

## **X. Output Composition**

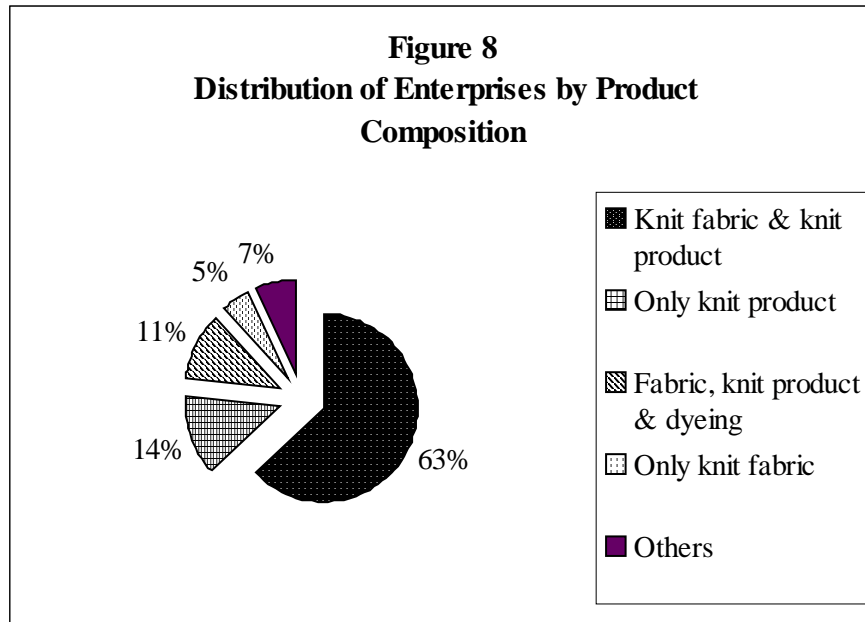
10.1 As mentioned earlier, fiscal incentive and the scope of availing GSP facility facilitated setting up of backward linkage industries for the knitwear industry. It is not surprising, therefore, that the dominant production structure observed in the case of our sample enterprises is composite units with two or more processes. As can be seen from Table 19, 65.5 per cent of the enterprises carry out two processes amongst which the dominant form is production of knit fabrics and knitwear accounting for 62.7 per cent of the enterprises. Another 13.6 per cent of the enterprises involve three or more processes of which the dominant form is production of knit fabric, knitwear and dyeing, accounting for 11.2 per cent of the enterprises. Only about a fifth of the enterprises are single process unit of which production of knitwear such as sweaters, T-shirts, trousers, ladies' shirt etc is the dominant category accounting for 14.1 per cent of the enterprises.

10.2 One observes some correspondence between size of enterprise and the degree of vertical integration. In the case of small enterprises having less than 50 workers, 100 per cent of the enterprises are single process units. In contrast, the proportion of enterprises having two or more processes are 59.3 percent in the case of 50-99 workers size group, 88.2 per cent in the case of 100 – 499 workers size group and 81.0 per cent in the case of 500 or more workers size group.

10.3 Of the 5 enterprises having foreign investment, three units carryout two processes while two units produce knitwear only.

**Table 19: Percentage Distribution of Enterprises by Product and Employment Size**

Product	No. of workers				Total
	1-49	50-99	100-499	> 499	
<b>Single Process</b>	<b>100.0</b>	<b>40.7</b>	<b>11.8</b>	<b>19.0</b>	<b>20.9</b>
Only knit product	20.0	25.9	11.3	19.0	14.1
Only knit fabric	66.7	7.4	0.5	-	5.2
Only dyeing	6.7	7.4	-	-	1.2
Only other products	6.6	-	-	-	0.4
<b>Composite unit – 2 Processes</b>	<b>0.0</b>	<b>55.6</b>	<b>75.9</b>	<b>33.3</b>	<b>65.5</b>
Knit fabric & knit product	-	55.6	73.8	19.0	62.7
Knit product & dyeing	-	-	0.5	9.5	1.2
Fabric & dyeing	-	-	1.1	-	0.8
Knit product & printing	-	-	0.5	4.8	0.8
<b>Composite unit - 3 or more processes</b>	<b>0.0</b>	<b>3.7</b>	<b>12.3</b>	<b>47.7</b>	<b>13.6</b>
Fabric, knit product & dyeing	-	3.7	10.8	33.4	11.2
Fabric, knit product, dyeing & finishing	-	-	0.5	9.5	1.2
Knit product, dyeing, printing & finishing	-	-	0.5	4.8	0.8
Fabric, knit product & printing	-	-	0.5	-	0.4
<b>All</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>



## **XI. Structure of Capital**

### *Financial capital*

11.1 Bangladesh has a precarious industrial financing situation. The traditional source of industrial term lending in Bangladesh since the Pakistan days was development financial institutions (DFIs). During the late 1970s and early 1980s the DFIs indulged in extensive term lending that were motivated more by political patronage distribution and collusion between borrowers and agency personals rather than by the soundness of investment proposals. As a result, these institutions ran into huge amounts of loan default and became virtually defunct once aid agencies cut off the flow of fund for further disbursement of term loan. The vacuum in industrial financing continued for some time until in the early 1990s, the nationalized commercial banks (NCBs) sharply raised their level of term loan. But the quality of the loans suffered from the same types of problems as were observed in the case of the DFI lending. It is not surprising, therefore, that the number of non-performing loans of the NCBs started piling up quite rapidly. By the end of 1996, classified loans increased to a staggering proportion of 31.1 per cent of the total loan portfolio of the banking system in Bangladesh. There has been some recovery of defaulted loans in recent times, but the loan classification rate has, nevertheless, been rising in Bangladesh. This implies that the rate of loan recovery is still slower than the rate at which loans are falling overdue. The high incidence of defaulted loan has also contributed to the perpetuation of high lending rates, ranging between 9 and 18%, discouraging industrial investments. Institutional financing has also been at the root of high incidence of industrial sickness in Bangladesh.

11.2 Amidst this depressing industrial financing scenario export oriented garments and knitwear industry had to manage finance for initial capital outside of the banking system. It is not surprising, therefore, that nearly 78 per cent of our sample enterprises reported 0:100 debt-equity ratio, while only about 8 per cent of the enterprises had debt-equity ratio less favorable than 40:60 (Table 20).

11.3 The relatively smaller fixed investment requirement of knitwear industries also enabled them to manage on their own the initial financing requirement. This is also reflected in the fact that less than 1 per cent of the sample enterprises were incorporated as public limited companies (Table 20). As would be expected, the highest proportion of 0:100 debt-equity ratio was observed in the case of sole proprietorship enterprises while the public limited companies had slightly higher debt-equity ratio than the enterprises with other legal status.

11.4 Of the 54 enterprises that reported having some debt, 10 units did not at all borrow from financial institutions. In the case of 42 enterprises more than 75 per cent of the debt was obtained from financial institutions (Table 21).

**Table 20: Distribution of Enterprises by Debt-Equity Ratio and Legal Status**

Equity (%)	Sole proprietorship	Partnership	Private limited company	Public limited company	All
100	46 (85.2)	18 (64.3)	127 (78.9)		191 (78.0)
80-99	1 (1.9)	4 (14.3)	6 (3.7)		11 (4.5)
60-79	4 (7.4)	2 (7.1)	15 (9.3)	1 (50.0)	22 (9.0)
40-59	3 (5.6)	2 (7.1)	8 (5.0)	1 (50.0)	14 (5.7)
<40	0 (0.0)	2 (7.1)	5 (3.1)		7 (2.8)
All	54 (100)	28 (100)	161 (100)	2 (100)	245 (100)

Figures within parentheses show column percentage

**Table 21: Distribution of Enterprises by Percentage of Debt Owed by Source**

% of debt borrowed from	Financial institutions	Informal	Others
0	10	51	43
1-25	-	1	1
26-50	1	1	1
51-75	1	-	1
75-100	42	1	8
All	54	54	54

#### *Physical Capital: Machinery*

11.5 Table 22 provides information on the number of machine currently installed by type and by country of origin. As can be seen from the Table there are some 26391 pieces of machine currently installed of which the most dominant type is sewing machine accounting for nearly 73 per cent of the total number of machine followed by circular knitting machine (10.0 per cent) and manual flat knitting machine (9.8 per cent).

11.6 Overall, the main country of origin of the machinery is Japan followed by Taiwan, India, China and South Korea. However, there seems to be some concentration in the country of origin by type of machine. Thus, for example, Japan is the main source of import for sewing machine while India, Taiwan and South Korea are the main suppliers of circular and flat knitting machine. South Korea is also the principal source of automated socks knitting machine. Generators on the other hand are primarily imported

**Table 22: Number of Machine by Type and Country of Origin**

Machine type	All countries	Japan	Taiwan	India	China	S. Korea	Bangladesh	UK	Germany	Others
Sewing Machine	19243	18063	765		169	90	6	1	73	55
Circular Knitting Machine	2641	180	531	1437	26	285	3	4	40	
Manual Flat Knitting Machine	2596	45	1321	200	800	230				
Others	538	83	39	4	333	3	11	13		32
Dyeing Machine	403	17	69	14	6	89	95		2	10
Finishing machine	303	36	100		25	29	94		7	
Generator	288	67	2	11	8	8	1	142	8	3
Automated Socks Knitting Machine	173					140				33
Compressor	79		70			3	1	1		
Dryer	40	7	6	4	1	3	5	2	3	
Boiler	27	12	2				10			
Automated Flat Knitting Machine	24	9	5						4	
Stabilizer	21		16			3	1		1	
Cutter	9	4				4		1		
Printing machine	6	5	1							
Total	26391	18528	2927	1670	1368	887	227	164	138	133

**Table 22 (contd.)**  
**Number of Machine by Type and Country of Origin**

Machine type	Italy	Hong Kong	Singapore	USA	Netherlands	Switzerland	Indonesia	France
Sewing Machine		14		3		2	2	
Circular Knitting Machine	58		68	9				
Manual Flat Knitting Machine								
Others	4	9		6			1	
Dyeing Machine	10	49		1	34	7		
Finishing machine	3	2		4		2		1
Generator	6		2	28				2
Automated Socks Knitting Machine								
Compressor	1	3						
Dryer	4		1	4				
Boiler				3				
Automated Flat Knitting Machine							6	
Stabilizer								
Cutter								
Printing machine								
<b>Total</b>	<b>86</b>	<b>77</b>	<b>71</b>	<b>58</b>	<b>34</b>	<b>11</b>	<b>9</b>	<b>3</b>

from UK. This evidence seems consistent with the finding from the national level import data that while Japan continues to be a principal source of import of machinery for Bangladesh, the basket of import became narrower during 1990s particularly with regard to import of textile machinery.

11.7 The above discussion of the distribution of machinery by type and country of origin has been done in terms of number of machine. However, during the course of field survey information were collected on the year of purchase and also the Taka value of the machinery purchased. The purchase value was converted to US \$ value using the exchange rate prevailing in the year of purchase. The relevant information has been provided in Table 23.

11.8 As can be seen from the Table, the total purchase value of the machinery in current dollar price is about \$81.4 million of which the dominant category is circular knitting machine accounting for nearly \$35.7 million or about 43.9 per cent of the total value of the machinery. Sewing machine, which ranked top in terms of number, accounts for about \$25.4 million or 31 per cent of the total value of capital machinery. This is followed by dyeing machine and generators accounting for about 7.7 per cent and 4.9 per cent of the total value of machinery respectively. The average price of a circular knitting machine is about \$13510 against the average price of \$1316 of a sewing machine. Similarly, while the manual knitting machine are more numerous in number, their lower unit price (\$467) caused their share in the value of machinery to be only 1.5 per cent.

11.9 Japan remains the main source of machinery for the knitting industry in Bangladesh both in terms of number and value of machine. Thus, 38.1 per cent of the value of all machinery were due to machinery purchased from Japan. Taiwan is the second largest supplier accounting for about 24.6 per cent of the value of machinery while South Korea's share stands at about 11.7 per cent.

11.10 Concentration in the country of origin by machine type is also observed with regard to the value of machinery. Although the Taiwanese circular knitting machine are no less expensive than those from South Korea and Japan, Taiwan accounts for 44 per cent of the value of circular knitting machine purchased, while the share of South Korea and Japan are 18.8 and 13.5 per cent respectively. Taiwan also remained the principal supplier, in value terms, of manual flat knitting machine (63.7 per cent), stabilizers (73.3 per cent), printing machine (94.9 per cent) and compressors (31.3 per cent).

11.11 Japan's share in the value of machinery is concentrated in sewing machine (96 per cent), cutter (82.3 per cent), boiler (33.2 per cent) and automated flat knitting machine (27.5 per cent). South Korea is the principal supplier in value terms of automated socks knitting machine (84.1 per cent), while USA accounted for 60 per cent of the value of all boilers purchased.

**Table 23: Value of Machine Currently Installed by Type and Country of Origin**

Machine type	All countries	Taiwan	South Korea	Japan	India	Italy	Singapore	UK	Germany
<b>Circular Knitting Machine</b>									
\$ value of machinery purchased	35680348	15706977	6698370	4827601	3918793	1764932	1614958	99448	950996
Percentage distribution	100	44.0	18.8	13.5	11.0	4.9	4.5	0.3	2.7
\$ price per unit	13510	29580	23503	26820	2727	30430	23749	24862	23775
<b>Sewing Machine</b>									
\$ value of machinery purchased	25420578	553769	123264	24399185	-	-	1188	655	122646
Percentage distribution	100	2.2	0.5	96.0	-	-	0.0	0.0	0.5
\$ price per unit	1316	724	1370	1341	-	-	1188	655	1680
<b>Dyeing Machine</b>									
\$ value of machinery purchased	6278899	890447	1365213	189560	149123	165001	-	-	35053
Percentage distribution	100	14.2	21.7	3.0	2.4	2.6	-	-	0.6
\$ price per unit	15580	12905	15339	11151	10652	16500	-	-	17526
<b>Generator</b>									
\$ value of machinery purchased	4023519	3673	112907	926718	88436	78257	32196	2040486	82230
Percentage distribution	100	0.1	2.8	23.0	2.2	1.9	0.8	50.7	2.0
\$ price per unit	13732	1836	14113	13832	8040	13043	16098	14370	10279
<b>Finishing machine</b>									
\$ value of machinery purchased	1944376	75921	367376	40299	-	106480	-	14510	153739
Percentage distribution	100	3.9	18.9	2.1	-	5.5	-	0.7	7.9
\$ price per unit	6417	883	12668	1119	-	53240	-	14510	21963
<b>Dyeing Machine</b>									
\$ value of machinery purchased	1403810	25809	168847	19962	19338	232293	14964	6659	217986
Percentage distribution	100	1.8	12.0	1.4	1.4	16.5	1.1	0.5	15.5
\$ price per unit	35095	4301	56282	2852	4835	58073	14964	3329	72662
<b>Manual Flat Knitting Machine</b>									
\$ value of machinery purchased	1211191	771200	138382	107335	45081	-	-	-	-
Percentage distribution	100	63.7	11.4	8.9	3.7	-	-	-	-
\$ price per unit	467	584	602	2385	225	-	-	-	-
<b>Automated Flat Knitting Machine</b>									
\$ value of machinery purchased	612591	85176	-	168469	-	-	-	-	259071
Percentage distribution	100	13.9	-	27.5	-	-	-	-	42.3
\$ price per unit	25525	17035	-	18719	-	-	-	-	64768



**Table 23 (Contd.)**

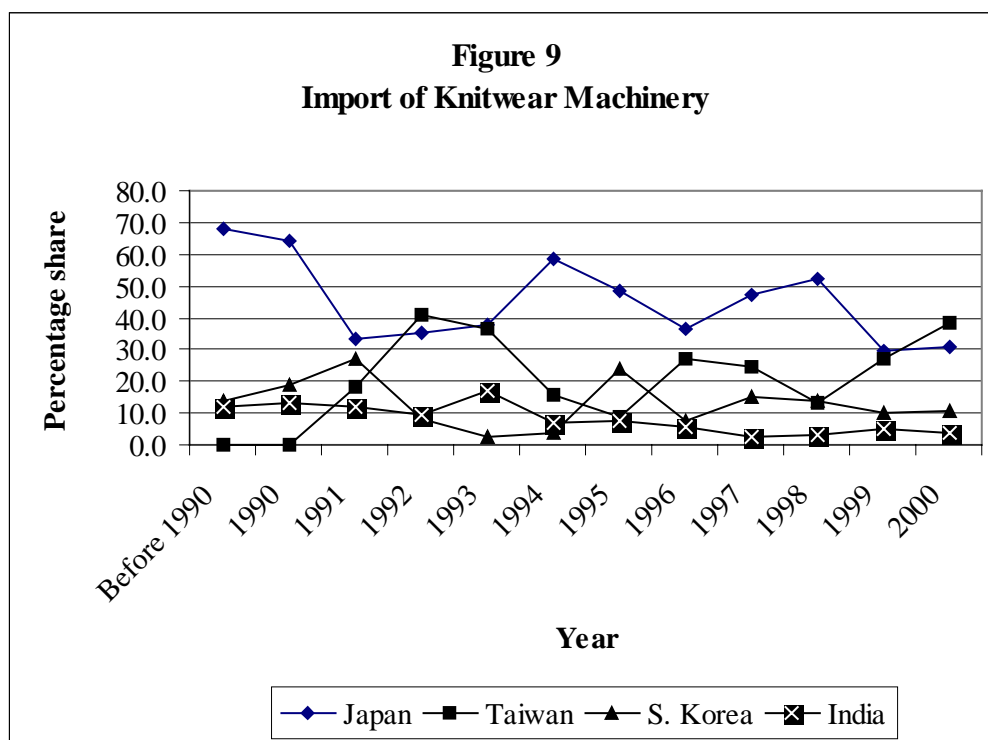
Machine type	China	Bangladesh	USA	Indonesia	Switzerland	Hong Kong	Netherlands	France	Others
<b>Circular Knitting Machine</b>									
\$ value of machinery purchased	69608	3817	24845	-	-	-	-	-	-
Percentage distribution	0.2	0.0	0.1	-	-	-	-	-	-
\$ price per unit	2677	1272	2761	-	-	-	-	-	-
<b>Sewing Machine</b>									
\$ value of machinery purchased	202367	1053	1579	1753	1832	11288	-	-	-
Percentage distribution	0.8	0.0	0.0	0.0	0.0	0.0	-	-	-
\$ price per unit	1197	176	526	876	916	806	-	-	-
<b>Dyeing Machine</b>									
\$ value of machinery purchased	266349	519528	29851	-	397535	1771655	188980	-	310605
Percentage distribution	4.2	8.3	0.5	-	6.3	28.2	3.0	-	4.9
\$ price per unit	44391	5469	29851	-	56791	36156	5558	-	31061
<b>Generator</b>									
\$ value of machinery purchased	58402	486	491267	-	-	-	-	20950	87510
Percentage distribution	1.5	0.0	12.2	-	-	-	-	0.5	2.2
\$ price per unit	7300	486	17545	-	-	-	-	10475	10939
<b>Finishing machine</b>									
\$ value of machinery purchased	131246	89416	212896	-	357782	288213	-	104496	2004
Percentage distribution	6.8	4.6	10.9	-	18.4	14.8	-	5.4	0.1
\$ price per unit	5250	951	53224	-	178891	144107	-	104496	143
<b>Dyeing Machine</b>									
\$ value of machinery purchased	398	6599	685101	-	-	-	-	-	5855
Percentage distribution	0.0	0.5	48.8	-	-	-	-	-	0.4
\$ price per unit	398	6599	171275	-	-	-	-	-	1464
<b>Manual Flat Knitting Machine</b>									
\$ value of machinery purchased	149195	-	-	-	-	-	-	-	-
Percentage distribution	12.3	-	-	-	-	-	-	-	-
\$ price per unit	186	-	-	-	-	-	-	-	-
<b>Automated Flat Knitting Machine</b>									
\$ value of machinery purchased	-	-	-	99875	-	-	-	-	-
Percentage distribution	-	-	-	16.3	-	-	-	-	-
\$ price per unit	-	-	-	16646	-	-	-	-	-

**Table 23 (Contd.)**

Machine type	All countries	Taiwan	South Korea	Japan	India	Italy	Singapore	UK	Germany
<b>Boiler</b>									
\$ value of machinery purchased	366267	5519	-	121779	-	-	-	-	-
Percentage distribution	100	1.5	-	33.2	-	-	-	-	-
\$ price per unit	15925	2759	-	10148	-	-	-	-	-
<b>Automated Socks Knitting Machine</b>									
\$ value of machinery purchased	292364	-	245994	-	-	-	-	-	-
Percentage distribution	100	-	84.1	-	-	-	-	-	-
\$ price per unit	1690	-	1757	-	-	-	-	-	-
<b>Compressor</b>									
\$ value of machinery purchased	188752	59034	57144	-	-	-	-	19877	-
Percentage distribution	100	31.3	30.3	-	-	-	-	10.5	-
\$ price per unit	2420	894	19048	-	-	-	-	19877	-
<b>Stabilizer</b>									
\$ value of machinery purchased	98748	72382	13986	-	-	-	-	-	4545
Percentage distribution	100	73.3	14.2	-	-	-	-	-	4.6
\$ price per unit	4702	4524	6993	-	-	-	-	-	4545
<b>Printing Machine</b>									
\$ value of machinery purchased	52221	49555	-	2666	-	-	-	-	-
Percentage distribution	100	94.9	-	5.1	-	-	-	-	-
\$ price per unit	8704	49555	-	533	-	-	-	-	-
<b>Cutter</b>									
\$ value of machinery purchased	5117	-	-	4209	-	-	-	909	-
Percentage distribution	100	-	-	82.3	-	-	-	17.8	-
\$ price per unit	1023	-	-	1052	-	-	-	909	-
<b>Others</b>									
\$ value of machinery purchased	3796666	1718813	231420	170530	35163	168925	-	84773	-
Percentage distribution	100	45.3	6.1	4.5	0.9	4.4	-	2.2	-
\$ price per unit	8200	44072	33060	34106	11721	84463	-	6521	-
<b>All Machinery (\$)</b>									
	81375448	20018275	9522903	30978313	4255933	2515888	1663305	2267317	1826266
Percentage distribution	100	24.6	11.7	38.1	5.2	3.1	2.0	2.8	2.2

**Table 23 (Contd.)**

Machine type	China	Bangladesh	USA	Indonesia	Switzerland	Hong Kong	Netherlands	France	Others
<b>Boiler</b>									
\$ value of machinery purchased	-	17598	221372	-	-	-	-	-	-
Percentage distribution	-	4.8	60.4	-	-	-	-	-	-
\$ price per unit	-	2933	73791	-	-	-	-	-	-
<b>Automated Socks Knitting Machine</b>									
\$ value of machinery purchased	-	-	-	-	-	-	-	-	46370
Percentage distribution	-	-	-	-	-	-	-	-	15.9
\$ price per unit	-	-	-	-	-	-	-	-	1405
<b>Compressor</b>									
\$ value of machinery purchased	-	22447	-	-	-	17564	-	-	12687
Percentage distribution	-	11.9	-	-	-	9.3	-	-	6.7
\$ price per unit	-	22447	-	-	-	5855	-	-	3172
<b>Stabilizer</b>									
\$ value of machinery purchased	-	1980	-	-	-	-	-	-	5855
Percentage distribution	-	2.0	-	-	-	-	-	-	5.9
\$ price per unit	-	1980	-	-	-	-	-	-	5855
<b>Printing Machine</b>									
\$ value of machinery purchased	-	-	-	-	-	-	-	-	-
Percentage distribution	-	-	-	-	-	-	-	-	-
\$ price per unit	-	-	-	-	-	-	-	-	-
<b>Cutter</b>									
\$ value of machinery purchased	-	-	-	-	-	-	-	-	-
Percentage distribution	-	-	-	-	-	-	-	-	-
\$ price per unit	-	-	-	-	-	-	-	-	-
<b>Others</b>									
\$ value of machinery purchased	96472	42256	642338	38930	-	467662	-	-	99384
Percentage distribution	2.5	1.1	16.9	1.0	-	12.3	-	-	2.6
\$ price per unit	290	3250	107056	38930	-	51962	-	-	3106
<b>All machinery (\$)</b>									
	974037	705181	2309250	140558	757149	2556382	188980	125446	570270
Percentage distribution	1.2	0.9	2.8	0.2	0.9	3.1	0.2	0.2	0.7



11.12 However, amongst the top four suppliers of knitwear machinery (Japan, Taiwan, South Korea and India), only Taiwan has been able to raise its share in the supply of machinery during the reference period (Table 24 and Figure 9). The share of these four countries in the supply of knitwear machinery to the sample enterprises declined from more than 90 per cent in 1990 to 83.5 per cent in 2000. This means that other suppliers of knitwear machinery have gained in importance during this period. This includes Hong Kong, Italy, Germany, UK, Singapore and USA. It should be noted, however, that there is a significant amount of illegal import of machinery from India across border, which may not have been fully reflected here.

**Table 24: Import of Machinery by Sample Firms from Major Supplying Countries**

Year	(% share)				
	Japan	Taiwan	S. Korea	India	All four
Before 1990	67.8	0.0	13.9	12.0	93.6
1990	64.3	0.0	19.0	13.3	96.6
1991	33.7	18.3	27.2	11.7	90.9
1992	35.3	40.8	7.9	9.3	93.3
1993	37.5	36.5	2.2	16.8	93.1
1994	58.6	16.0	3.5	7.2	85.3
1995	48.7	8.8	23.7	7.7	88.8
1996	36.8	27.3	7.3	5.8	77.2
1997	47.4	24.6	15.3	2.4	89.7
1998	52.2	13.4	14.2	3.4	83.2
1999	29.5	27.1	9.9	5.3	71.8
2000	30.9	38.1	10.9	3.5	83.5

## XII. Management Structure

12.1 As mentioned earlier, given the scale of operation, the knitwear industry in Bangladesh lacks corporate structure of management. Only 2 out of the 249 surveyed enterprises were identified as public limited companies. The evidence collected from the field survey also shows that there is an attempt to run the enterprise by the owners themselves. Table 25 provides information on the chief decision making individual in the enterprise and the length of his/her experience in the trade. As can be seen from the Table, 16.4 per cent of the enterprises are run by the proprietors or managing partner themselves while the chief decision-maker in 76.6 per cent of the cases are designated as Managing Director, Executive Director, Chairman etc., who are usually the major share holders of the company rather than being hired professionals. The designation General Manager and Production Manger are usually assigned to hired personnel and the incidence of such persons being the chief decision maker is seen to be quit low. However, one silver lining in all of this is that the average years of experience in both knitwear industry and textiles in general is quite high for all decision makers irrespective of their ownership status. The length of experience in the overall textile sector is higher than the length of experience in the knitwear industry for all three categories of the executives, which suggests that prior experience in textiles, particularly in woven garments has contributed positively towards the rapid growth of knitwear industry in Bangladesh.

**Table 25: Category and Length of Experience of Chief Decision-Making Person**

Legal status	No. of enterprises with chief decision maker		
	Proprietor/ Managing partner	Managing director/ Executive director/ Chairman	General Manager/ Production manager
Sole proprietorship	28	20	4
Partnership	9	19	1
Private limited company	3	146	12
Public limited company	0	2	0
<b>All</b>	<b>40</b> <b>(16.4)</b>	<b>187</b> <b>(76.6)</b>	<b>17</b> <b>(7.0)</b>
Experience in knitting industry (years)	12.1	9.8	6.6
Experience in textiles & garments(years)	12.2	11.0	8.5

Figures within parentheses show row percentage

## XIII. Structure of Employment and Wages

13.1 Two factors explaining the success of garments industry in Bangladesh are the labor-intensive nature of garments manufacturing activity and the low level of skill requirement of the process involved. Low level of wages in Bangladesh particularly amongst female workers has also contributed towards the comparative advantage of the industry. The structure of employment observed in the case of sample enterprises corroborates this story. (Table 27).

13.2 Average employment amongst the sample enterprises was recorded to be 243 per enterprise of which 90.5 per cent fell in the category of operators and helpers. The sewing section is the most labor-intensive component of the activity involving 73.7 per cent of all employees. As would be expected fabric knitting is less labor intensive and accounts for only about 5 per cent of the employment.

13.3 With respect to female employment, the knitwear industry presents a somewhat contrasting picture against the situation in the woven garment industry. In the latter case, the incidence of female employment is very high. Nearly 90 per cent of all employees in the woven garment industry are female. In contrast, the incidence of female employment in knitwear industry has been found to be only about 33 per cent, which is nearly half of the male employment. This is mainly due to the fact that a larger proportion of knitwear enterprises is of composite type with significant degree of backward linkage activities, which are more skill intensive in nature. This is corroborated by the evidence that nearly 86 per cent of all female workers is involved in the sewing section while only 7 female workers were found in the fabric knitting section against the presence of 3307 male workers. Nearly 99 per cent of all female workers were found to belong to operator and helper category with little or no supervisory or administrative role.

13.4 Growth of knitwear industry began in Bangladesh only in 1989-90. It is not surprising, therefore, that less than 5 per cent of the workers were found to have 10 or more years of work experience. The modal experience group is 1-5 year for both male (57.9 per cent) and female (69.4 per cent). However, for reasons explained earlier, the incidence of longer work experience was found to be higher amongst male compared to female workers.

13.5 Table 26 provides information on the structure of monthly wage of workers in the sewing section. The first point to note from the information is that there is hardly any gender discrimination in the wage structure. There is a premium for longer experience and the differential increases as one moves from helpers to operators and from operators to supervisors.

**Table 26: Monthly Wage Rates in the Sewing Section**

Type	1 – 5 years		6 – 9 years	
	Male	Female	Male	Female
Supervisor	Tk. 3619 (\$ 65.80)	Tk. 3716 (\$67.56)	Tk. 4478 (\$81.42)	Tk. 5333 (\$96.96)
Operator	Tk. 2929 (\$53.25)	Tk. 2944 (\$67.56)	Tk. 3369 (\$61.25)	Tk. 3114 (\$56.62)
Helper	Tk. 1231 (\$22.38)	Tk. 1221 (\$22.20)	Tk. 1330 (\$24.18)	Tk. 1331 (\$24.20)

**Table 27: Structure of Employment**

Section	Designation	< 1 year		1-5 years		6-9 years		>10 years		Total	
		M	F	M	F	M	F	M	F	M	F
Administrative	Managerial/Executive	3	2	315	12	298	21	398	4	1014	39
	Other officers	8	0	713	15	657	5	237	0	1615	20
Knitting (Fabric)	Engineer	0	0	13	0	55	1	66	0	134	1
	Supervisor	0	0	131	0	226	1	62	0	419	1
	Operator	12	0	741	0	1087	1	160	0	2000	1
	Helper	64	3	547	0	143	1	0	0	754	4
Knitting (Knit goods)	Engineer	2	0	0	0	9	0	6	0	17	0
	Supervisor	2	0	35	3	53	19	4	0	94	22
	Operator	2	2	1534	180	674	248	3	8	2213	438
	Helper	61	104	235	178	25	25	0	0	321	307
Sewing	Engineer	4	0	30	1	64	0	83	0	181	1
	Supervisor	0	1	543	51	851	31	138	1	1532	84
	Operator	35	30	5344	2790	6098	2713	281	2	11758	5535
	Helper	2136	1553	10539	8968	1101	1032	240	0	14016	11553
Other production	Engineer	0	0	14	0	22	0	33	0	69	0
	Supervisor	2	0	145	4	306	2	50	0	503	6
	Operator	26	55	1044	401	747	25	121	0	1938	481
	Helper	143	159	1561	1293	288	75	6	0	1998	1527
		2500	1909	23484	13896	12704	4200	1888	15	40576	20020

#### **XIV. Concluding Remarks**

14.1 Bangladesh holds out high potentials for rapid industrial growth. During the past decade the country experienced respectable growth of the industrial sector particularly of export oriented garments industries. But the indigenous machinery industry has not developed commensurately for meeting the rising demand for machinery in Bangladesh. As a result, Bangladesh's import of machinery has been showing a steadily rising trend. Bangladesh has also diversified its source of machinery procurement over time. Although Japan has been the single largest supplier of machinery to Bangladesh during the past decade, the import basket has been narrowing over time and the share of Japan in Bangladesh's import of machinery, particularly textile machinery, has been showing a declining trend. Both macro data and the case study of knitwear industry in Bangladesh corroborate this story.

14.2 Bangladesh offers high prospects for foreign investment coming from machinery exporting countries such as Japan. Foreign investment focusing on available natural resources and cheap labor can be used to accelerate industrial development in Bangladesh with the increased demand for machinery being met from the investing country. The prospect of such investment-trade nexus has further brightened in recent times by the granting of preferential market access to Bangladesh by a number of OECD countries. The Everything but Arms (EBA) facility of the European Union and selective duty free market access offered by Japan are some cases in point.