

The Role of Banking in RMG Sector for Socio-Economic Development of Bangladesh

Noorul Muqaddim, e-mail: art_pre@yahoo.com

Engr. Md. Tarique Mahmood, e-mail: tarikrussia@yahoo.com

Assistant Professor and Adviser, Department of Apparel Manufacturing Management and Technology
Shanto-Mariam University of Creative Technology, Bangladesh

Suhail Ahmed, e-mail: suhal_83@yahoo.com

Lecturer and Adviser, Department of Apparel Manufacturing Management and Technology
Shanto-Mariam University of Creative Technology, Bangladesh

Abstract

The main aim of the study is find the socio-economic impacts of banking and RMG sector in Bangladesh. The study focused on the macro economic data of the country. We prepared a detailed structure of the relevant areas in which export-oriented RMG sector of Bangladesh was contributing. Subsequently, we held detailed discussion with the BGMEA leadership on the outline of the proposed study. At the next stage in-depth discussion was carried out with a number of RMG entrepreneurs, Directors of Bangladesh Bank and BGMEA officials to elicit relevant information. Identification of the sectorial contribution was carried out in two parts: contribution through linkage industries and socio economic impact of the sector. For evaluation of the sectorial contribution a set of sectors were identified which included backward linkage industries, banking and insurance, transport and communication, air cargo, utility services, hotels and tourism, real estate etc. The study also finds the contributions of banking sector in the economy of Bangladesh.

Key words: Banks of Bangladesh, RMG sector, Social impact, Economic development.

1.0 Introduction

Banks are mainstream of the financial system of a country. Banking system must be robust, resilient and sound for efficient inter-mediation of financial resources. Lack of any one or all these prerequisites would not bring only disaster for the country also cost the real sector. Our government has taken various types of reform programs time to time making banking system more effective so that positive impact of banking system on our everyday life in economic activities can be more realized.

On the other hand after independence of 1971, the export-oriented RMG sector has made crucial contribution to this abovementioned transformation of the Bangladesh economy. The role of our RMG entrepreneurs, domestic fiscal and financial, institutional policy support and incentives put in place by successive governments, substantial RMG-supportive linkage activities within the domestic economy and global market opportunities combined to create a story which is, to be honest and true, unparalleled in the developing world. When jute and jute goods were losing their traditional markets, with the prospect of drastic fall in forex earnings it is the RMG sector which came in first to replace it, and then to overtake it. While traditional export sector could not yield expected results, the RMG sector gradually injected dynamism in the export as well as in the domestic economy though backward and forward linkage economic activities.

2.0 Objectives of the Study

- a. To find the current impacts in the economy of Bangladesh by current banking activities.
- b. To investigate the historical impacts of RMG sector in Bangladesh economy.
- c. To discover the social impacts of the RMG sector in Bangladesh.

3.0 Literature Review

Several authors have analyzed aspects of the garment industry in Bangladesh. Of the various aspects of the industry, the problems and the working conditions of workers have received the greatest attention.

Paul-majumder (2007) found that demand for weekly holiday is a major reason for worker's unrest during 2006. It is observed that the workers are engaged in work for all most all days. Abdin M. J. (2008) in his journal "Overall Problems and Prospects of Bangladeshi Ready-Made Garments Industries" focused on labor unrest in RMG sector and provide some solution regarding this problem. Sultana S. and et al (2011) presents results from a survey of "Likely Impacts of Quota Policy on RMG Export from Bangladesh: Prediction and the Reality" which indicates that despite the concern and fear of negative impact on in the aftermath of quota removal of RMG sector in Bangladesh appears with positive trends along with the substantial increasing rate of export amount, the number of jobs and industries and GDP's growth. In 2010, the sector keeps around 20 percent GDP growth of the country.

In another study, Ferdous R. (2012) found that the reason behind the labor unrest is the absence of legal and institutional arrangements to ensure labor rights in the RMG sector. Many of the garments factories in Bangladesh are alleged not to comply with the Labor Law and ILO conventions. The main reason for labor unrest is inadequate wages of the workers. Islam M. S, and Ahmad (2010) identified that conveyance, lunch bill and enhancement of casual leave, increase of monthly minimum wages from tk. 1662 to tk. 5000; low house rent and better supply of water and gas are the reasons for the labor unrest in the ready-made garment industry of Bangladesh. In another study, Mirdha R. U. (2012) found that the rumor, fear of job loss, false business, case with police stations, fear of shutdown of factories, arrears, checking at entry point and identity cards, pay hike and discrimination in grades, bad relation with workers and mid-level management, provocation by locally influential people and international conspirators and some NGOs, fear of police and role of industrial police, sudden order cut by international buyers, production in piece rate, accommodation and higher house rent, lack of motivational training program, inflation etc. are also the reasons for labor unrest in ready-made industry of Bangladesh.

A McKinsey survey also tells us that the potential for the garment industry is promising. McKinsey forecasted export-value growth of 7-9 percent annually within the next ten years, so the market will be double by 2015 and nearly triple by 2020.

There are several external factors that have been playing an important role in facilitating the growth of the sector. One of these crucial factors is gradual reduction in China's bulk

production due to labor shortages and higher wages, which also contribute to a decline in its appeal in the apparel realm. Moreover, China is now interested in manufacturing products that require greater skills, better technology and more investment in advanced equipment.

According to a survey conducted by McKinsey in 2001, 86 percent of the chief purchasing officers in leading apparel companies in Europe and the US planned to decrease levels of sourcing in China over the next five years because of declining profit margins and capacity constraints, and their next preferred sourcing destination is Bangladesh. They viewed Bangladesh as the next hot spot for sourcing in the RMG market. So Bangladesh is expected to gain much from the changed scenario in the global apparel market.

Kattel, I. K. (2015) evaluated the Financial Solvency of Selected Commercial Banks of Nepal using application of Bankometer covering the period 2007- 2012. The study found that all the private and joint venture banks are in sound financial position and private sector banks are financially sounder in comparison to joint venture banks. The study also concludes that this recent model for financial soundness measurement will help the bank's internal management in mitigating the insolvency issues by proper control and supervision system at the operational level.

Qamruzzaman, M. (2014) tried to predict bankruptcy of selected private commercial Banks in Bangladesh using “Bankometer’s S-score and Altman “Z-score” model. For analyzing the financial position of banks the researcher took 20 banks as sample from 30 listed private commercial banks in Dhaka Stock. His study found that both Bankometer’s S-score and Altman Z-score show similar results about financial position in year 2008, 2009 and 2010 but exceptions prevail in year 2011 and 2012. Although, Altman Z-score model shows slightly bankruptcy status but S-score model shows as a whole banking industry hold a very healthy financial status according to his study.

Anita Erari, Ubud Salim, SyafieIdrus. M. &Djumahir (2013) used different models namely CAEL, Zscore and Bankometer for assessing financial performance of P.T Bank Papua covering the period 2003-2011. His study shows that both CAEL and Bankometer have revealed same assessment in determining financial position but Altman’s Z-score model has reversely put Papua banking industry in to gray zone. This research also suggested that Z-score model is not suitable for evaluation of banking industry having some limitations. However, the study concluded that Z-score model provides early indication about bankruptcy in assessing financial performance and based on the results of above mentioned three models; Bank Papua’s profitability is good.

Makkar, A., & Singh, S. (2012) attempted a study with a model named Bankometer to evaluate the solvency of 37 Indian commercial banks covering the period of 2006-07 and 2010-11. The researcher used Bankometer to check whether analyzing the vulnerability of financial distress on the banks is better than the conventional methods like CAMELS and CLSA Stress test. His study found that all the Indian banks are financially solvent and also revealed that private sector banks are financially more sound than public sector banks. This

study also indentified some unperformed banks and also concluded that Bankometer model will assist internal management in avoiding insolvency issues.

Arulvel and Balaputhiran (2013) initiated a study of financial performance analysis on banking sector of Sri Lanka. The study covered the period 2006-2010 and assessed financial performance of private and state owned banks by applying different statistical tools like Data Environmental Analysis, CAMELS and Bankometer. The study found that state owned banks are performing better than the commercial banks as per Bankometer approach.

Shar, A. H., Shah, M. A., &Jamali, H. (2010) evaluated the performance of banking sector in Pakistan using a new model named Bankometer model which is recommended by IMF. In this study the model Bankometer has been applied on individual banks covering the period 1999-2002 for evaluating the solvency of each bank in Pakistan. The results have been compared with CAMEL and CLSA-stress test for conducting better comparison. His study concluded that Bankometer's s-score scale can be applied at global level to predict the vulnerability of an individual bank.

Altman (1968) conducted his first study on corporate bankruptcy assessment using financial ratios analysis as tools that showed 90% rate of accuracy in correctly classifying the bankrupted firms and 80% rate of accuracy in predicting the next financial difficulties. Although, Altman's Z-score model was initially developed for predicting bankruptcy of manufacturing organizations attaining 80% accuracy but later the model came with additional modifications for assessing bankruptcy of banking sector and successfully showed 70% accuracy rate of prediction. Altman Z-score model has been used by many researchers to predict financial distress and evaluate soundness of financial institutions over the period.

4.0 History of RMG industry in Bangladesh

Bangladesh has a population of approximately 168 million people. The economy of Bangladesh is significantly dependent on agriculture. But it's a great news for the country that, (RMG) Ready Made Garments sector of Bangladesh has raised as the biggest earner of foreign currency. This sector creates about 4.2 million employment opportunities and contributes significantly to the GDP. Ready-made garments (RMG) of Bangladesh is powered by young, urbanizing, workers, where most of them are women.

The foundation of textile sector was first established in the 60th decade of 19th century. For the first time, the industry exported shirts (Mercury shirt) to the European market in 1965-66, which was produced from Karachi. In the latter, 9 exporting industries were available in 1977-78. The three largest industries in that time were Riaz Garments, Jewel Garments and Paris Garments. Among those, Riaz Garments was the most famous and oldest industry in that time.

In the earlier stage, Riaz Garments of Mohammad Reaz Uddin started its business with some tailoring shop in the name of Riaz store. In the later, the name turned into Riaz Garments from Riaz store in 1973 and from 1978 the company started exporting products in the abroad by exporting 1 million pieces of shirts in the South Korean Company named "Olanda". "Desh

Garments” is another pioneer of Bangladesh RMG sector. In 1979, Desh Garments started a joint project with South Korean company “Daiyuu”.

At the same time, several garments were introduced such as-Stylecraft limited by Shamsur Rahman, AristocraftLimitd by AM Subid Ali, Azim Group by Engineer Mohammad Fazlul Azim and Sunman Group by Major (Retd) Abdul Mannan.

By following the beginners of RMG sector, some others discreet and hard-working entrepreneurs started their RMG business in the country. From there, RMG sector of Bangladesh was developing day by day and not needed to look back. Though this sector had passed various critical stages through the path. In that time, we learned about child labor 1994 and in 1995 we made our garments industry free from child labor very successfully.

5.0 Present Situation of RMG Sector in Bangladesh

Quota system was a great blessing for establishing our garments industry. We were strongly benefited by using that. As a result we can see a matured garments industry today. But while quota system was approaching to an end in 2004, there’s so many got upset about the RMG sector of Bangladesh. Though in the latter it can’t be affected here as the experts were seeded. We conquered the post quota challenges and made that a successful story.

In RMG sector of Bangladesh, there are more than 5000 garment factories (private statistics) at the current time, employing more than 12 lack labors, where 85% of the labor force is women. But, according to BGMEA the number of garment factories in Bangladesh around 4000. Now, RMG industry is the country’s largest export earner with the value of over \$24.49bn of exports in the last financial year. It’s a great news for us that, Bangladesh is clearly ahead from other South Asian suppliers in terms of capacity of the ready-made garments industry.

Though, there are various types of garments are manufactured in Bangladesh, but all the ready-made garments are classified into two broad categories, where one is woven products and another one is knitted products. Woven products includes Shirts, Pants and Trousers. On the other hand, knitted product includes T-Shirts, Polo Shirts, Undergarments, Socks, Stockings and Sweaters. Woven garments still dominates the export earnings of the country. From BGMEA website it’s seen that, Day by day knitted items production is increasing in considerable rate and now about 40% export earnings has achieved from knitted products.

6.0 Historical background of banking sector in Bangladesh

After the independence, banking industry in Bangladesh started its journey with 6 nationalized commercialized banks, 2state owned specialized banks and 3 foreign Banks. In the 1980s banking industry achieved significant expansion with the entrance of private banks. Now, banking sector in Bangladesh is primarily of two types:

- A). Schedule Bank
- B). Non-schedule Bank

A). Scheduled Bank: The banks which get license to operate under Bank Company Act, 1991 (Amended in 2003) are termed as Scheduled Bank. State-owned commercial banks, private commercial banks, Islamic commercial banks, foreign commercial banks and some specialized banks are Scheduled Bank.

B). Non-Scheduled Bank: The banks which are established for special and definite objective and operate under the acts that are enacted for meeting up those objectives are termed as Non-Scheduled Bank. These banks cannot perform all functions as like as scheduled banks. Grameen Bank, Probashi Kallyan Bank, Karmasangsthan Bank, Progoti Co-operative Land Development Bank Limited (progoti Bank) and Answer VDP Unnayan Bank are Non-Scheduled Bank.

6.1 List of Banks in Bangladesh

State Owned Banks

1. Sonali Bank Ltd.
2. Agrani Bank Ltd.
3. Rupali Bank Ltd.
4. Janata Bank Ltd.
5. Bangladesh Development Bank Limited.
6. Basic Bank Limited
7. Bangladesh Krishi Bank

Private Commercial Banks

1. AB Bank Limited
2. Bangladesh Commerce Bank Limited
3. Bank Asia Limited
4. Bengal Bank Limited
5. BRAC Bank Limited
6. City Bank Limited
7. Dhaka Bank Limited
8. Dutch-Bangla Bank Limited
9. Eastern Bank Limited
10. IFIC Bank Limited
11. Jamuna Bank Limited
12. Meghna Bank Limited
13. Mercantile Bank Limited
14. Midland Bank
15. Modhumoti Bank Limited
16. Mutual Trust Bank Limited
17. National Bank Limited
18. National Credit & Commerce Bank Limited
19. NRB Bank Limited
20. NRB Commercial Bank Limited
21. One Bank Limited
22. Premier Bank Limited
23. Prime Bank Limited
24. Pubali Bank Limited
25. South Bangla Agriculture & Commerce Bank Limited
26. Southeast Bank Limited
27. Standard Bank Limited
28. The Farmers Bank Limited
29. Trust Bank Limited
30. United Commercial Bank Limited
31. Uttara Bank Limited
32. Shimanto Bank Ltd

Islamic Commercial Private Banks

1. Islami Somaz Bank Limited
2. Al-Arafah Islami Bank Limited
3. EXIM Bank Limited
4. First Security Islami Bank Limited
5. ICB Islamic Bank Limited
6. Islami Bank Bangladesh Limited
7. Shahjalal Islami Bank Limited
8. Social Islami Bank Limited
9. Union Bank Limited

Foreign Commercial Banks

- | | |
|----------------------------------|----------------------------|
| 1. Bank Al-Falah Limited | 6. Standard Chartered Bank |
| 2. Citibank N.A | 7. State Bank of India |
| 3. Commercial Bank of Ceylon PLC | 8. Punjab National Bank |
| 4. Habib Bank Limited | 9. Woori Bank |
| 5. National Bank of Pakistan | 10. HSBC |

Non-Scheduled Banks

- | | |
|---------------------------|----------------------|
| 1. Ansar VDP Unnayan Bank | 4. Grameen Bank |
| 2. Karmashangosthan Bank | 5. Jubilee Bank |
| 3. ProbashiKollyan Bank | 6. PalliSanchay Bank |

7.0 Methodology of the Study

The present study has made use of both primary and secondary sources of information. As an initial input, we prepared a detailed structure of the relevant areas in which export-oriented RMG sector of Bangladesh was contributing. Subsequently, we held detailed discussion with the BGMEA leadership on the outline of the proposed study and its methodology. At the second stage in-depth discussion was carried out with a number of RMG entrepreneurs, Directors of Bangladesh Bank and BGMEA officials to elicit relevant information.

After the debriefing of the key informants, we conducted a survey of selected RMG units and made a detailed analysis of the statements of accounts of 15 RMG units, both woven and knit. The information was cross-checked with other available sources. The study team made exclusive use of Trade Related database. Information received from various secondary sources including the EPB, NBR, Bureau of Statistics, Bangladesh Bank and Commercial Banks, various chambers was also consulted.

On the basis of the primary data generated for the purpose of the study and also the secondary information, we carried out an in-depth study of the contribution of the RMG industry to the overall economy of the country and also to the various sub-sectors of the economy. Data generated from the sample survey served as the basis for these estimates. The estimates computed from the sample were then blown up by using the share of the various components in the export earnings of the sample units. These shares were then used to arrive at the relative contribution of the various components in the total earnings of the RMG sector for the year FY2017. Identification of the sectorial contribution was carried out in two parts: contribution through linkage industries and socio economic impact of the sector. For evaluation of the sectorial contribution a set of sectors were identified which included backward linkage industries, banking and insurance, transport and communication, ports, shipping, air cargo, utility services, hotels and tourism, real estate etc. The estimates were cross-checked with information from other sources mentioned above for consistency and, where possible, for accuracy.

8.0 Findings of the study

8.1 Sectorial basis:

8.1.1 Banking and Insurance

Growth of the RMG sector and the related activities has contributed a lot to the robust growth of the financial sector in Bangladesh. In FY 2017 the banking sector earned about 64 million dollars from business with the RMG sector in the form of interest and charges and L/C charges. More than one-tenth of the commercial banks' asset portfolio belongs to the RMG and textile sector in the country. In FY 2017 commercial banks lent Taka 5400 crore to the textile sector, while the amount lent to the woven-RMG sector was Taka 1212 crore. The export financing business of the commercial banks is largely dependent on the textile and RMG sectors. The RMG sector received Taka 5175 crore as export-finance in FY 2017 which was 66.14% of the total export financing portfolio of the banks. A World Bank survey revealed that almost all firms (98%) are the clients of the commercial banks for working capital and procurement of machines and equipment (57%). The RMG sector has also contributed to the growth of the country's insurance sector. On average, every year the premium paid by the RMG sector to the insurance companies was about 6 million dollars. All firms have their machines and plants insured and, additionally, 87% of importers of input and 15% of the RMG exporters get their imports/exports insured.

8.1.2 Transport Communication

The growth and development of inland transport services to a considerable extent owe to the growth of the RMG industry. Both wheel transport service and railway service are widely used by RMG sector for activities related to manufacturing and cargo movement. The concept of covered van emerged in Bangladesh for safe transportation of the RMG products in particular. In 2002 the inland transport industry received about 27.3 million dollars as revenue from the RMG sector.

8.1.3 Professional Services

The RMG sector extensively uses professional services from CA firms, legal agencies, business consultants. In FY 2017 total payment for professional services is estimated at 6.61 million dollars.

8.1.4 Engineering Sector

The RMG industry paid 24.2 million dollars to the engineering sector which included payments to repairing and maintenance service industry (USD 4.29 million), electrical engineering (USD 4.38 million), transport vehicle maintenance service (USD 2.87 Million), and machine tools service (USD 2.63 Million).

8.1.5 Information and Communication Technology

The RMG sector also plays a catalytic role in the growth of the country's ICT sector. The services consumed by the RMG industry generated revenue for the ICT sector. Payments for ICT services which include communication, hardware and software services are estimated at 16.88 million dollars in FY 2017.

8.1.6 Real Estate

Demand for real estate development by the garment industry to accommodate offices and factories of over 3400 garment units has generated a lot of activities in the Construction

Industry. The RMG industries paid approximately 46.24 million dollars as factory, office and garage rent in FY 2017.

8.1.7 Hotel and Tourism

About 1000-1500 overseas apparel buyers and their representatives visit Bangladesh every year for business purpose. In FY2017 the RMG industry created a business of approximately 7.42 million dollars for the country's tourism industry.

8.1.8 Waste Recycling Industry

Approximately 0.7 million people are engaged in waste (mainly, the waste out prices of fabrics) recycling industry of the country which get their materials from the RMG industries. With these waste materials, they are making stuff toys, patterns, quilts, cushions etc.

8.1.9 Emerging Consumer Market

The 4.6 million workers in the industry have created a large demand for consumer goods. A regular source of earning increases the basic consumption needs such as improved diet, better healthcare, improvements in family utensils and housing conditions etc. The sector has created an increasing demand for consumption of low cost commodities, cosmetics items, dresses, footwear, fast food and other products. A whole industry has been created to service this growing demand and created employment opportunities for hundreds of thousands of people.

8.2 Social Impacts of the RMG Sector

8.2.1 Women Empowerment

It is well recognized that women's participation in income generation activities lends them a better status within the family and provides them with considerable freedom. A job ensures equitable access to household resources (nutrition) and larger investment on female human capital (health and education). Employment opportunities draw attention to women's needs for public facilities such as transportation, communication, safety etc. and creates a demand for policy response in these areas. It also has created a demand for education and health. As the income by the female member reduces dependency on male income it reduces their vulnerability. It also reduces the possibility of domestic violence against women. Expansion of women's employment has contributed positively to the improvement of the savings behavior of the poor people since women tend to be better savers.

8.2.2 Savings

Regular earning enables a large number of the garment workers to go for some savings. Workers investments on family pension schemes etc. create savings. A BIDS survey conducted in the early 1990s found that 21 percent of both male and female workers aged 15 years and above had their own bank accounts. A higher proportion of workers (30 percent) had bank accounts in the EPZ. Findings showed that women are on average better savers than men and save about 7.6 percent of their otherwise small income.

8.2.3 Child Labor

In recent years, international debate on child labor has intensified. The elimination of child labor is also among the core labor standards in the ILO Convention. The Harkin Bill placed at the US Senate entitled “The Child Labor Deterrence Act of 1993” which called for the elimination of child labor in the export oriented manufacturing and mining industries. As a consequence many garment industries had to retrench child workers from their factories. In many countries these retrenched children ended up in more strenuous and less-remunerative jobs, or worst, turned to begging in the street. The Bangladesh RMG sector set a unique example through collective efforts which eventually led to the development of a safety-net program for the child labors. The BGMEA/ILO/ UNICEF Child Labor Project in the garment industry of Bangladesh, funded by the US Development of Labor was the first of a series of child labor programs executed by the International Program on the Elimination of Child Labor of the ILO. This project, initiated in 1995, is based on a Memorandum of Understanding (MOU) signed by the BGMEA and two international organizations, the ILO and UNICEF, with the aim of progressively phasing out child labor from more than 2,500 factories that are members of the association.

8.2.4 Population Control

Employment opportunities especially for women created positive impact on family planning and population control in the country. Independent working-women are getting more conscious about the advantage of a small family, and are exposed to modern family planning methods. Working adolescent girls tend to avoid early marriage as they have their own source of income and are self-dependent. The mean age at marriage for girls working in RMG factories tend to be higher than the national average.

8.3 Role of banks in economic development

Bank have played a vital role in economy by providing credit for performing economic activities and at the sometime conglomerate the surplus capital from general public through different types of depository incentives. Hence we discuss the major sectors of economy like agriculture, industry, business mentioned by Bangladesh Bank and how much wells banks perform these sectors.

Agriculture is the main sector of our economy. According to the new GDP measurement system, it provides about 22 percent of our GDP. Though the total amount of credit increases day by day, the portion of credit has decreased in agriculture, fishery and forestry sector whether it has reduced into half a percent. The rescue of agriculture revenue is hearty than others sectors and this credit directly affects the agricultural production. At present 44 private and foreign commercial banks have to continue their activities. They contain collectively TK 20,365 crore as a deposit which is 35 percent of total credit. But unfortunately, they don't give any single coin to agriculture sector, as a credit.

Industrial sector acts as a main sector of GDP in the developed countries but unfortunately, this sector performance is very weak in our country and participation of GDP in this sector is 17.79 percent. This sector gets the highest credit from commercial banks.

Business sector has become major role playing sector in our economy. Now-a-days almost 14.47 percent of GDP comes from merchandise sector, which is lucid from different statistical data. In 1981, one reason of gets more credit in business sector is that the probability of default loan is comparatively low vis-a-vis other sectors. But now-a-days, default culture has also increased in trading sector. Only garments artistry takes on prominent credit is TK 786 crore and TK 878 crore respectively provided by private and national commercial banks provide 24 percent of total credit in business sector and it is only 14.31 percent in case of foreign banks.

Bank is one of the main means of government by which government can implement different types of step for eradicating poverty. As the branches of bank are available everywhere from downtown area to remotest rural area government uses this channel to provide any financial benefit quickly. Some projects are run by bank with the help of government to wipe-out poverty are as follows:

- Rural poor co-operative project in greater Rajshahi, Kushtia and Jessore area with the help of Sonali Bank.
- Self-reliance loan project through the self-reliance Bangladesh and financed by Sonali Bank.
- Small and landless farmers' development project by Janata Bank.
- Small and marginal farming.

9.0 Conclusion

Bangladesh is a rising economic country. In Bangladesh we have total 55 banks to provide its services nationwide. However, all banks do not provide online banking services. Some bank services are so limited (such as only general banking). State owned commercial bank and specialized development bank is not effective for foreign people, because of their services are pending and delay. Private commercial banks are very potential for foreign people. Some private commercial banks are providing one stop services for non- resident Bangladeshi (NRB) which is very effective for foreign people. Such as BRAC Bank, Dutch Bangla Bank, Islami Bank Bangladesh Limited, National Bank Limited etc.

The performance of the banking sector in terms of net profit varies in various groups of bank. The report revealed that in every aspect, TNBs had a commendable performance. But comparing among other groups of banks (NCBs, SPBs, and PCBs) PCBs had preferred achievement aiming profit. On the other hand Specialized Banks in Bangladesh had a very poor performance. This meager activity affected the overall banking sector's performance.

On the other hand, it's a prime duty for us to provide a perfect working place for the readymade garments sector of Bangladesh which has given our economy a strong footing, created jobs for millions of people, especially for women, lifted them from the abyss of chronic poverty and given them a magnificent life. Now what we have needed to do is dealing with all the challenges facing our readymade garments industry, paving the way for its further development.

References:

1. MajumderPratima Paul and Binayak Sen, ed., (July 2001): Growth of Garment Industry in Bangladesh: Economic and Social Dimensions, Bangladesh Institute of Development Studies, Dhaka.
2. SobhanRehman and NasreenKhundker, ed., (2001): Globalisation and Gender, Changing Patterns of Woman's Employment in Bangladesh, Centre for Policy Dialogue, University Press Limited, Dhaka.
3. Spinanger Dean, (September, 2000): The WTO, ATC and Textiles and Clothing in a Global Perspective: What's in it for Bangladesh? Background Paper prepared by the Centre for Trade Policy and Law (CTPL) for Dialogue on Implementation of WTO ATC: Current Status and Implications for Bangladesh, held on Sept 30, 2000, Dhaka (Unpublished).
4. Rahman Shamsur and A K M Atiqur Rahman, 2001, "Development of Backward Linkage Industry in the Textile Sector: Promises and Achievements" Paper presented at the TexBangla Seminar held on May 28, 2001.
5. Azad. A K. (2000), "Inter Industry Linkages of Services in the Bangladesh Economy (With a Case Study of the Ready-made Garments Industry) And Potential Service Trade."
6. Haarlem, Rijk van & Jose, San (2001), "The BGMEA/ILO/UNICEF Child Labour Project in the Garment Industry, Bangladesh" A presentation during the symposium "Child Labour& the Globalizing Economy: Lessons from Asia/Pacific Countries", Stanford University, California.
7. Chowdhury A Matin (2002), "BTMA Presentation on Post MFA", Powerpoint presented by BTMA at a seminar held on July 27 2002 at Hotel Sheraton Dhaka.
8. Fell, J., &Schinasi, G. (2005). Assessing financial stability: exploring the boundaries of analysis. National
9. Institute Economic Review, 192(1), 102-117.
10. Hoque, M. R., &Rayhan, M. I. (2013). Efficiency Measurement on Banking Sector in Bangladesh. Dhaka University Journal of Science, 61(1), 1-5.
11. Gaur, A., Sukhija, S., &Julee, M. (2012). Overall Profitability Measurement of Major Private Sector Banks in India. In HSB Annual Conference in (pp. 9-10).
12. Kaur, J., Kaur, M., & Singh, S. FINANCIAL PERFORMANCE ANALYSIS OF SELECTED PUBLIC SECTOR BANKS: A CAMEL MODEL APPROACH.
13. Ashraf, A., & Tariq, Y. B. (2016). Evaluating the Financial Soundness of Banks: An Application of Bankometer on Pakistani Listed Banks. IUP Journal of Financial Risk Management, 13(3), 47.
14. Uddin, M. M., Masud, M., &Kaium, A. (2015). Financial Health Soundness Measurement of Private
15. Commercial Banks in Bangladesh: An Observation of Selected Banks. The Journal of Nepalese Business Studies, 9(1).
16. Kattel, I. K. (2015). Evaluating the Financial Solvency of Selected Commercial Banks of Nepal: An Application of Bankometer. Journal of Advanced Academic Research, 1(1), 88-95.
17. Qamruzzaman, M. (2014). Predicting Bankruptcy: Evidence from Private Commercial Banks in Bangladesh.
18. International Journal of Financial Economics, 2(3), 114-121.
19. Erari, A., Salim, U., &Irdus, M. S. (2013). Djumahir (2013),"Financial Performance Analysis of PT. Bank
20. Papua: Application of CAEL, Z-Score and Bankometer". IOSR Journal of Business and Management, 08-16.
21. Makkar, A., & Singh, S. (2013). Analysis of the financial performance of Indian commercial banks: A comparative study. Indian Journal of Finance, 7(5), 41-49.

22. Arulvel, K. K., &Balaputhiran, S. (2013). Financial position of banking sector: A comparative study between state and private sector banks in Sri Lanka. *ACADEMICIA: An International Multidisciplinary Research Journal*, 3(2), 212-221.
23. Shar, A. H., Shah, M. A., &Jamali, H. (2010). Performance evaluation of banking sector in Pakistan: An application of bankometer. *International Journal of Business and Management*, 5(9), 81.
24. Altman, E. I. (1968). Financial ratios, discriminant analysis and the prediction of corporate bankruptcy. *The journal of finance*, 23(4), 589-609.
25. IMF (2000), Macro prudential Indicators of Financial System Soundness, Occasional Paper-192, April 2000, 1-54.
26. Bhattacharya,L.(1997). The Impact of Liberalization on Productive Efficiency of India Commercial Bank, *European Journal of Operational Research*, 98,332- 345.
27. Altman, E. I. (1968). Financial Ratios, Discriminant Analysis and the Prediction of Corporate Bankruptcy, *the Journal of Finance*, 23, 589-609.
28. Houben, A., Kakes, J., &Schinasi, G. J. (2004). Toward a framework for safeguarding financial stability. *International Monetary Fund*.
29. Davies, S. M. "Banking System Soundness during the Financial Crisis". BIS Publications, [Online], Available: <http://www.bis.org/ifc/publ/ifcb34e.pdf> [Accessed: March 3, 2013].
30. Makkar, A., & Singh, S. (2012, June). Evaluating the financial soundness of indian commercial banks: an application of bankometer. In *National Conference on Emerging Challenges for Sustainable Business* (pp. 118-132).
31. Shar, A. H., Shah, M. A., &Jamali, H. (2011). Performance evaluation of pre-and post-nationalization of the banking sector in Pakistan: An application of CAMEL model. *African Journal of Business Management*, 5(3), 747.
32. Evans, O., Leone, A. M., Gill, M., Hilbers, P., Blaschke, W., Krueger, R., & Berge, J. T. (2000). Macroprudential indicators of financial system soundness (Vol. 192). *International Monetary Fund*.
33. Babihuga, R. (2007). Macroeconomic and financial soundness indicators: an empirical investigation (No. 7-115). *International Monetary Fund*.
34. Hilbers, P., Krueger, R., & Moretti, M. (2000). New tools for assessing financial system soundness. *Finance and Development*, 37(3), 52.
35. Yamin, I. Y., & Ali, M. M. S. Evaluating the Financial Soundness of the Jordanian Commercial Banks by Applying BankoMeter's Model.
36. Ashraf, A., & Tariq, Y. B. (2016). Evaluating the Financial Soundness of Banks: An Application of Bankometer on Pakistani Listed Banks. *IUP Journal of Financial Risk Management*, 13(3), 47.
37. Nagamani, M., &Abirami, K. (2015). Financial soundness of select private sector banks in India-An application of bankometer model. *ZENITH International Journal of Business Economics & Management Research*, 5(8), 130-136.
38. CPD-IRBD Database
39. National Board of Revenue
40. Scheduled Bank Statistics (different years)
41. Export Promotion Bureau
42. Economic Trends, Statistics Department Bangladesh Bank (different issues)
43. Bangladesh Bank Bulletin (different issues)

Annexures:

TABLE-1
(Taka in Crore)

Type of Transaction	2015-16	2014-15	2013-14	Changes (1-2)	Changes (1-3)
	1	2	3	4	5
Cash	194217.3	187971.1	178554.6	6246.2	15662.7
EPZ	42585.8	38515.1	34819.9	4070.7	7765.9
Total (Changes in%)	236803.1	226486.2	213374.5	10316.9 (+4.6)	23428.6 (+11.0)

TABLE-2
(Million US \$)

Type of Transaction	2015-16	2014-15	2013-14	Changes (1-2)	Changes (1-3)
	1	2	3	4	5
Cash	24816.6	24199.5	22974.0	617.1	1842.6
EPZ	5439.3	4957.8	4480.3	481.5	959.0
Total (Changes in%)	30255.9	29157.3	27454.3	1098.6 (+3.8)	2801.6 (+10.2)

TABLE-3

Name of EPZ Zones	No. of Operation	Investment in Thousand	Employment (Local)	Employment (Foreign)
Total : Type-A	256	2809080	312325	2154
Chittagong	87	956744	111536	355
Dhaka	66	1007292	77942	598
Mongla	11	18224	1207	13
Ishurdi	7	39793	4351	55
Comilla	21	139237	16696	176
Uttara	7	97697	21617	359
Adamjee	25	197271	25769	181
Karnaphuli	32	352822	53207	417
Total : Type-B	70	411270	45389	114

Chittagong	25	104093	20591	15
Dhaka	16	56594	4948	38
Mongla	5	5112	104	1
Ishurdi	1	22985	430	-
Comilla	8	88946	3893	18
Uttara	0	275	-	-
Adamjee	12	110454	12526	42
Karnaphuli	3	22811	2897	-
Total : Type-C	134	778451	95938	116
Chittagong Dhaka	59	405417	64842	55
Mongla	24	158110	7078	3
Ishurdi	6	17746	302	1
Comilla	8	33752	3274	9
Uttara	11	26496	3754	5
Adamjee	5	16067	1510	1
Karnaphuli	10	63457	8164	36
	11	57406	7014	6
Grand Total	460	3998801	453652	2384

Source: Bangladesh Export Processing Zone Authority (BEPZA)

At the end of June, 2017 type-wise number of functioning enterprise are shown in Table-4

TABLE-4

Name of EPZ Zones	No. of Operation	Investment in Thousand USD	Employment (Local)	Employment (Foreign)
Total :Type-A	259	3027	329316	2189
Chittagong	87	999	113289	355
Dhaka	62	1069	79651	599
Mongla	11	25	1724	20
Ishurdi	9	44	5357	64
Comilla	22	157	19843	174
Uttara	9	116	25661	341
Adamjee	27	216	27848	196
Karnaphuli	32	399	55943	440
Total :Type-B	73	455	47103	141
Chittagong	24	110	19696	23
Dhaka	16	58	5042	37
Mongla	6	5	92	3
Ishurdi	1	24	495	0
Comilla	9	99	3577	14
Uttara	0	0	0	0
Adamjee	14	135	15018	64

Karnaphuli	3	24	3183	0
Total :Type-C	132	860	102762	94
Chittagong	59	447	66772	46
Dhaka	24	165	7647	2
Mongla	5	17	288	0
Ishurdi	7	49	3206	8
Comilla	10	28	3599	5
Uttara	6	22	2491	2
Adamjee	10	71	10256	26
Karnaphuli	11	61	8503	5
Grand Total	464	4341	479181	2424
Source : Bangladesh Export Processing Zone Authority (BEPZA)				

Source : Bangladesh Export Processing Zone Authority (BEPZA)

Table-5 shows the export receipts by the EPZ enterprises since 1988-89. The data are collected from Bangladesh Export Processing Zone Authority (BEPZA)

TABLE- 5

Year	Amount in Crore Taka	Amount in Million US \$
1988-89	50.8	16
1989-90	111.0	34
1990-91	169.2	48
1991-92	258.9	68
1992-93	428.5	110
1993-94	411.7	103
1994-95	822.4	205
1995-96	1135.4	278
1996-97	1580.0	370
1997-98	2450.1	539
1998-99	2910.5	606
1999-00	3649.8	725
2000-01	4766.8	883
2001-02	4977.3	867
2002-03	5379.2	929
2003-04	6055.0	1027
2004-05	7245.1	1180
2005-06	9137.6	1362
2006-07	10464.5	1516
2007-08	11884.5	1732

2008-09	13074.3	1900
2009-10	14879.1	2150
2010-11	20001.9	2801
2011-12	27085.5	3426
2012-13	30548.9	3829
2013-14	34819.8	4480
2014-15	38515.1	4958
2015-16	42585.8	5439
2016-17	41281.3	5214

Source : Bangladesh Export Processing Zones Authority (BEPZA).

1 Crore = 10 million

TABLE-6
Foreign Exchange Reserve (Monthly)

(In million US \$)	
Period	Reserves(Gross)
2017-2018	
January	32694.7
December	33226.9
November	32623.9
October	33452.3
September	32816.6
August	33596.3
July	32994.0
2016-2017	
June	33493.0
May	32245.7
April	32518.8
March	32215.2
February	32556.7
January	31724.2
December	32092.2
November	31370.9
October	31895.3
September	31385.9
August	31165.1
July	30039.3
2015-2016	
June	30168.2
May	28802.9

April	29106.3
March	28265.9
February	28058.6

Source : Accounts & Budgeting Department, Bangladesh Bank

TABLE-7
Current Bank deposit and credit

Deposits held in DMBs	(Taka in Millions)				
Items	December, 2017	November, 2017	December, 2016	Percentage Changes	
				Dec' 17 over Nov' 17	Dec' 17 over Dec' 16
Demand Deposits*	1039701	995266	906607	4.46	14.68
Time Deposits*	8222092	8132733	7496075	1.1	9.69
Total	9261793	9127999	8402682	1.47	10.22

Source : Statistics Department, Bangladesh Bank.

Note: * Excludes Inter bank Deposits and Government Deposits.

TABLE-8

Bank Credit	(Taka in Millions)				
Items	December, 2017	November, 2017	December, 2016	Percentage Changes	
				Dec' 17 over Nov' 17	Dec' 17 over Dec' 16
Advances	8126155	7942529	6888701	2.31	15.3
Bills (Import & Inlands Bills)	318201	304395	242429	4.54	25.56
Investments	1638051	1668008	1703030	-1.8	-2.06
Total	10082407	9914932	8834160	1.69	14.13

Source : Statistics Department, Bangladesh Bank.

Note: 1. Advances include Loans & Advance, Money at Call, Balances & R. Repo with NBFIs & Accrued Interest.
2. Investments include Treasury Bills, Treasury Bonds, Share & Securities with accrued interest.