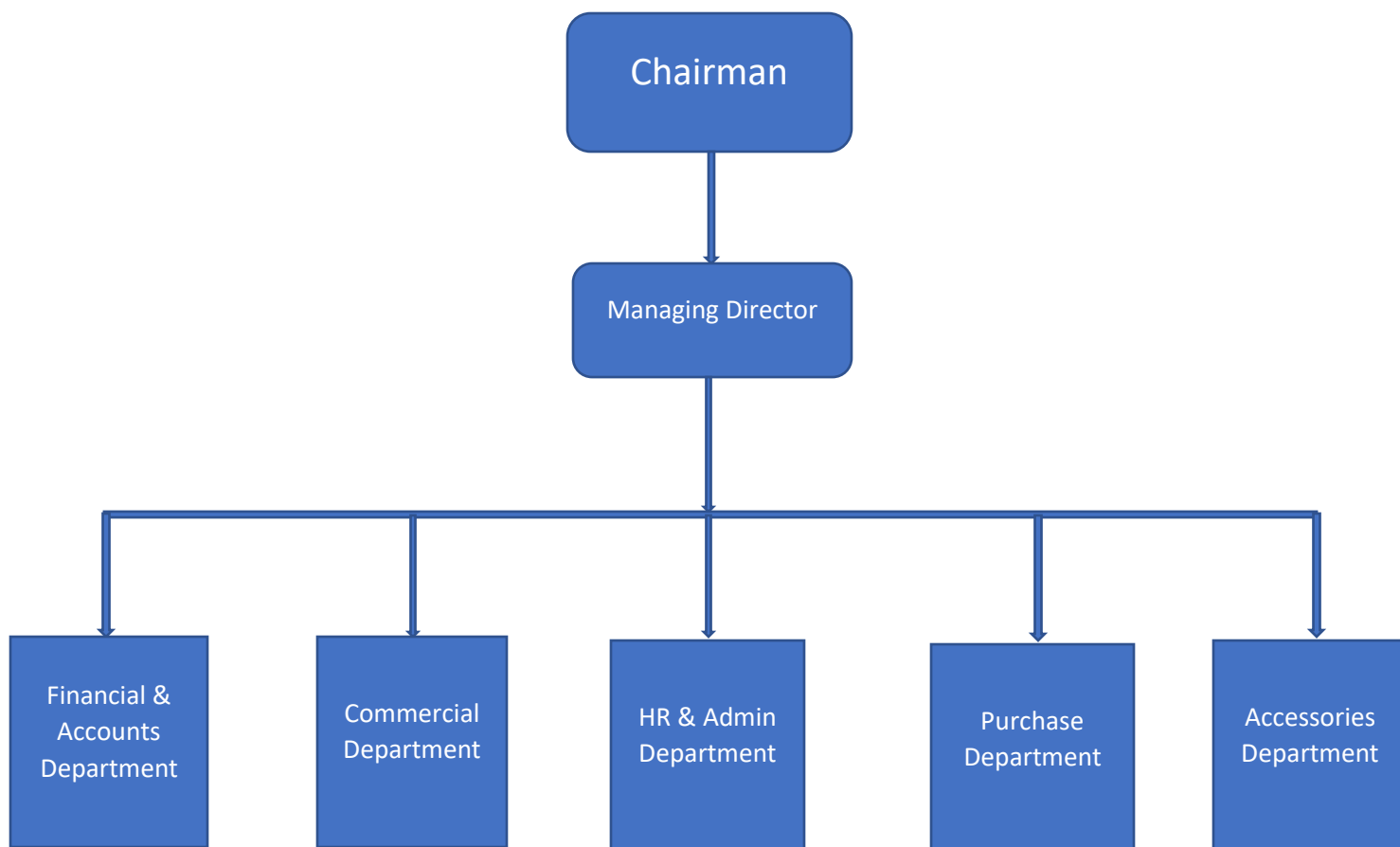


Figure-01 Employee overview in Head office.



2.9 CMT Organogram:

Figure-02 CMT Bd. Head Office Organogram





2.10 CMT Major Customers:

- Next PLC (UK)
- Next Singapore
- Arcadia (UK)
- Fashion Link (UK)
- Zara Fashion (Spain)
- Best Seller/ Jack & jones
- River Island (UK & Singapore) & many more.

2.11 CMT SWOT Analysis:

SWOT analysis are all about company internal & external ability & lacking's. Here below CMT strength, weakness, opportunities & threats;

Strength:

- A leading vertically integrated garments manufacturer in the world.
- 100% Export oriented.
- All type of garments item produced according to order.
- Increase garments production line.
- CMT increase their infrastructure.
- Qualified standard lab.
- Strong tele communication of email, internet, currier & cellular network.
- Outstanding marketing support provided from marketing team.
- Merchandising team maintain a good relation with foreign buyers.
- Update machineries used in the factory.

Weakness:

- Poor merchandising team.
- Merchandising team controlling their activities from Mauritius.
- Small number of merchandising team.
- Poor marketing tactics.
- Arise communication gap between staff and owner because of incomplete knowledge of English.
- Lack of training program for factory workers & their supervisors.
- Lack of investors.
- Working facilities not so well.



Opportunities:

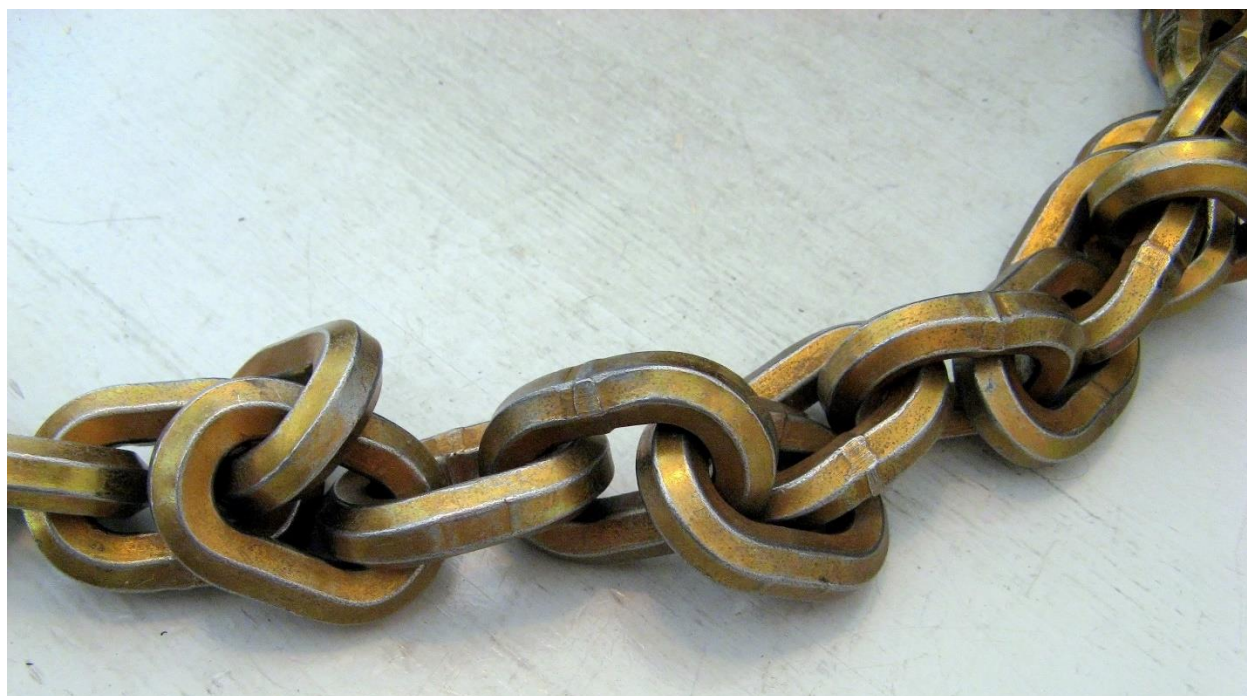
- Knitwear demand increase day by day.
- Large Europe & middle east market demand.
- Bangladesh government increase opportunity to invest in RMG sector.
- Modern machineries & equipment set up in new division.
- Raw materials price increase in china market & it can be create opportunity for Bangladesh.

Threats:

- Political environment of Bangladesh is not stable.
- Bangladesh natural resources reduce day by day.
- Subject of natural calamities.
- Always maintain a standard quality.
- Improvement of fire protection is very slow.



Chapter-3: Backward Linkage in RMG Sector



3.1 What is Backward Linkage?

Basically, there are two types of linkage works behind an industry. One is backward linkage and another one is forward linkage. In my language backward linkage means all the purchase & production activities which support the factory production to produce final goods. And forward linkage means link between company and its customer. So, we can say for an industry, backward linkage is the link between garments and its suppliers.

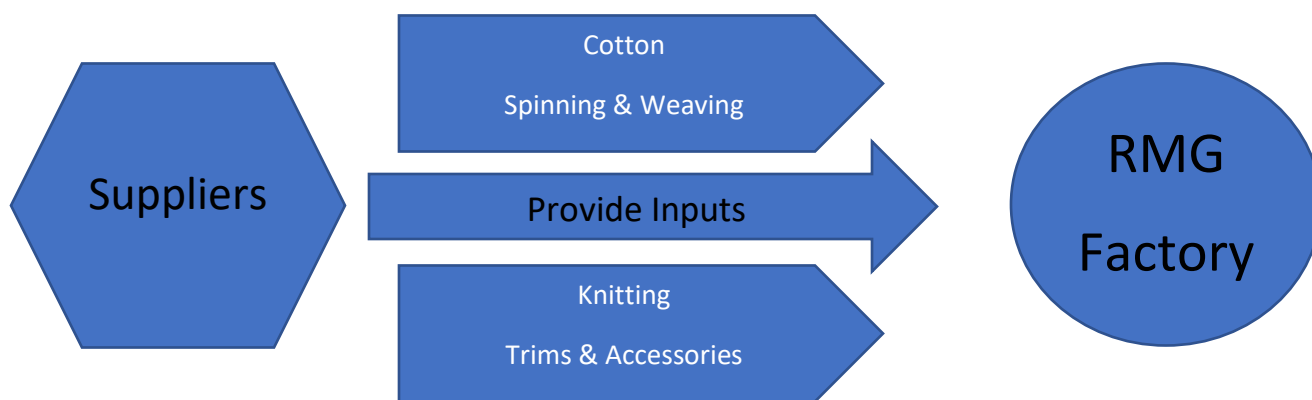


Figure-03: Backward linkage of a Garments factory.

3.2 Backward linkage in Bangladesh:

In Bangladesh RMG sector is the largest contributor of national export earnings. Most of the garments are export oriented. And in Europe & USA demand of Bangladeshi garments increase day by day. RMG sector is the heart of our economy. Almost 80% foreign currencies earn from this sector. Undoubtedly this sector emphasis on our economy beyond our imagination. So, improvement & well monitoring for this sector is mandatory. In this study we are able to know our improvement site of backward linkage in RMG sector.



From a statistic;

Table-02 Bangladesh Export Earning Overview

Bangladesh Export Earnings from RMG	
Fiscal Year	Amount
FY 2003-04	USD \$5,686.06 million
FY 2004-05	USD \$6,417.67 million
FY 2005-06	USD \$7,900.80 million
FY 2006-07	USD \$9,211.23 million
FY 2007-08	USD \$10,699.80 million
FY 2008-09	USD \$12.35 billion
FY 2013-14	USD \$24.49 billion
2016	USD \$211.16 billion

In RMG sector required raw materials are insufficient in our country. Other side customer demand increases and lead time of production decrease. To fill-up this gap almost every garment depends on import of raw materials. Most of the raw materials comes from CHINA, VIETNAM & SHANGHAI. It takes very time to come. So that this industry face lots of problem.

The backward linkage of RMG sector are;

- Spinning mill
- Weaving mill
- Knitting mill
- Fabric dyeing mill
- Printing mill
- Interlining and lining manufacturer
- Poly bag manufacturer
- Sewing thread manufacturer
- Zipper manufacturer
- Button manufacture
- Label manufacturer
- Embroidery factory
- Washing factory
- Elastic manufacturer
- Carton manufacturer
- Hanger manufacturer etc.



3.3 Cotton:

Cotton is the basic raw material to make yarn & fiber. To produce cotton, need large amount of land. But Bangladesh is a small country & we have shortage of land. Approximately 95% apparel all over the world made from cotton. So, cotton demand is very high in the market. Other side Bangladesh farmer also not so good to farming cotton. Cotton quality is not so well from imported ones. So large amount of cotton imported from overseas market every year. And lots of money go away in overseas market. Bangladesh mainly import cotton from China, Turkey, Pakistan, America, Egypt & India.

According to USDA (United States Department of Agriculture) Bangladesh is the largest importer in 2016-17 & China is the 3rd in the World.

Table- 03 World Cotton Imports (MILLION METRIC TON)

YEAR	2012/13	2013/14	2014/15	2015/16
BANGLADESH	1.1	1.2	1.2	1.2
VIETNAM	0.5	0.7	0.9	1
CHINA	4.4	3.1	1.8	0.9
TURKEY	0.8	0.9	0.8	0.8
INDONESIA	0.7	0.7	0.7	0.6
PAKISTAN	0.4	0.3	0.2	0.7
REST OF THE WORLD	2.7	2.4	2.4	2.4
WORLD TOTAL	10.4	9.0	7.8	7.4

SOURCE- USDA

Now china dominant the whole cotton consumption market but USDA report shows India is top to produce cotton. Now china following India and they also going to cotton production. Bangladesh also depends on Indian cotton. Bangladesh import 50% cotton from India. India cotton production increase significantly day by day.



Bangladesh is only one country still depends on raw cotton to make yarn & fabrics. Other country uses manmade fibers like filament, polyester & viscose. For these reason consumptions of cotton decline resen year.

Table- 04 World Cotton Production (million metric tons)

YEAR	2012/13	2013/14	2014/15	2015/16
INDIA	6.2	6.7	6.4	5.8
CHINA	7.6	7.1	6.5	5.2
UNITED STATES	3.8	2.8	3.6	2.8
PAKISTAN	2	2.1	2.3	1.5
BRAZIL	1.3	1.7	1.5	1.4
UZBEKISTAN	1	0.9	0.8	0.8
TURKEY	0.6	0.5	0.7	0.6
AUSTRALIA	1	0.9	0.5	0.5
REST OF THE WORLD	4.8	4.3	4.9	4.2
WORLD TOTAL	27	26.2	25.9	21.7

Source- USDA

In resen year cotton consumption is higher than its production. In Bangladesh scenario also not different. Bangladesh production of cotton is much less than its consumption.

3.4 Spinning Mills:

Spinning is the process which converting cotton to yarn. Spinning mills are produce yarn from cotton. Mainly there are tow types of spinning mills in our country. Such as;

- Cotton spinning mills
- Synthetic fiber spinning mills



In cotton spinning mills raw materials is natural cotton. And another side synthetic spinning mill raw material are manmade fibers. Here synthetic fibers are;

- Polyester
- Viscose
- Filament
- Nylon
- Acrylic etc.

Table-05 Structure of Spinning Mills in Bangladesh (Source- BTMA)

Year	Number of Spinning Mills	Spindle Capacity (KG)	Growth of spindle capacity (Percentage)
2006	260	55,00,000	11.39
2007	283	60,00,000	9.09
2008	341	72,00,000	20
2009	350	76,00,000	5.6
2010	373	87,00,000	14.5
2011	392	96,00,000	10.3
2012	392	98,00,000	2.1
2013	394	98,00,000	--
2014	407	10,30,000	5.1
2015	413	11,05,000	7.28
2016	424	11,65,000	8.28

According to BTMA today there are 424 spinning mills in our country which are the member of Bangladesh Textile mills Association. Without membership there are also so many small spinning mills in our country.

Here the name of top 10 spinning mills in our country which have the exporting capabilities & suitable environment. Such as;

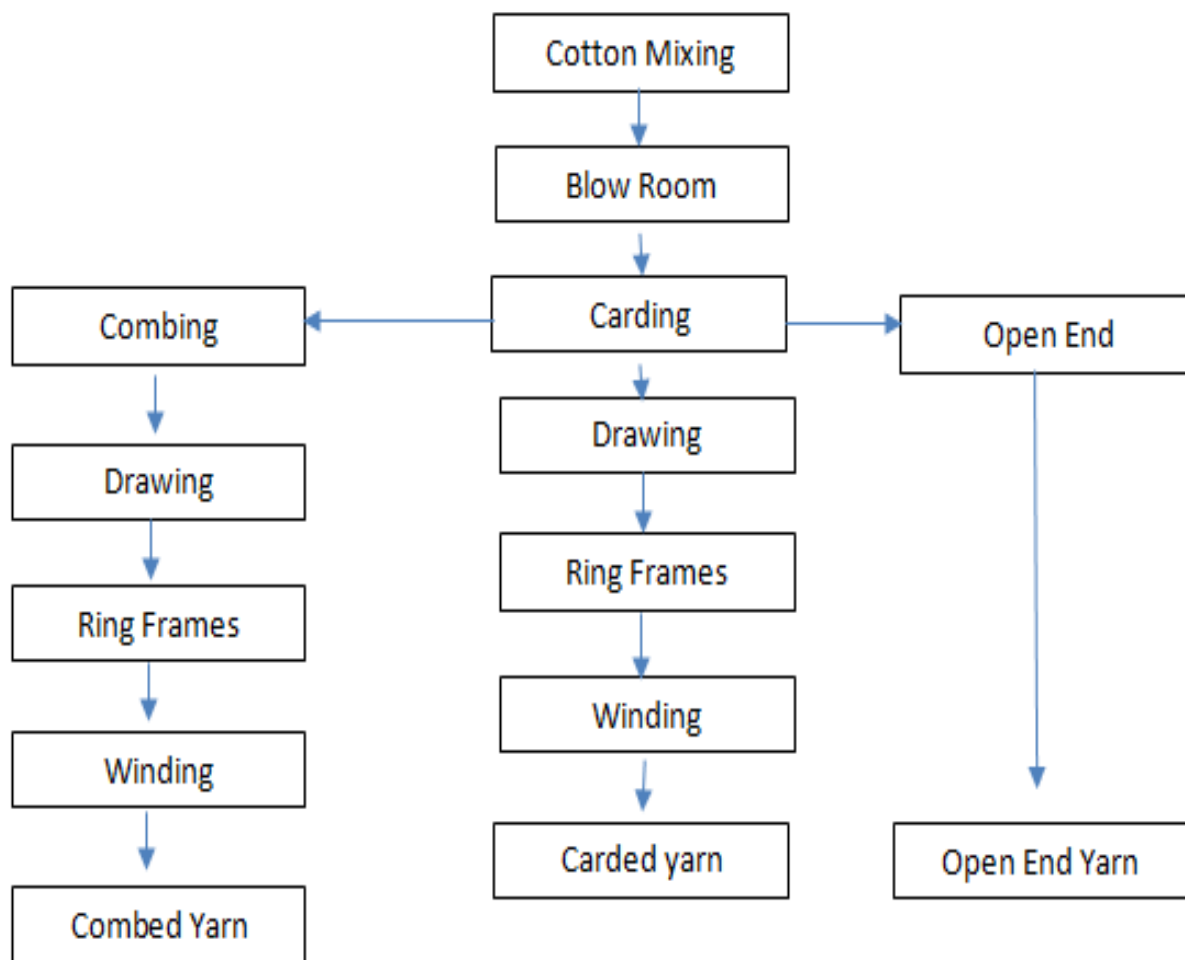
1. Naheed Cotton Mills Ltd.
2. Bhai Bhai Spinning Mills Ltd
3. Mosharaf Composite Textile Mills Limited.
4. Kamal Yarn Limited.



5. AA Yarn Mills Limited
6. N. Z Textile Ltd.
7. Naheed Composite Textile Mills Ltd.
8. Bangladesh Export Import Company Limited (Beximco)
9. Shah Fatehullah Textile Mills Ltd.
10. Zaber Spinning Mills Limited.

Primary Textile Sector (PTS) meet up yarn & fabric demand of our RMG sector. Basically, PTS is the back born of our RMG sector because PTS provide the backward linkage for both woven & knit sector. We are now able to export fabrics in the overseas market.

Figure-04 Flow chart of yarn manufacturing





3.5 Weaving:

Weaving is the process where making woven fabrics. In Bangladesh woven manufacturing condition not so well. To build a woven composite mill it will take approximately \$35 million dollars.

The market value is losing of this sector because of so much investment. To run this sector huge amount of woven fabric imported every year. Basically, it has two reasons;

- Demand is so high because of insufficiency of our local market supply.
- And buyer requirement of standard woven.

Every year a huge amount of woven fabric is imported from China, Vietnam & Shanghai. Our import processing not so easy task. At first industry need to find a reliable source who provide them standard fabric, then purchasing the order through back to back L/C. it takes lot of time to take the order. Industry carry huge amount of cost. Importing of woven fabric cost almost 75% of the total order cost. To importing woven fabric our country face huge price challenge. We know woven fabric market demand is so high rather than its supply. It takes lot of money from our country.

In our country there are 4321 woven factories which are registered in BGMEA. According to the BTMA there are 302 weaving mills in Bangladesh which are very low registered factories. The lead time of finishing an order is 40 days provide by buyer which is very short time. Here some name of woven composite factories;

- CAMARINA COMPOSITE LTD
- Rahman Leathers Trade (CREATIVE GROUP)
- John & Aaron International
- ZAMS Fashions Industry
- Apparel Fit & Resource Ltd
- Pinkex Apparels
- Familytex(Bd) Ltd
- Latest Style Ltd.
- AXON FASHION INTERNATIONAL
- Gulshan Apparels and Fashion
- weartex international etc.

we need a lot of investment in the woven sector in Bangladesh as backward linkage of garment industry. Without strong support of raw materials, we are not able to do well in this sector. To survive in this competitive market, we need to make sure competitive price, product quality & superior customer service.

3.6 Knitting:

By interloping of yarn knitwear factory produce fabrics. This industry is the leading market contributor. Because of low cost machineries knitting and available up gradation this industry has merged in huge amount. There are lot composite knit garments industries in Bangladesh in the last decade.

Table- 06 The contribution of knitwear Sector (In 2013/14)

National Export Earnings		39.81% of total export earnings
Direct contribution in GDP		Almost 7%
Backward linkage contribution of this sector		2% of GDP

How much power of this industry the statistics shows that. Bangladesh is now number two position to exporting knitwear items & China is number one. Very soon Bangladesh will be champion in this sector.

Table- 07 Value addition & net retention of Bangladesh knitwear sector

Year	1994	2000	2008	2012	2013	2014
Value Addition	50%	70%	75%	72%	75%	75%
Net Retantion	40%	55%	61%	53%	50%	48%

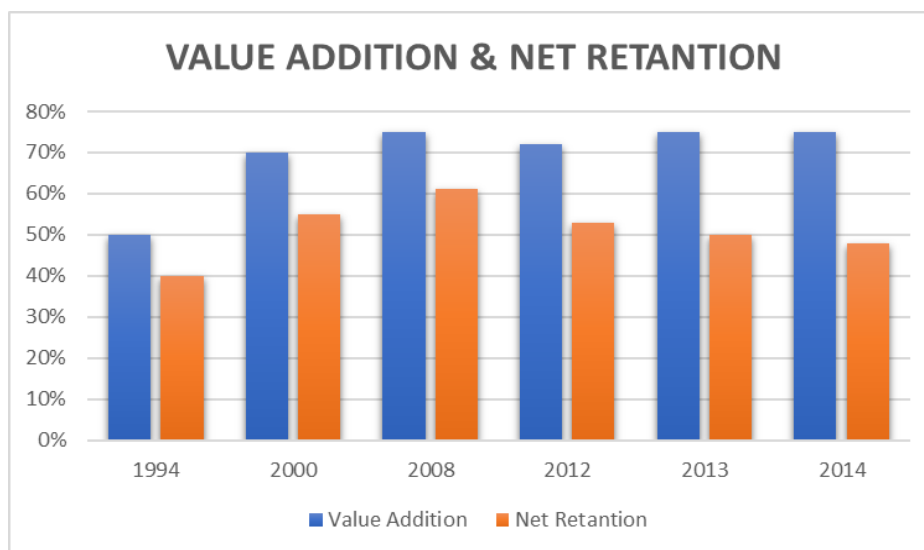


Figure-05: Value addition & net retention of Bangladesh knitwear sector



Bangladesh knitwear industry provides some extremely value-added quality full products which demands are full in Europe and America.

Table- 08: Top retailers & fashion brands importing from Bangladesh

Brand Name	Country
H & M	Sweden
Walmart	USA
C & M	Belgium
Zara	Spain
Gap	USA
Target	USA
Tesco	UK
Li Fung	Hongkong
Carrefour	France
Levi's	USA
JC Penney	USA
Kmart	Australia
Adidas	Germany
Puma	Germany
Jockey	Australia
Bonds	Australia
GU	Japan

Every moment worldwide demand patten changing significantly. So many brands are very attractive to import our knitwear product. Now after china Bangladesh is the largest knitwear exporter in the global market. It creates a positive impression of Bangladesh toward the world.

3.7 Trims & Accessories:

Demand of raw materials grow rapidly in our country. Our trims & accessories industry is very much top level. Our produce trims & accessories quality is remarkable. The growth of this industry is very much sufficient in our country. To meet up large amount of demand approximately there are 1327 trims & accessories industry in our country. Now Bangladesh meeting challenge by the global market & provide quality full product.

Here are static showings the growth of trims and accessories industry in Bangladesh;

Source- BGAPMEA

Table-09 The growth of Trims & Accessories in Bangladesh

Serial no	Year	Total number of members
1	1991	17
2	1996	109
3	2001	508
4	2006	764
5	2011	1075
6	2015	1397

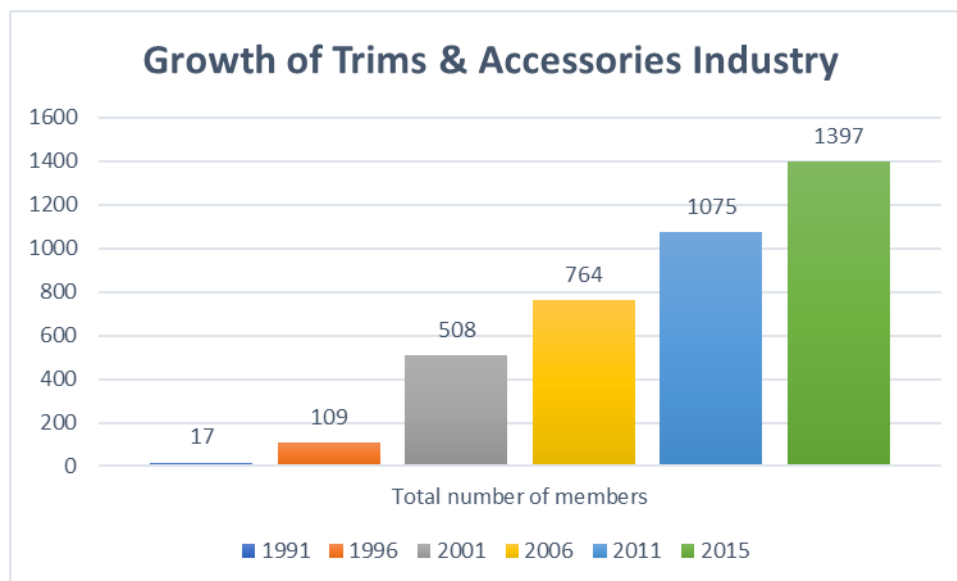


Figure-06: The growth of Trims & Accessories industry In Bangladesh



The above data collected from Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association (BGAPMEA). Here we can see in 1991 the number of trims and accessories industries was 17, later in 2001 the number was 508, then it increased in 2011 to 1075 number and now in 2016 there are almost 1400 trims and accessories industries in Bangladesh which is really remarkable. Above all we can say with the enormous growth of RMG industry the demand for the trims and accessories has increased and the capability of Bangladesh to meet the demand of trims and accessories is quite sufficient. From the table above shows the growth and statics of Bangladesh trims and accessories of garments consist of the following product like button, zipper, main label, price label, care label, size label, hang tag, bar tag etc. Bangladesh RMG industry is capable of meeting all the products demand and quality. Here some data of item wise accessories industry in Bangladesh.

Table-10: Item wise BGAPMEA members

Serial No.	Items name	No of Members
1	Button	26
2	Chemical	01
3	Corrugated Carton	666
4	Elastic & drawstring	116
5	Embroidery	03
6	Gum Tape	04
7	Interlining	08
8	Multi items	238
9	Hanger	10
10	Packaging	28
11	Padding	03
12	Poly	140
13	PP Band	02
14	Labels	46
15	Quilting & Padding	01
16	Resin	01
17	Sewing Thread	74
18	Screen Print	06
19	Zipper	24

Source- BGAPMEA



Every year large amount of trims & accessories Bangladesh export in the global market. The amount is tremendously increase day by day. The success of trims & accessories industry is increasing last five years.

Table-11: Growth Rate of Total Export Earnings, RMG & garment Accessories & Packaging Sector of Bangladesh (in million US\$)

Year	Total Export Earning	RMG Export Earning	Percentage & growth rate of RMG, Packaging & Accessories sector	Backward/deemed export of packaging & accessories
2005-07	22704.02	17112.03	75.37	2566.80
2007-09	29675.99	23047.57	77.67	3457.14
2009-11	36833.38	31110.61	84.46	3670.64
2011-13	50731.55	41875.78	82.25	7175
2013-15	61395.56	49983.28	81.41	10350

Source- Export promotion bureau

3.8 Problems of Backward Linkage in RMG sector:

Bangladesh RMG industry growth is remarkable last few years. Under this industry there are lots of export-oriented garments. They meet up large amount of global demand every year. But it is brutal truth Bangladesh face lots of problem in this time. Let's see present condition of RMG sector.

- Raw materials unavailability:

When you are in the leading position and meet up large amount of market demand then you have to availability of resources. Unfortunately, Bangladesh suffer lots of problem to manage their raw materials. In RMG sector main raw materials is cotton. Local market is not able to meet up the demand. Every year Bangladesh large amount of cotton import from global market. We spend our lots of currencies here. And another threat is the quality of raw materials.



- Political issue:**
 Political uncertainty is another major issue for this sector. Continuous strikes hamper the RMG sector last few years. In 2013 election one-month continuous strike happened by the opposition party. The democracy of our country is threatening stage. Before every election period RMG sector face lot of problems. The foreign buyers are suspending Bangladeshi product & they meet up their demand from another country. If the problems are not solved Bangladesh garments face lot of damage.
- Labor safety:**
 Labor safety issue one of the greatest problems in our country. All organization need to step on ensuring safety of worker. Last few year lot of incident happened in our RMG sector. In 2012 “Tazreen Fashion” fire incident happened almost 112 people dead by this accident. Next year in 2013 Bangladesh biggest tragedy happened, which is called “Rana Plaza Tragedy”. Approximately 1123 people die after this accident. Both these accidents create a tragic scenario. Foreign buyers are now very conscious. Their motive now changes. So, meet up the buyer requirement organization invest lot of money for safety issue.

Here list of some deadly accident in RMG sector;

Table-12: A list of Deadly Accident in RMG sector

Year	Factory	Brand/Buyer	No of death
2010	Gharib & Gharib	H&M	21
2010	Hameem / TIS	Gap, Target, VF, PVH, others	29
2012	Ali Enterprises	KiK	262
2012	Tazreen Fashions	Walmart, Sears, ECI, others	112
2013	Smart Export	Inditex / Zara	8
2013	Rana Plaza	Benetton, WM, JC Penney, others	1123
2013	Tung Hai	Primark	8
Total death			1598



Here some pictures of Rana Plaza & Tazreen Fashion accident;





- **Wages:**
Bangladesh is a country where labor wages is so cheap. This is the biggest reason to increase this sector very vastly. Till now Bangladesh hold minimum wage record in the world. So, every year worker strike to increase their wages. The price of other commodities increases day by day. Lining cost also increase rapidly. To adjust this system RMG industry need to increase their worker salary. So, Bangladesh RMG industry may no longer provide the lowest price value in the global market.
- **Infrastructure:**
The infrastructure is not well decorated in our RMG sector. Factory building life time not so high. Most of the worker came from urban or remote area. They have no living facility. And factory building condition also not so well most of the garments.
- **Lead time:**
Lead time is very essential to place the order perfectly to the customer. In 1980s lead time was 120-150 days. But now lead time is maximum 30-40 days. To meet up this gap a factory need available raw materials, expert workers & advance technologies. Our RMG sector have some limitation in these factors.
- **Transport issue:**
Bangladesh transport condition is very poor. The condition of road not so well. Traffic jam is the main problem now a day. Factory production & provide buyer order delay. Which is not good for our RMG industry. Buyer choose another country to import their product. Backward linkage very harmful for our transport condition.
- **Terrorism impact:**
The entire world confronting another issue which is terrorism risk. Psychological oppression danger is making especially issue everywhere throughout the world. There has been critical occasion in the course of the most recent decade on the planet which has taken a toll in excess of thousand lives. This terrorism is converging towards Bangladesh. In July first 2016 in the strategic region of Dhaka 7 fear based oppressor assaulted the 'Holy Artisan' restaurant slaughtering 17 outsiders and 3 neighborhood which made a horrendous picture of Bangladesh. Presently the general population of everywhere throughout the world are feeling risky for coming to Bangladesh. This new turn of occasion will have extraordinary effect on Bangladesh RMG industry. In the event that the purchasers feel hazardous to go to our nation then the business with different nations will beyond any doubt to hamper.



3.9 Findings:

In recent year there have been significant change happened in our RMG sector. There have been lot of possible solution to change our industry. Some solution can take lot of time but it will be very effective for our RMG industry.

- **Artificial Environment:**
An artificial environment creates which is suitable to produce cotton. The demand of cotton increasing day by day. To produce cotton, we need a lot of land. If Bangladesh can create an artificial environment we can meet up our huge demand.
- **Shipment:**
Insufficient backward linkage delay our shipment process. The number of shipment process is very low. Our industry main routes are Dhaka Airport & Chittagong sea port. Which not sufficient to control our huge market. To developed our RMG sector our shipment process should be upgrade by its technologically & number. Which is very effective to meet up our future pressure.
- **Bonded warehouse:**
Bonded warehouse means where imported cotton and yarn stock, control & distribute to the factory whenever they need, how much they need. If a bonded warehouse setup in our country it will reduce importing time. Bonded warehouse would be controlled by both government and private sector.
- **Give attention:**
Day by day problems are increased in RMG sector. The problems arise by some people and suffer whole nation. RMG sector is our main source to earn foreign currency. People have to realize that and government need to apply the industrial law properly. So the person of this country has stopped the conflicts between each other and faces the problems to solve the upcoming challenges ahead.
- **Diversification:**
Our market is not diversified so much. Beside our market policy also unstructured. So that RMG sector suffer a lot and cannot achieve the deserving position.
- **Instability of law:**
Our government policy, rules and regulation are not suitable for our RMG sector. Instability of law & order properly not apply on this sector.



3.10 Opportunities:

If we want to take there are lot of opportunity wait in our readymade garment sector. Main opportunities are given below;

- After our country independent in RMG sector growth is phenomenal. The main reason is the lowest labor cost and because of this reason Bangladesh can offer lower price in the global market. Europe and USA are very attractive to our product. They import large amount of product from us and make large amount of profit. For this reason, Bangladesh is more competitive in this market. A chart is give below;

Table-13 Labor cost of different countries

Country Name	Labor cost per hour
Bangladesh	0.22
Cambodia	0.33
Pakistan	0.37
Vietnam	0.38
Sri lanka	0.43
Indonesia	0.44
India	0.51
China	0.55-0.80
Malaysia	1.18
Thailand	1.29-1.36

We can see on the table Bangladesh offer very lower labor cost. So that foreign investors are very willing to invest in our country. They are very interested to buy our apparels product in lower cost.

- It is high time to upgrade our RMG technologies and set a competitive price. A strong & structured market policy can give that opportunity. Backward linkage of RMG sector have lot of work to do. Skilled technician and worker can change this scenario.



- Beside Chittagong port we need to build another port. We know Bangladesh is a land of river. We have lot of suitable port to build up a new international port. Which can be able to provide faster service and reduce as well as total cost.

3.11 Recommendation for Backward Linkage:

In this report briefly, discusses about the backward linkage of RMG sector and its prospects. We can see this report a factory face lot of problems to produce final product. The supply of raw materials is not sufficient. Our RMG sector use synthetic fiber as alternative of cotton. From fiber to finished products all steps involved such as spinning, weaving, dyeing, printing, finishing accessories are the integral parts of backward linkages. The alternative support of central bonded warehouse is essential unless backward linkage satisfies itself in each sector by its component, especially in spinning and weaving sector.

It will be produced a strategy for target accomplishment. It will require building up the sourcing of in reverse linkages segment first need to build up the foundation of the division and additionally preparing, workshop, class, gathering, about new innovation and RMG part in Bangladesh. To execute this need to satisfactory calculated help. Bangladesh needs to build up the data innovation part. As a piece of sourcing materials, it should sort out show about crude materials and article of clothing trims and adornments. It will be likewise expected to more compelling exploration on in reverse linkages and new innovation in RMG industry. Here are a few arrangements offering to the issues confronting: making counterfeit condition to create cotton in the nation. This would decrease the season of bringing in clothing items in the abroad market. The RMG division of Bangladesh is a main case of in what manner can an industry ascend from zero to top.

Bangladesh have some internal problem like port delay problem, infrastructure problem, transport problem & license related problem etc. Need to reduce all kind of political and economic problem. Every year accidental issue arises in this sector. Fire related accident ratio is so high in our RMG sector;

Some suggestion for fire safety:

- Building should be well designed.
- Fire exit and escape plan should be planned under this design.
- Secured & strong monitoring on power supply room.
- Basic fire drill should be held.
- Fire protected instrument should be available all time.
- Fire exit route should be lighted and clear all time.
- Alarming system should be installed.

These criteria can be reduced damage of our industrial lives and assets.



3.12 Conclusion:

The RMG business of Bangladesh has turned into the gold giving eggs with regards to Bangladesh. After the autonomy of the nation transformation the RMG business has a considerable measure of exertion. It adjusts the nation from destitution line and makes open door for work and enterprise.

Presently today this industry has turned into the greatest gaining wellspring of the nation. In this way, this ventures improvement is essential in independent of the nation. Be that as it may, the shortcoming of in reverse linkage industry in this nation having an enormous danger to the development of the area. For to outperform the dangers in this division successful measures ought to be taken and used it on remedy measure. In the event that the business falls the nations advancement would be hampered in immense amount. In this way, the significance of the part is unbelievable. The RMG business of Bangladesh is confronting emotional issues of taking care of the demand of the purchaser as a result of the ailing in the regressive linkages enterprises. Bangladesh has demonstrated its value in a long while now, so we trust the general population of the nation comprehend the esteem if this industry makes important stride.



Internship Experience

At first, I want to thanks almighty Allah & CCC of UIU who help me to find such a great organization as an intern in CMT Bd. I was so lucky after viva CMT bd. select me as an Intern. And I got opportunity to work with there Commercial department. My internship duration was 3 months. In this time period I have lot of experience to work with them. They are so humble and well mannered.

- CMT head office:
CMT head office is situated in UTC tower, level 20, Panthopath, Kawranbazar, Dhaka. They have such a nice organization. The office is well decorated and highly secured. There staff are so humble. Almost 35-40 staff work there.
- About Commercial Department:
I feel so lucky to got the chance to work with commercial department. In commercial team there are 7 members. They have six commercial officer and a commercial manager. I want to thanks Mr. Anwar Hossain, Commercial manager who give me lot of lesson.

My working activities during the internship period export import related. Basically, I learn from there how to export a product and how to import a product. To export-import a product, an organization need to follow lots of government procedure like L/C open, Export permission, GSP (Generalized System of Preference) etc. There have some buyer procedures also it depends according to buyer demand. My main lesson which I learn from there is office manner. I got a real-life experience in corporate world Which help me to my future corporate life, In-Sha-Allah.



Appendix

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