

***'Data Universe' of Bangladesh's RMG  
Enterprises:  
What is Available? What is Required?***

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# 1. Background of the Study

- RMG sector requires a comprehensive database- overwhelmingly important in the national economy in terms of industrial production.
- Databases including information of a number of RMG sector related indicators – not comprehensive nor regularly updated.
- Public and private organizations- create databases which appear to be purpose-made-may not meet the need of a comprehensive database for the most important manufacturing sector of Bangladesh.

## ➤ *The present study*

-attempts to create an unique ‘data universe’ for the RMG sector of Bangladesh.

-critically analyses the so called data universe with a view to appreciate the characteristic features of the RMG enterprises of the country

-puts forward a set of recommendations on how to develop a comprehensive database for the country.

## 2. Definition of Data Universe

➤ What is a “Data Universe?”

- A Data Universe is primarily

- a data set that encompasses the entirety of collectable data.

- a semantic model which helps to connect users to different databases to design modules for further analysis.

- The sets of data in a universe are usually broken down into easily discernible groups that are logical for the users.

- Present study will attempt to create a “Data Universe” based on the discrete databases available to the different public and private entities.

- Based on the available data, the study has tried to create a master database of the enterprises which are currently in operation.

### 3. National Level Survey of Manufacturing Industries

- BBS is the most important repository of information and data on manufacturing enterprises including RMG enterprises.
  - the ‘Census of Manufacturing Industries (CMI)’ and later the ‘Survey of Manufacturing Industries (SMI)’ are two of the most important documents on information of the manufacturing industries of Bangladesh.
- Industrial workers information is available in the Bangladesh Labour Force Survey.
- Production related information is reported on a monthly basis in the Quantum Index of Production published by the BBS.
- Macro level industry related information is available in number of national documents such as:
  - Statistical Yearbook of Bangladesh
  - Bangladesh Economic Review
  - Import Payments
  - Export Receipts
  - Major Economic Indicators (published by Bangladesh Bank).
- World Development indicators (WDI) and UNCTAD’s Least Development Country Report – reports macro information.
- WITS, UNCOMTRADE- report national data on industry related issues.

# 4. Sources of Data Compilation

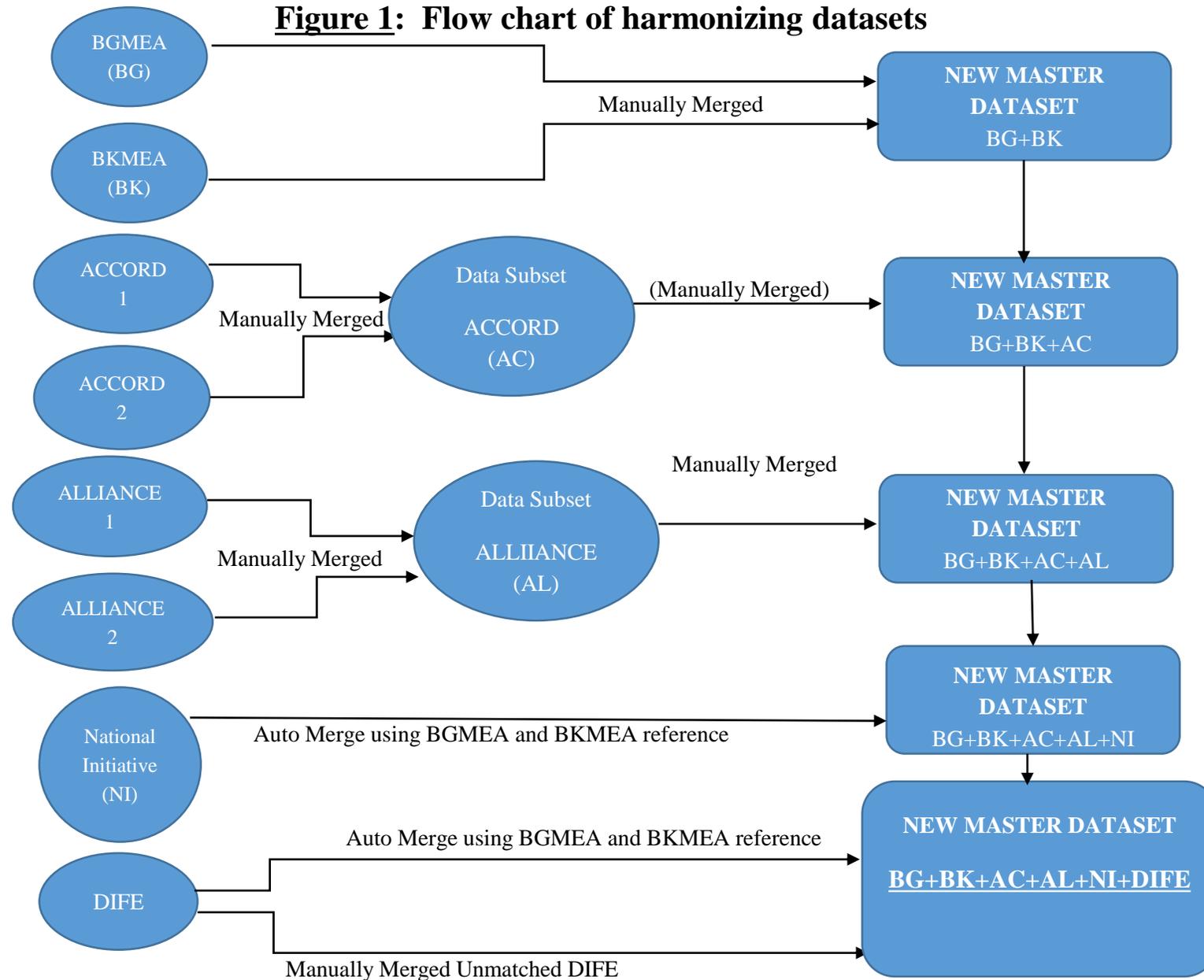
Data was collected from 9 separate datasets obtained from 7 different sources:

1. Department of Inspection for Factories and Establishments (DIFE)
2. Bangladesh Garments Manufacturers and Exporters Association (BGMEA)
3. Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)
4. The Bangladesh Accord on Fire and Building Safety (ACCORD) [2 Datasets]
5. Alliance for Bangladesh Worker Safety (Alliance) [2 Datasets]
6. National Initiative (NI)
7. Department of Labour (DoL)

**Table 1:** Available information in each dataset ( percentage of available data shown in brackets)

Database	BGMEA	BKMEA	Accord I	Accord II	Alliance I	Alliance II	NI	DIFE	DoL
No. of factories	4,329	2,085	1,608	1,466	862	649	1,549	4,808	
Size (employee)	√ (100%)	√ (16.40%)	√ (78.79%)		√(75.06%)			√ (72.17%)	
EPZ								√ (99.90%)	
Products	√ (99.21%)	√ (10.64%)						√ (99.51%)	
Production capacity	√ (95.59%)	√ (9.30%)							
Operational	√ (57.93%)	√(40.38%)							
Inspection			√ (100%)	√ (100%)	√ (100%)	√ (100%)	√ (100%)	√ (55.05%)	
TU/WPC									√ (100)
BGMEA/ BKMEA ref	√ (100%)	√ (100%)					√ (100%)	√ (67.45%)	

# 4. Process of Data Compilation (Continued)



## 5. Basic Information of the Harmonised Dataset

- The harmonized dataset include information of a number of key indicators related to the apparels sector.
  - This includes location of RMG enterprises including location in EPZ and domestic tariff area (DTAs), membership with different organisations and size of these enterprises.
- There are only 4 main locations out of a total listed 31 locations. Over 5% of factories have no information about their location.
- Membership information is absent for 6% of the factories.

**Table 2 : Location of RMG Enterprises (based on harmonized dataset)**

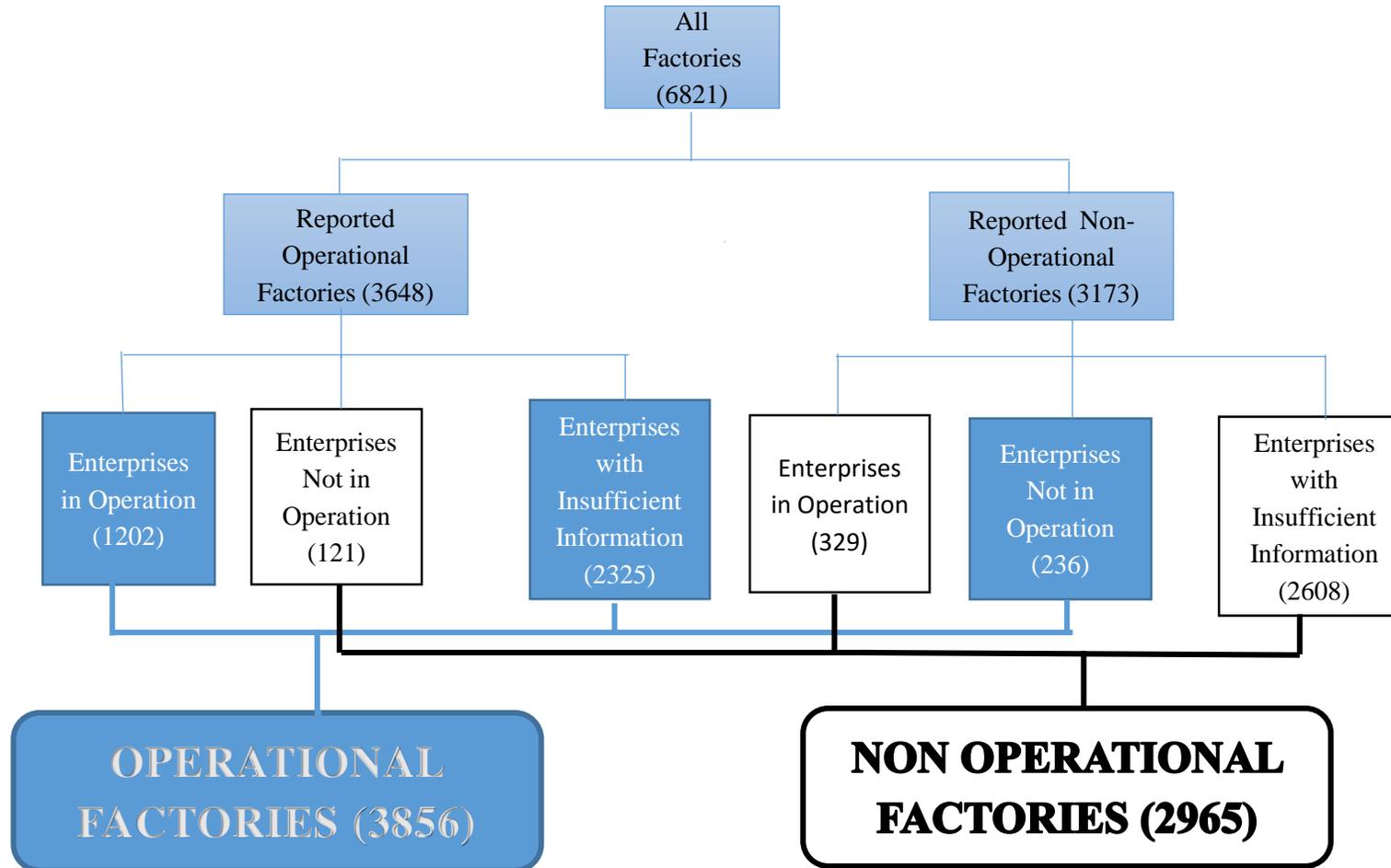
Location	No of factories	No of workers	Missing Information on location
Dhaka	2530	1500227	287
Chittagong	878	648593	52
Narayanganj	1351	424236	624
Gazipur	1510	1343697	132
Others	552	367386	51
<b>Total</b>	<b>6821</b>	<b>4284138</b>	<b>1146</b>

**Table 3: Membership of RMG Enterprises (based on harmonized dataset)**

Association	No of factories	No of workers	Missing Information on Membership
BGMEA	3951	3093373	36
BKMEA	1707	248969	963
Both	378	456234	0
Non defined	785	485562	147
<b>Total</b>	<b>6821</b>	<b>4284138</b>	<b>1146</b>

## 6. Process of Obtaining Data Universe (from harmonized Dataset)

**Figure 2: Flowchart of Creating Data Universe**



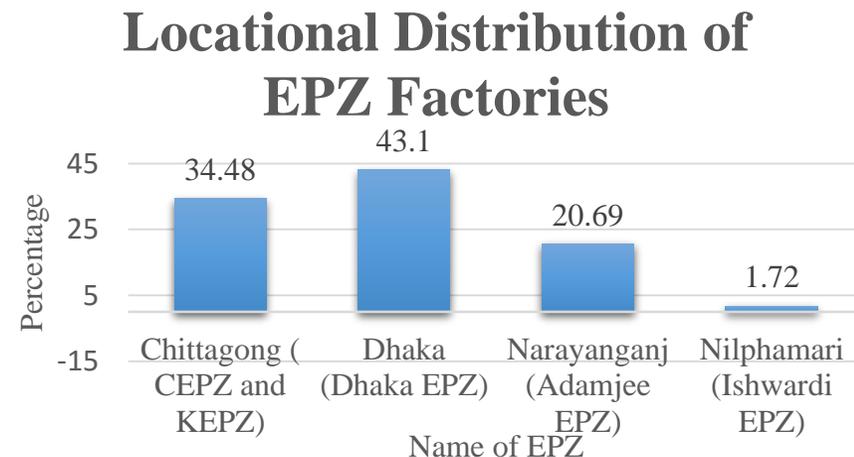
# 7. Characteristic Features of RMG Enterprises under the Data Universe

- There are a total of 3856 factories consisting of around 3.6 million workers.
- Over 98% of total RMG enterprises are located in four districts including Dhaka (37.9%), Gazipur (28.9%), Chittagong (16.1%) and Narayanganj (14.7%)
  - Reasons being better infrastructural facilities, easy availability of workers, better access to major trade routes for import and export as well as logistic and banking facilities.
- Over 98.5% of RMG enterprises are located in domestic tariff area (DTAs) and the rest 1.5% are located in EPZs.
  - Of the 58 enterprises located in EPZs, majority are located in Dhaka EPZ (43.1%) followed by Chittagong and Karnaphuli EPZ (34.5%) and Adamjee EPZ (20.7%).

**Table 4: Location of Operational Enterprises**

Location	No of factories	No of Workers	Average no. of workers per factory
Dhaka	1465	1257516	864
Chittagong	620	572483	929
Narayanganj	565	373764	700
Gazipur	1115	1268724	1143
Others	91	138845	1526
<b>Total</b>	<b>3856</b>	<b>3611332</b>	<b>949</b>

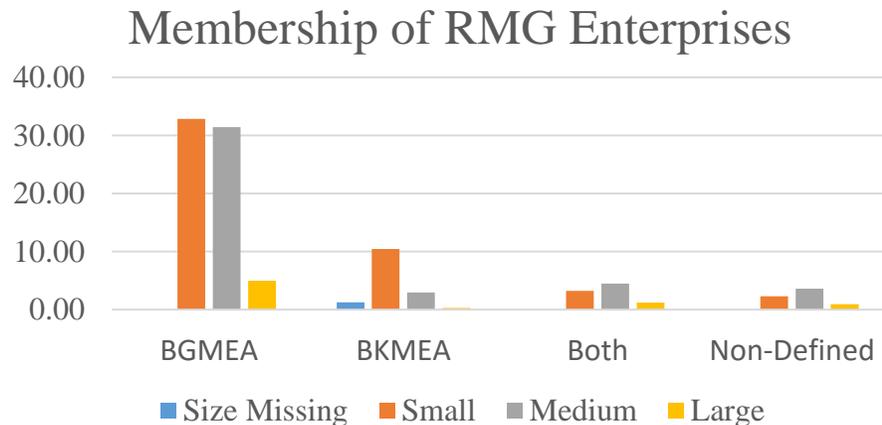
**Figure 3: Locational Distribution of EPZ Factories**



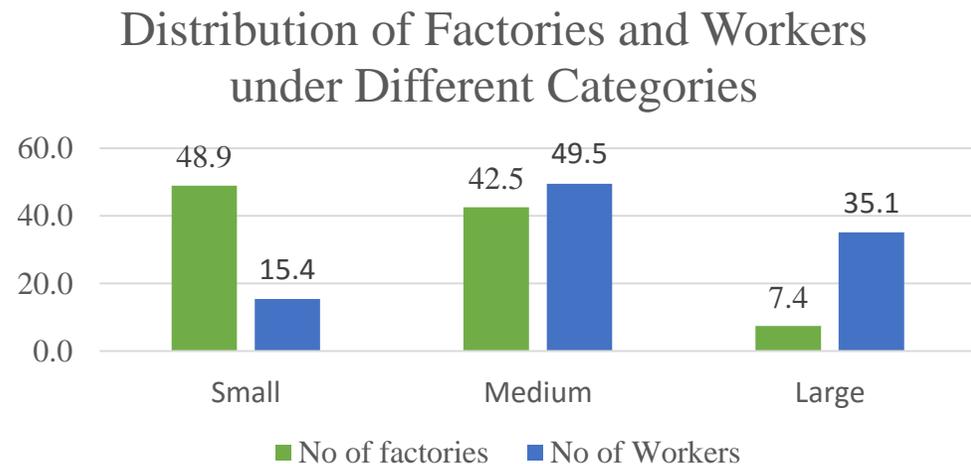
# 7. Characteristic Features of RMG Enterprises under the Data Universe (Cont.)

- Factories consisting of below 500 workers are classified as ‘small’ while ‘medium’ factories consist of 500-2500 workers. ‘Large’ factories were denoted on the basis of having more than 2500 workers.
- The average employment in small, medium and large enterprises are 296, 1091 and 4443 workers respectively.
- BGMEA covers majority of small, medium and large enterprises. Among the members of BKMEA, medium sized enterprises are higher followed by large and small scale ones.
- The worker factory ratio is highest in Gazipur which are mostly woven product factories and they are members of BGMEA.
- The worker factory ratio is the lowest in Narayanganj which are mainly knit product factories and mainly members of BKMEA.

**Figure 4: Membership of Operational Enterprises**



**Figure 5: Distribution of workers and number of factories**



## 8. Non Operational Enterprises in the Harmonised Dataset

- 2965 factories were identified as non-operational.
- The major reasons identified for shut down of those enterprises include, among others:
  - loss in business
  - mismanagement
  - less preference by buyers for placing orders etc.
- **Size Categorization:** About 51% are small scale enterprises, followed by 14% medium and 0.6% large scale enterprises.
  - Information of number of workers for 34% of enterprises are not available.
- **Location:** Highest number of closed enterprises are located in Dhaka (35%), followed by Narayanganj (26%), Gazipur (13%) and Chittagong (8.7%).
- **EPZ Affiliation:** About 98.4% of these non-operational factories are located in DTAs; while only 1.6 per cent factories are located in EPZ areas.
- **Membership:** about 70% of the closed enterprises were members of BGMEA
  - 15% are the members of BKMEA
  - 9% are the members of both the associations.

# **9. Key Observations about the Quality of Data**

## **1. Observations regarding the Collected Datasets**

- Incomprehensive Data
- Incompleteness
- Inconsistencies
- Other Limitations

## **2. Observations regarding the Harmonised Datasets**

- Compilation Difficulties
- Missing Information

## **3. Observations regarding the Data Universe**

- Incomplete Data
- No information about Enterprises in Operation but Outside the Data Universe

## 10. Suggestions for a Comprehensive Data Universe

- This data universe could partially fulfil needs of the stakeholders.
- However, the datasets have lots of limitations - most importantly, the available data do not necessarily represent the latest status of the RMG enterprises.
- A number of initiatives are in development to prepare databases on different aspects of RMG enterprises. This includes BGMEA and BKMEA's initiative to prepare a biometric database particularly for workers and a buyer-led initiative of GIS database of RMG enterprises- these databases are likely to be developed on a 'purpose based' mode.
- A comprehensive dataset of enterprises should target the needs of major stakeholders including government, workers, right based groups, trade unions etc. along with those of the employers and buyers etc.

## 10. Suggestions for a Comprehensive Data Universe (Continued)

- the comprehensive datasets need to include information on
  - enterprise level distribution of cost and return
  - distribution of workers under different grades
  - distribution of professionals
  - employment of foreign professionals and workers
  - extent of participation in backward and forward linkage parts of the value chain
  - distribution of margin in the value chain
  - types of products produced
  - types of machineries used
  - level of social compliance including workplace safety and security
  - level of physical compliance including fire, electrical and building safety
  - workers' association including trade union and level of participation of workers
  - training of mid-level management and workers
  - compliance to environmental issues including use of ETP and industrial waste management etc.

**Thank you for  
Listening**