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## PRESS RELEASE

### Bangladesh keen to enter Indian domestic apparel market

New Delhi, Jan 11 -- A 12-member delegation from Bangladesh today met officials of the Apparel Export Promotion Council (AEPC) to explore the possibility of penetrating Indian domestic market.

The delegation included two members of Parliament and senior representatives of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Bangladesh Textile Mills Association (BTMA).

Mr Siddiqur Rahman, vice-president (finance) of the BGMEA, said Bangladeshi manufacturers are keen to corner 10 per cent share of India's growing domestic apparel market. This will increase Bangladesh's 10.9 billion dollar annual garment exports by another two billion dollars.

Quoting a survey by US-based multinational Wal-Mart, he said an average middle class Indian spends Rs 2,500 a year on clothes.

AEPC members and officials extended their willingness to help the Bangladesh garment industry in terms of technical education -- especially with a facility exchange programme of Bangladesh Institute of Fashion Technology.

The visitors said Bangladesh requires India's single count yarns and India needs Bangladesh support to meet the booming Indian retail sector. Also, Bangladesh is a competitive manufacturing base for textile and clothing, they added.

India has a good raw material supply and excellent design capabilities while Bangladesh has the advantage of cheap labour and is strong in knitwear.

In April 2008, India had issued a notification allowing duty-free import of eight million pieces of garments from Bangladesh. The Bangladesh delegation looked for deeper engagement than this concession, for which they called for neutralisation of the excise duties applicable to Bangladesh imports.

Replying to this, AEPC's former chairman Rakesh Vaid said the move will further distort the level-playing field between domestic manufacturers who are subjected to similar excise duties and Bangladesh imports.

This is because of huge wage differential which already exists between garment factory workers of the two countries, he said.

Among those present in the meeting were AEPC's senior vice-chairman Praveen Nayyar, secretary general Vimal Kirti Singh and deputy secretary general Vijay Mathur.

Indian textile and clothing markets accounts for 39 billion dollars which is expected to grow to 110 billion dollars by 2025. Of this, the clothing sector accounts for 27 billion dollars. Garments worth 11 billion dollars are exported from India each year.

The AEPC represents about 8,000 small, medium and large exporters.