
Article

Trade Policy and Changes in Global Apparel Trade in Asia: China's Impact on Bangladesh's Ready-Made Garment Industry

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Abstract

Bangladesh—in 2023 the world's second-largest apparel exporter after China—has continued to expand its exports of Ready-Made Garments (RMG). Protectionist trade policies pursued by major economies under the Multi-Fiber Agreement (MFA) and the Agreement on Textiles and Clothing (ATC) served as external drivers of this growth, as emerging Asian exporters capitalized on allocated quotas. By the mid-1990s, China had become the world's dominant apparel exporter, but rising labor costs and stricter environmental regulations caused importers to diversify their apparel sourcing away from China and toward other Asian countries, including Bangladesh. In recent years, the protectionist trade policies followed by the Trump administration—exemplified by the US-China trade dispute—have further accelerated a shift toward Bangladesh. Today, China continues to play a central role in the apparel supply chain, being a major supplier of raw materials and machinery. In this context, the health of Bangladesh's apparel industry remains highly dependent on the trade policies of major economies and the sourcing strategies of multinational apparel brands—both increasingly shaped by their relations with China—as well as on imports from China.

Keywords: trade policy, global apparel supply chain, Bangladesh RMG industry

Introduction

This study examines the development of Bangladesh's apparel industry, particularly since the 2010s, with a focus on external factors, specifically China's influence on trade and supply chains within the Asian region. In recent years, global supply chains have faced significant disruption due to events such as the US-China trade war, the COVID-19 pandemic, and the Russia-Ukraine war. Despite this, Bangladesh has continued to expand its apparel

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exports, increasingly being selected as a sourcing alternative to China.

This paper first analyzes global trends in apparel trade, focusing on the international trade environment that enabled China to become the dominant exporter in the global apparel supply chain. It then examines the relationship between China and other Asian apparel exporters, highlighting Bangladesh's unique position as an emerging apparel source amid a shift away from China. Subsequently, it explores how recent global economic events have impacted the apparel supply chain in Asia, with particular attention to the dynamics of Bangladesh versus Chinese exports.

Finally, based on import payment data compiled by the Bangladesh Bank, the study analyzes trends in Bangladesh's import of relevant raw materials and machinery since the 2010s, with a particular focus on China, the largest source of Bangladesh's imports.

Global Apparel Trade

When examining global trade in apparel products, it is essential to consider HS (Harmonized System) codes 61 and 62, which cover knitted (or crocheted) and non-knitted garments, respectively. **Figure 1** presents the top 20 importing and exporting countries for these products in the year 2023. In both categories, the United States and European countries are the major consumer markets, with the US accounting for 19.5% of global HS 61 imports and 16.9% of HS 62 imports, and European countries accounting for 39.6% of global HS 61 imports and 41.5% of HS 62 imports. In contrast, Asian countries are the predominant exporters of both HS 61 and HS 62 apparel. China alone accounts for 30.9% of HS 61 exports and 28.6% of HS 62 exports. Nine other Asian countries collectively account for 29.0% of HS 61 exports, while eight countries account for 27.2% of HS 62 exports. As these data indicate, demand is concentrated in Western economies, while production is largely centered in Asia.

China has been the world's largest apparel exporter since the mid-1990s. As shown in **Figure 2**, China remains the leading exporter, but the value of its HS 61 and HS 62 exports has declined since 2013 and 2014, respectively, and China's share of global exports has decreased since 2013 for HS 61 and since 2015 for HS 62. At the same time, global apparel exports have continued to grow, as other countries have increasingly filled the gap left by China's declining share. An analysis of trends among major apparel exporters excluding China reveals that other Asian countries have shown consistent growth, taking market share away from China (see **Figures 3** and **4**).

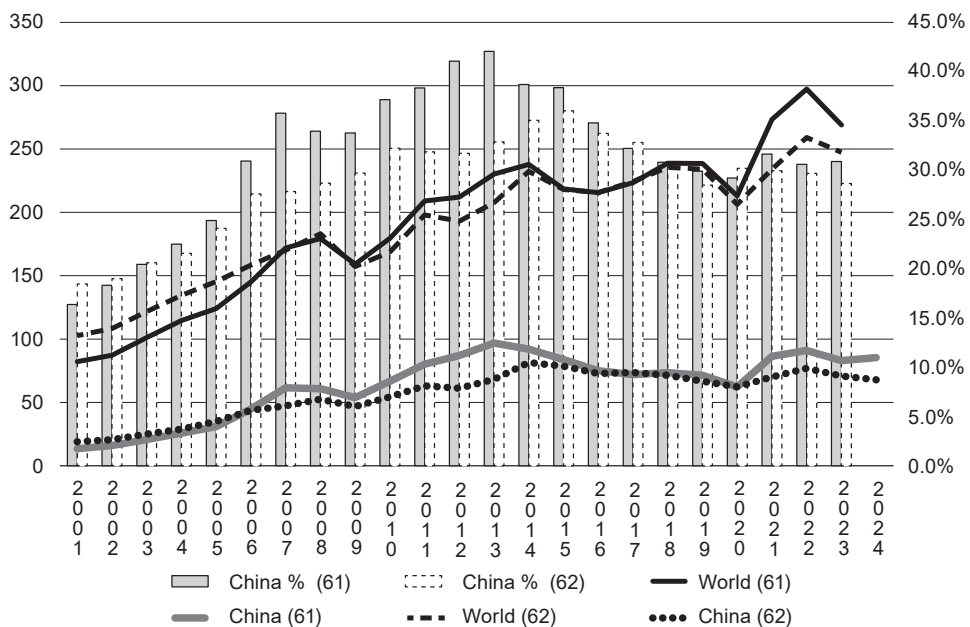
Historically, global trade in apparel has been strongly influenced by trade policies. In

HS 61				HS 62				HS 61				HS 62			
Rank	Importers	2023	%	Importers	2023	%		Rank	Exporters	2023	%	Exporters	2023	%	
1	USA	45,244,512	19.5%	USA	36,346,897	16.9%		1	China	83,043,315	30.9%	China	70,864,118	28.6%	
2	Germany	21,442,613	9.3%	Germany	19,432,896	9.0%		2	Bangladesh	26,907,048	10.0%	Bangladesh	22,681,881	9.2%	
3	France	12,739,444	5.5%	France	12,889,186	6.0%		3	Viet Nam	14,763,154	5.5%	Italy	16,242,865	6.6%	
4	Japan	12,086,253	5.2%	Japan	11,738,764	5.4%		4	Germany	13,933,031	5.2%	Viet Nam	15,315,314	6.2%	
5	UK	11,184,452	4.8%	Spain	10,610,347	4.9%		5	Italy	11,742,916	4.4%	Germany	13,511,691	5.5%	
6	Italy	10,022,138	4.3%	Italy	9,658,123	4.5%		6	Turkey	10,277,582	3.8%	France	8,698,747	3.5%	
7	Spain	9,738,264	4.2%	UK	9,093,466	4.2%		7	Netherlands	7,039,319	2.6%	Turkey	8,037,311	3.2%	
8	Netherlands	8,035,195	3.5%	Netherlands	8,219,372	3.8%		8	India	6,664,204	2.5%	Spain	7,995,776	3.2%	
9	Poland	6,718,668	2.9%	South Korea	7,149,304	3.3%		9	France	6,616,980	2.5%	India	7,840,486	3.2%	
10	Canada	5,802,058	2.5%	Poland	5,328,120	2.5%		10	Spain	6,313,230	2.3%	Netherlands	6,914,150	2.8%	
11	South Korea	4,842,235	2.1%	China	5,283,941	2.5%		11	Belgium	5,823,701	2.2%	Poland	5,288,327	2.1%	
12	Belgium	4,718,112	2.0%	Canada	5,050,675	2.3%		12	Cambodia	5,478,550	2.0%	Indonesia	4,219,248	1.7%	
13	Russia	4,157,652	1.8%	Switzerland	4,560,759	2.1%		13	Poland	5,437,482	2.0%	Belgium	3,414,656	1.4%	
14	China	3,963,544	1.7%	Australia	3,763,880	1.7%		14	Pakistan	4,208,091	1.6%	Pakistan	3,345,814	1.4%	
15	Switzerland	3,817,740	1.6%	Belgium	3,679,078	1.7%		15	Indonesia	3,782,575	1.4%	Denmark	3,116,257	1.3%	
16	Australia	3,774,225	1.6%	Russia	3,676,725	1.7%		16	USA	3,394,027	1.3%	Hong Kong	3,065,698	1.2%	
17	Mexico	3,636,849	1.6%	Hong Kong	3,408,357	1.6%		17	Hong Kong	3,160,947	1.2%	Morocco	2,915,710	1.2%	
18	Hong Kong	3,503,853	1.5%	Austria	3,177,719	1.5%		18	Mexico	2,906,749	1.1%	Myanmar	2,911,222	1.2%	
19	UAE	3,461,012	1.5%	UAE	3,145,699	1.5%		19	Sri Lanka	2,705,388	1.0%	USA	2,839,139	1.1%	
20	Austria	3,218,289	1.4%	Denmark	2,773,232	1.3%		20	Denmark	2,585,588	1.0%	Mexico	2,588,826	1.0%	
	World	231,613,364	100.00%	World	215,598,558	100.0%			World	268,904,253	100.0%	World	247,414,880	100.0%	

Note: Values are in thousands of USD.

Source: Compiled by the author using data from ITC (International Trade Centre) Trade Map.

Figure 1 Top 20 apparel importing and exporting countries in 2023



Note: The left axis shows value in billions of USD; the right axis shows global share.

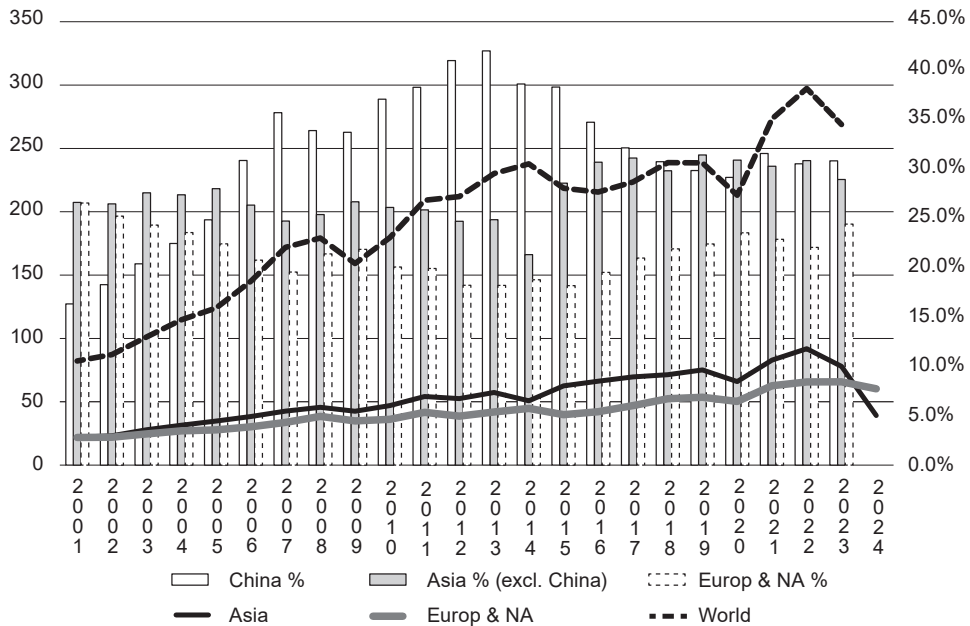
Source: Compiled by the author using data from ITC Trade Map.

Figure 2 Value and global share of China's exports of HS 61 and HS 62 apparel products

1974, the United States, Canada, and European countries initiated the Multi-Fiber Agreement (MFA) under the General Agreement on Tariffs and Trade (GATT). The MFA allowed developed countries to impose quotas on major apparel and textile exporting countries, such as Hong Kong, Taiwan, and South Korea, in order to regulate imports and maintain stability in their domestic industries. In the 1980s, these major exporters shifted production to other Asian countries with underutilized quotas and lower-wage labor, especially China. Thus, China and other emerging apparel-exporting countries in Asia were able to take advantage of the quota system to expand their exports (Gereffi & Frederick, 2011, p. 8; Gereffi, 1999, pp. 49, 51).

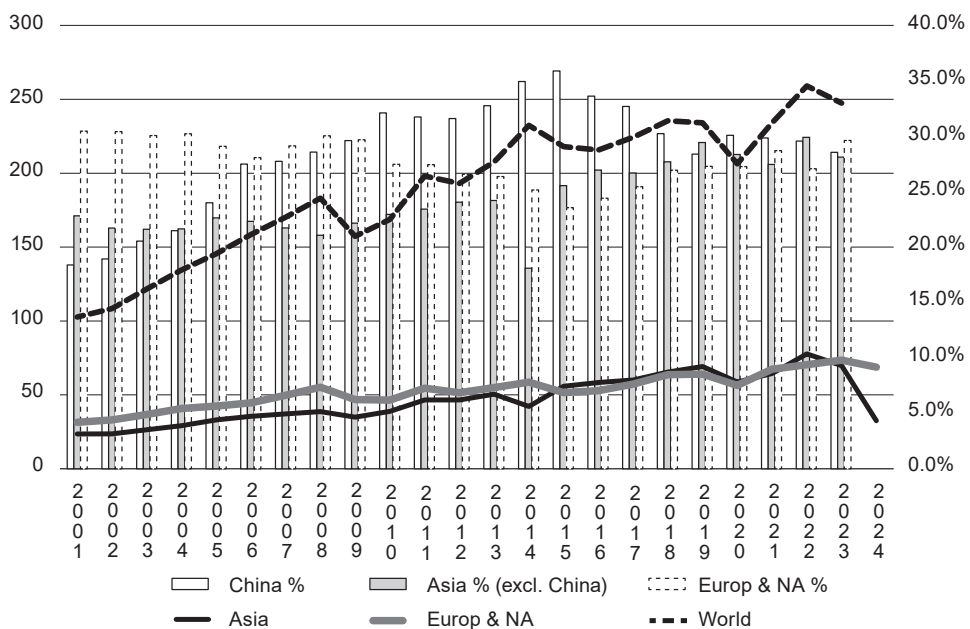
With the transition from GATT to the World Trade Organization (WTO), the MFA was replaced by the Agreement on Textiles and Clothing (ATC) in 1995. The ATC was set to expire in 2005, establishing a ten-year transition period after which all restrictions would be removed. However, by the time the quotas were removed in 2005, they had already begun to limit China's export capacity, as Chinese apparel production was approaching the quota ceilings. China's accession to the WTO in 2001 had also fueled its rapid growth in apparel exports (Gereffi & Frederick, 2010, pp. 157–159; Japan External Trade Organization [JETRO], Overseas Research Department, 2004, pp. 1–3).

The elimination of quotas in 2005 thus marked the beginning of a new phase of export expansion for China's apparel producers. China's share of global apparel exports, which had grown from 15.2% in 1995 to 26.8% in 2005, expanded further to 33.2% by 2008 (Fernandez-Stark, Frederick, & Gereffi, 2011, p. 8–10).



Note: The left axis shows value in billions of USD; the right axis shows global share. "NA" stands for North America.
Source: Compiled by the author using data from ITC Trade Map.

Figure 3 Value and global share of Asian exports of HS 61 apparel products



Note: The left axis shows value in billions of USD; the right axis shows global share. "NA" stands for North America.
Source: Compiled by the author using data from ITC Trade Map.

Figure 4 Value and global share of Asian exports of HS 62 apparel products

China's Shifting Role and Emerging Exporters in Asia

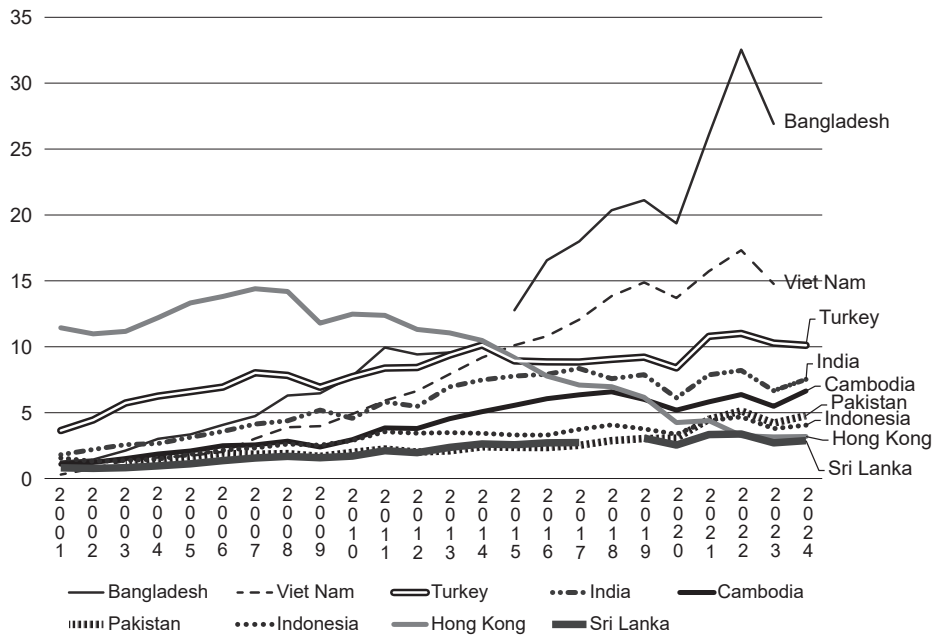
The major Asian exporters of HS 61 apparel, excluding China and listed in order of trade value, are Bangladesh, Vietnam, Turkey, India, Cambodia, Pakistan, Indonesia, Hong Kong, and Sri Lanka (see **Figure 5**). For HS 62 apparel, the leading non-Chinese Asian exporters are Bangladesh, Vietnam, India, Turkey, Indonesia, Pakistan, Hong Kong, and Myanmar (see **Figure 6**). In both categories, these Asian countries have generally shown a steady increase in export value since the 2000s, with the exception of Hong Kong. Bangladesh has shown the strongest growth, followed by Vietnam. Therefore, these two countries—particularly Bangladesh—have emerged as key players in global apparel trade, taking over a significant part of the market previously held by China, especially since the mid-2010s.

As China's economy rapidly grew, the country successfully upgraded its industrial structure, resulting in higher labor costs and an accompanying decline in competitiveness in labor-intensive industries. China's Labour Contract Law, enacted in 2008, and the Corporate Sustainability Compact for the Textile and Apparel Industry (CSC9000T) also contributed to rising labor costs. In addition, stricter environmental regulations were enacted in China, such as the 2007 State Council Comprehensive Work Plan on Energy Saving and Pollution Reduction, which targeted pollution and increased production costs (Zhu & Pickles, 2014, pp. 38–42).

Along with these factors, concern in other countries about overdependence on China for a wide range of production activities also increased. The so-called “China Plus One” strategy—an approach aimed at reorganizing supply chains to reduce over-reliance on China—was adopted by many multinational corporations, particularly after the phase-out of the MFA and following the financial crisis of 2008; this led to a substantial drop in demand for Chinese-produced apparel (Gereffi & Frederick, 2010, pp. 181–182).

China also prioritized the development of higher value-added industries and outsourced labor-intensive production to countries with lower labor costs (Zhu & Pickles, 2014, pp. 45–48, 56–59). In addition, China's domestic apparel market played an increasingly important role after 2000. The share of Chinese-produced apparel that was exported decreased from 60% to less than 40% between 2010 and 2016, even while overall production continued to expand (Zhang & Donzé, 2024, pp. 1160–1161, 1168). This also contributed to the decline in Chinese apparel exports from the mid-2010s.

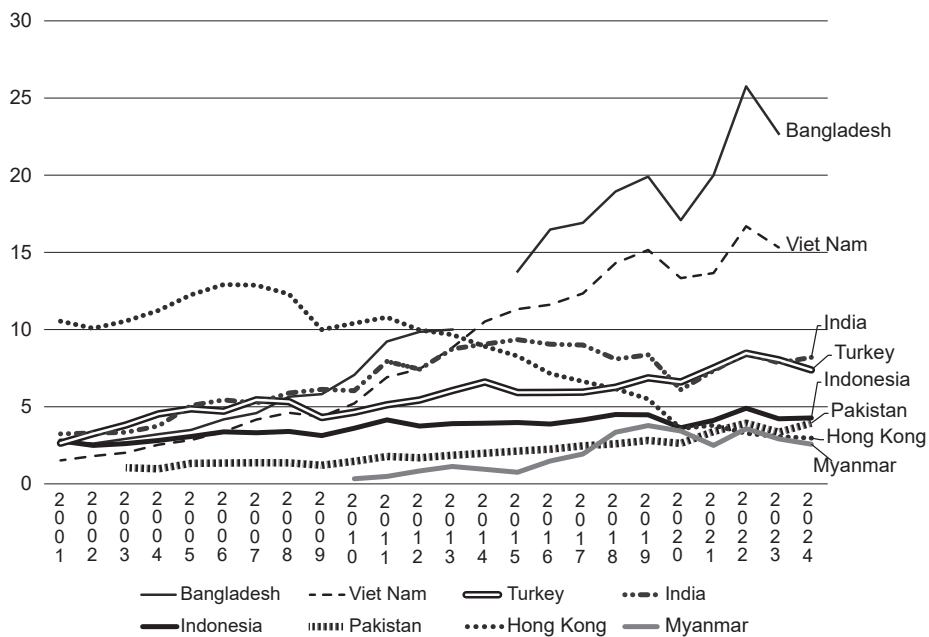
The above changes have caused apparel sourcing to be diversified away from China



Note: Values are in billions of USD.

Source: Compiled by the author using data from ITC Trade Map.

Figure 5 Exports of HS 61 apparel by Asian countries (excluding China), 2001-2024



Note: Values are in billions of USD.

Source: Compiled by the author using data from ITC Trade Map.

Figure 6 Exports of HS 62 apparel by Asian countries (excluding China), 2001-2024

and shifted to other Asian countries. This does not necessarily indicate a simple decline in China's presence within the apparel supply chain. Emerging apparel exporters continue to import raw materials and machinery from China. As a result, China's role in the global apparel supply chain has changed: it is now a major supplier of these intermediate goods, particularly for emerging Asian exporters (Fukasawa, 2020).

Bangladesh's Export Trajectory

The Ready-Made Garment (RMG) industry has long been a prominent industrial sector and an irreplaceable driver of economic growth in Bangladesh. Alongside remittance inflows, it serves as a major source of foreign exchange earnings; in 2024, apparel exports and remittance inflows accounted for approximately 8 % and 5 %, respectively, of Bangladesh's GDP.¹⁾ As **Figure 7** shows, the country's apparel exports as a percentage of its total exports have expanded dramatically, particularly since the mid-2000s, growing from 3 % in 1983 to 80% in 2024.²⁾ According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the industry employs over 4 million workers across approximately 4,600 factories (Bangladesh Garment Manufacturers and Exporters Association, 2020, p. 2).

As mentioned above, emerging apparel exporters in Asia became major production bases under the quota systems of the MFA and ATC, which were rooted in the protectionist trade policies of major economies such as the United States and European countries. Bangladesh took advantage of these quotas to expand its apparel exports, and its exports continued to grow even after the quotas expired in 2005, despite concerns that, without the quotas, China would dominate the market. Preferential treatment offered by major importers, such as the EU—particularly through the EU's "Everything but Arms" (EBA) —also contributed to Bangladesh's further export growth (Rahman, 2014, pp. 7–20).

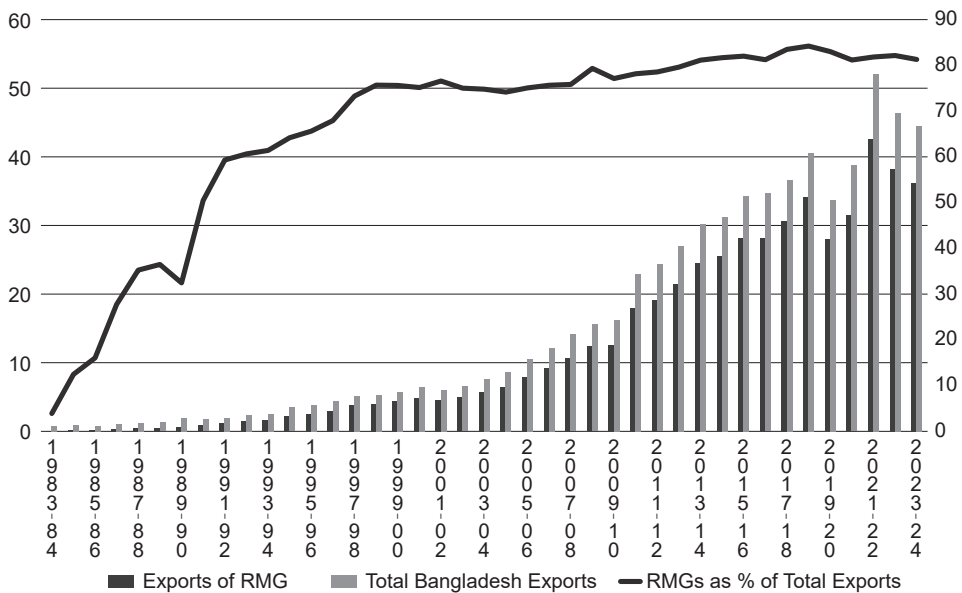
It is noteworthy that Bangladesh was able to expand its apparel exports as it was selected as an alternative to China, which by the mid-1990s had become the world's largest production base. As China's competitive advantage in lower labor costs diminished and as environmental regulations became stricter, multinational retailers such as Adidas and Nike began to diversify their sourcing countries in the 2010s (HKUST Li & Fung Supply Chain Institute, 2025, pp. 19–20).

1) According to Bangladesh Bank (2024b, 2024c).

2) According to Bangladesh Garment Manufacturers and Exporters Association (n. d.).

The protectionist trade policy implemented by the United States under the first Trump administration (2017–2021) created another opportunity for Bangladesh apparel exporters. In 2019, the US imposed a 15% tariff on imports from China, including consumer products such as footwear and apparel (Liu, Adhikari, Liu, & Escalante, 2022, p. 8) ; this caused apparel importers to shift their sourcing to other Asian countries, including Bangladesh. In 2020, however, global supply chains were further disrupted by the COVID-19 pandemic; this caused Bangladesh, like other apparel exporters, to experience a sharp decline in orders and exports in FY 2019–2020. The pandemic severely impacted the livelihoods of the country's garment factory workers, and the broader community. Many low-income individuals (particularly daily wage earners and workers in informal sectors) lost their jobs or faced severe reductions in income, mainly due to lockdowns and factory closures. Wage cuts and delayed payments were also reported in the RMG sector.³⁾

However, Asian apparel exports recovered in the following year, FY 2020–2021, as global demand rebounded after pandemic-related restrictions were eased. According to



Note: The left axis shows value in billions of USD; the right axis shows percentage of total exports.

Source: Compiled by the author using data from the Bangladesh Garment Manufacturers and Exporters Association website.

Figure 7 Bangladesh's apparel exports as a share of the country's total exports

3) For details on the impact of the COVID-19 pandemic on the RMG sector in Bangladesh, see Fukasawa (2021) [in Japanese]. For insights into the pandemic's impact on the population in Bangladesh, see Nazneen et al. (2024).

Moazzem and Ahmed (2022), a significant portion of orders from the United States and the EU shifted from China to Bangladesh, largely due to the US-China trade war and the Russia-Ukraine war (Moazzem & Ahmed, 2022, pp. 11-12). Since 2017, the US has been replacing Chinese apparel imports with those from other Asian countries, such as India, Vietnam, and Bangladesh, and this trend is expected to continue in the near future (HKUST Li & Fung Supply Chain Institute, 2025, pp. 19-22).

Trends in Bangladesh's Imports of Key Inputs and Machinery for Apparel Production (2011–Present)

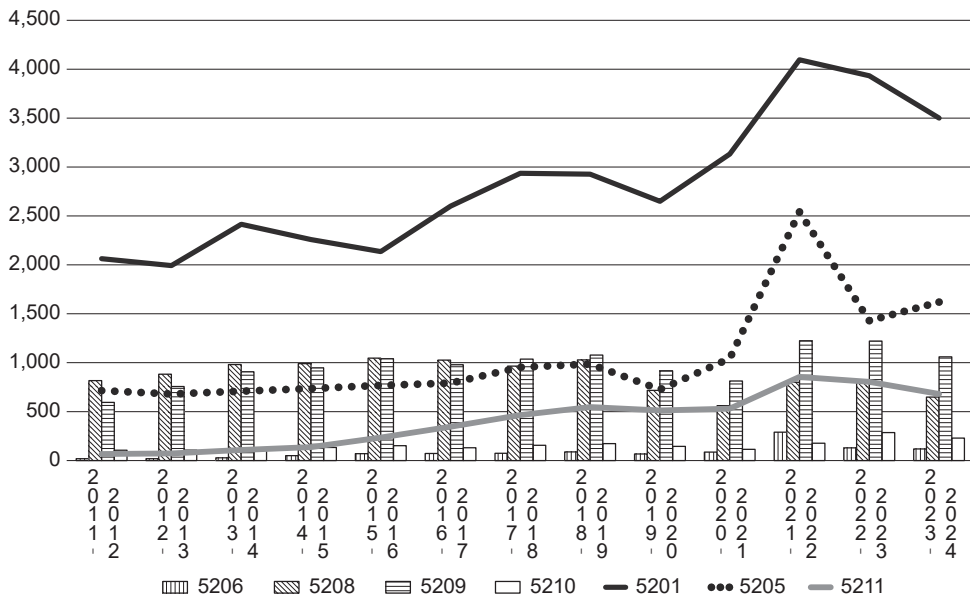
This section examines Bangladesh's apparel-related imports for the fiscal years 2011–12 to 2023–24, based on HS classification data compiled in the *Annual Import Payment of Goods and Services* by the Bangladesh Bank. Major raw materials and machinery that have contributed to the country's rapid increase in apparel exports are identified.

When examining the import of key inputs for apparel production, HS codes 52, 54, 55, and 60 are the key categories to consider. For machinery used in apparel production, HS 84 is the relevant category.

Figure 8 shows the import trends for HS 52 inputs. This category encompasses subcategories HS 5201 to 5211, which cover a range of cotton-related products used in apparel production, including raw cotton, cotton yarn (including sewing thread), and woven cotton fabrics. As seen in **Figure 8**, imports in the 5201 (raw cotton), 5205 (cotton yarn), and 5211 (woven cotton fabrics) subcategories increased significantly compared to other products within HS 52.

In HS 54, which covers man-made filament yarns and fabrics—including both synthetic and artificial filaments—five subcategories are relevant to apparel production: 5401, 5402, 5403, 5407, and 5408. **Figure 9** shows a sharp increase in imports of HS 5402 (synthetic filament yarn) from 2011–2012 to 2021–2022 and HS 5407 (woven fabrics of synthetic filaments) from 2011–2012 to 2022–2023, with import value of these subcategories growing approximately fourfold and eightfold, respectively.

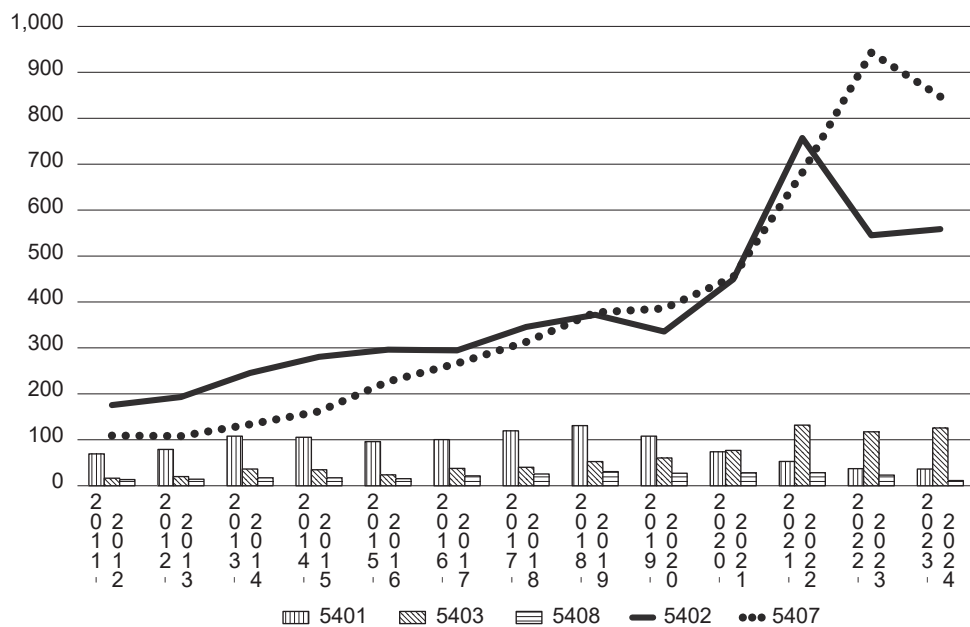
For HS 55, which covers man-made staple fibers—including both synthetic and artificial fibers—their yarns, and woven fabrics, eight subcategories serve as key inputs for apparel production: 5501–5503, 5508–5510, and 5512–5516. Subcategories exhibiting especially strong import growth are 5509 (yarn of synthetic staple fibers), 5516 (woven fabrics of artificial staple fibers), 5503 (synthetic staple fibers, carded, combed or otherwise processed for spinning), 5515 (other woven fabrics of synthetic staple fibers), and 5513 (woven fab-



Note: Subcategories with notable growth are shown with lines, while others are shown with bar charts. Values are in millions of USD.

Source: Compiled by the author using data from Bangladesh Bank (2013, 2015, 2017, 2019, 2021, 2023, 2024).

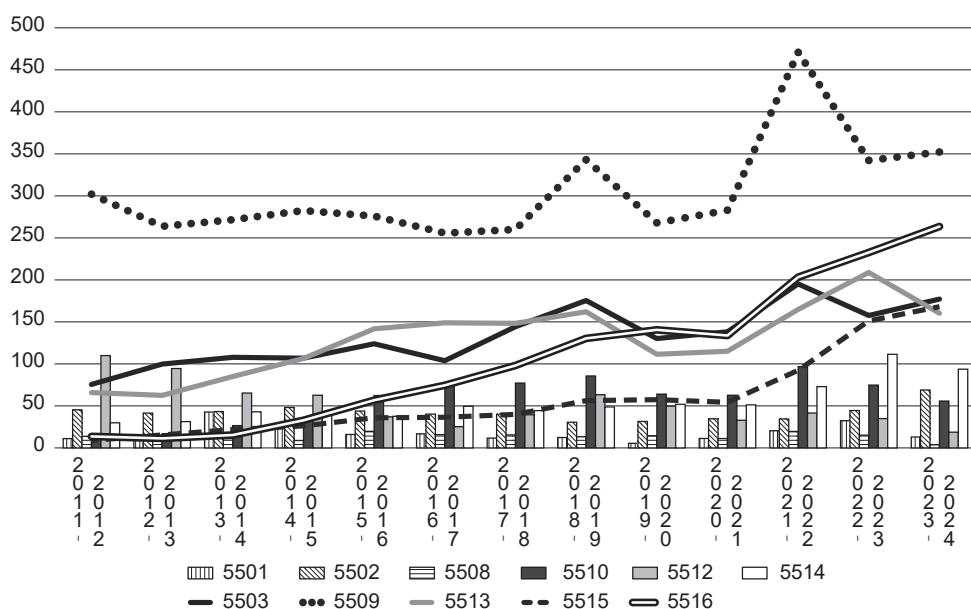
Figure 8 Trends in Bangladesh's imports of HS 52 inputs



Note: Subcategories with notable growth are shown with lines, while others are shown with bar charts. Values are in millions of USD.

Source: Compiled by the author using data from Bangladesh Bank (2013, 2015, 2017, 2019, 2021, 2023, 2024).

Figure 9 Trends in Bangladesh's imports of HS 54 inputs



Note: Subcategories with notable growth are shown with lines, while others are shown with bar charts. Values are in millions of USD.

Source: Compiled by the author using data from Bangladesh Bank (2013, 2015, 2017, 2019, 2021, 2023, 2024).

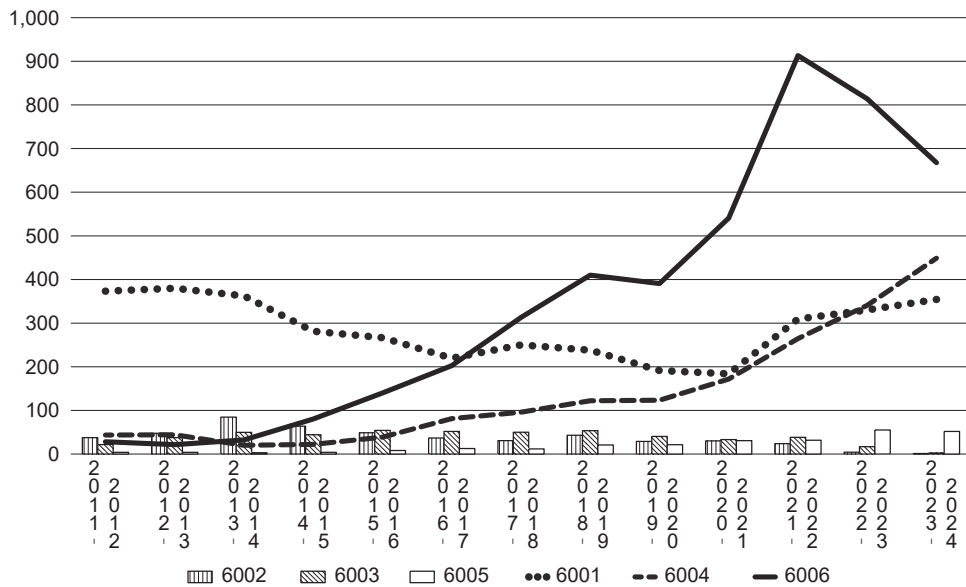
Figure 10 Trends in Bangladesh's imports of HS 55 inputs

rics of synthetic staple fibers) (see Figure 10).

The entire HS 60 category is relevant to apparel production. HS subcategories 6001–6006 cover various types of knitted or crocheted fabrics, ranging from pile fabrics to stretch fabrics containing elastomeric yarns, as well as cotton- and synthetic-based knits commonly used in garment manufacturing. Within this group, HS 6006 (knitted or crocheted fabrics of synthetic fibers) and HS 6004 (knitted or crocheted fabrics containing elastomeric yarn) recorded significant growth. Specifically, HS 6004 imports increased approximately tenfold between 2011–2012 and 2023–2024, while HS 6006 imports increased approximately thirty-two-fold between 2011–2012 and 2021–2022 (see Figure 11).

HS 84 subcategories HS 8445–8447 and 8451–8452 encompass machinery used in the textile and garment production process, including spinning, weaving, knitting, dyeing, and sewing operations. As shown in Figure 12, the import patterns for these types of machinery differ from those of the previously discussed inputs, due to their longer operational lifespan. As a result, the trend does not follow a linear increase.

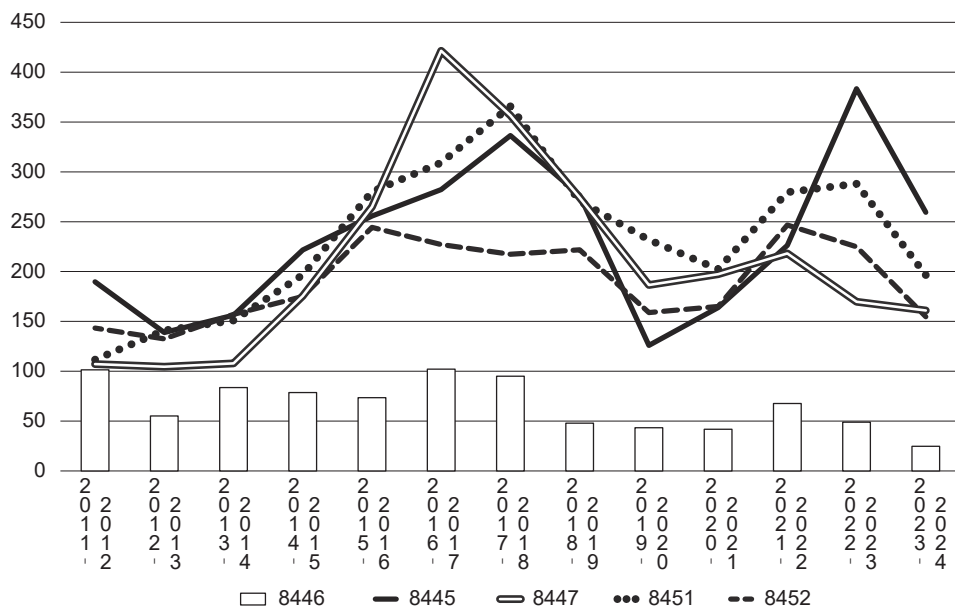
HS categories 8445 (machines for preparing textile fibers: spinning, doubling, or twisting machines), 8447 (knitting, lace-making, or embroidery machines), 8451 (machinery for



Note: Subcategories with notable growth are shown with lines, while others are shown with bar charts. Values are in millions of USD.

Source: Compiled by the author using data from Bangladesh Bank (2013, 2015, 2017, 2019, 2021, 2023, 2024).

Figure 11 Trends in Bangladesh's imports of HS 60 inputs



Note: Subcategories with notable growth are shown with lines, while others are shown with bar charts. Values are in millions of USD.

Source: Compiled by the author using data from Bangladesh Bank (2013, 2015, 2017, 2019, 2021, 2023, 2024).

Figure 12 Trends in Bangladesh's imports of HS 84 machinery

washing, wringing, drying, ironing, pressing, bleaching, dyeing, or finishing textile fabrics), and 8452 (sewing machines, related furniture, or needles) exhibit a generally increasing trend in imports between 2011–2012 and 2023–2024, while also showing repeated cycles of increase and decline. All four categories experienced a peak in the years 2015–2016, 2016–2017, and 2017–2018, recording their highest import values. In addition, HS 8445 and 8452 imports reached another peak in 2022–2023 and 2021–2022, respectively.

Bangladesh's Imports of Key Apparel Raw Materials by Exporting Country

As described above, HS categories 52, 54, 55, 60, and 84 include subcategories that serve as key inputs or machinery for apparel production, and the import growth patterns of different subcategories have varied over the past decade. This section looks at the countries from which Bangladesh sources these key inputs and machinery, focusing on the subcategories that showed strong increases in imports. The years 2011–2012, 2016–2017, and 2021–2022 were selected as reference points in order to observe changes at five-year intervals.

Figure 13 shows the top five countries from which Bangladesh imports major HS 52 and 54 inputs. India is the primary source of HS 5201 (raw cotton), accounting for most of the increase in this category over the past decade. The United States is also a significant supplier. India is also the primary source of HS 5205 (cotton yarn), accounting for most of the increase in this category. China ranks second in the reference years, and shows a steady increase, but the value of its exports to Bangladesh is much smaller than India's.

HS 5211 inputs (woven cotton fabrics) are mainly sourced from China, with import value increasing approximately sevenfold over five years and twentyfold over ten years. Imports from Hong Kong also expanded significantly—by about 31 times over the decade—although their value remains substantially lower than China's.

China is also the primary source of HS 5402 imports (synthetic filament yarn), recording a sevenfold increase over the past decade. Imports from Vietnam also grew rapidly in this category; Vietnam ranked second after China in 2021–2022. In the HS 5407 category (woven fabrics of synthetic filaments), China is the dominant supplier, with import value increasing tenfold over the past decade. Imports from Taiwan and other Asian countries also increased significantly during this period, although they lag far behind those from China.

As shown in Figure 14, China is a major exporter to Bangladesh in the HS 5503 category (synthetic staple fibers, carded, combed, or otherwise processed for spinning). Until 2016–2017, Thailand was the main source of imports in this category; however, by 2021–2022,

2011-2012				2016-2017			2021-2022		
HS	Rank	Country	USD	Rank	Country	USD	Rank	Country	USD
5201	1	India	689,125	1	India	766,588	1	India	1,617,646
	2	Uzbekistan	390,306	2	Uzbekistan	409,465	2	Benin	498,062
	3	USA	269,673	3	USA	220,120	3	Brazil	452,286
	4	Turkmenistan	114,501	4	Mali	168,064	4	USA	289,611
	5	Australia	121,003	5	Australia	154,348	5	Burkina Faso	256,905
5205	1	India	492,764	1	India	508,985	1	India	2,010,144
	2	China	87,179	2	China	157,360	2	China	189,278
	3	Pakistan	48,165	3	Pakistan	34,570	3	Pakistan	142,197
	4	Hong Kong	24,813	4	Indonesia	18,501	4	Viet Nam	120,076
	5	Indonesia	20,113	5	Viet Nam	15,563	5	Indonesia	95,916
5211	1	China	36,867	1	China	252,355	1	China	751,322
	2	Pakistan	8,502	2	India	32,363	2	Hong Kong	100,584
	3	Thailand	7,356	3	Hong Kong	27,271	3	Pakistan	87,986
	4	India	5,336	4	Pakistan	19,995	4	Viet Nam	34,623
	5	Hong Kong	3,209	5	Turkey	4,841	5	Turkey	11,858
5402	1	China	65,805	1	China	112,614	1	China	484,752
	2	Thailand	19,860	2	India	53,839	2	Viet Nam	137,129
	3	Hong Kong	16,095	3	Viet Nam	31,463	3	India	61,847
	4	India	14,562	4	Hong Kong	23,197	4	Thailand	28,842
	5	Taiwan	13,470	5	Taiwan	17,976	5	South Korea	24,190
5407	1	China	72,439	1	China	174,385	1	China	728,145
	2	India	13,640	2	India	38,702	2	Taiwan	97,566
	3	Taiwan	8,200	3	Taiwan	21,973	3	South Korea	42,148
	4	South Korea	6,381	4	Hong Kong	17,185	4	India	38,341
	5	Hong Kong	3,413	5	South Korea	4,194	5	Japan	21,076

Note: Values are in thousands of USD.

Source: Compiled by the author using data from Bangladesh Bank (2013, 2018, 2023).

Figure 13 Bangladesh's imports of major HS 52 and 54 inputs (key apparel raw materials), by country

China had become number one, followed by Indonesia and Thailand. In HS 5509 (yarn of synthetic staple fibers), China has maintained a dominant position throughout the reference years, with the value of its exports to Bangladesh remaining approximately nine times higher than those of the second-largest supplier. It is interesting to note that imports from Indonesia, Thailand, and Vietnam have gradually increased in value in this category.

HS 5513 inputs (woven fabrics of synthetic staple fibers) are predominantly supplied by China; their value has increased fourfold over the past decade. Thailand has shown some growth in this category, but the value of its exports to Bangladesh, and that of other suppli-

2011-2012				2016-2017			2021-2022		
HS	Rank	Country	USD	Rank	Country	USD	Rank	Country	USD
5503	1	Thailand	31,670	1	Thailand	22,526	1	China	76,508
	2	China	18,002	2	China	21,638	2	Indonesia	46,190
	3	South Korea	8,147	3	Indonesia	18,707	3	Thailand	30,059
	4	Taiwan	7,388	4	India	16,706	4	India	18,635
	5	India	5,834	5	Taiwan	7,373	5	South Korea	7,880
5509	1	China	226,101	1	China	197,201	1	China	404,272
	2	India	20,068	2	India	19,695	2	Indonesia	44,475
	3	Pakistan	11,662	3	Indonesia	11,391	3	India	28,668
	4	Hong Kong	10,014	4	Thailand	7,007	4	Thailand	14,693
	5	Taiwan	9,957	5	Taiwan	5,415	5	Viet Nam	9,983
5513	1	China	42,270	1	China	99,920	1	China	164,087
	2	Pakistan	10,022	2	Thailand	20,539	2	Thailand	19,093
	3	India	4,987	3	Hong Kong	9,293	3	Malaysia	6,710
	4	Thailand	3,875	4	Indonesia	8,879	4	Indonesia	6,614
	5	Taiwan	1,457	5	Pakistan	3,666	5	Hong Kong	6,377
5516	1	China	6,981	1	China	65,664	1	China	204,467
	2	Pakistan	3,500	2	India	2,845	2	India	14,868
	3	Taiwan	1,645	3	South Korea	1,547	3	Turkey	5,982
	4	India	615	4	Taiwan	1,450	4	Hong Kong	1,794
	5	Thailand	300	5	Hong Kong	791	5	Taiwan	1,729
5515	1	India	4,815	1	China	23,284	1	China	89,620
	2	China	2,347	2	India	9,770	2	India	29,002
	3	Taiwan	1,119	3	Hong Kong	844	3	South Korea	2,986
	4	Thailand	274	4	Taiwan	817	4	Viet Nam	1,440
	5	Hong Kong	151	5	Pakistan	406	5	Taiwan	793

Note: Values are in thousands of USD.

Source: Compiled by the author using data from Bangladesh Bank (2013, 2018, 2023).

Figure 14 Bangladesh's imports of major HS 55 inputs (key apparel raw materials), by country

ers, falls far below that of China. India was the leading supplier in the HS 5515 category (other woven fabrics of artificial staple fibers) in 2011–2012; however, by 2021–2022 China had taken over this position, with the value of its exports to Bangladesh increasing 38 times over the decade. HS 5516 (woven fabrics of artificial staple fibers) is another category in which China holds a strong position, with the value of its exports expanding 29 times between 2011–2012 and 2021–2022. India has also demonstrated substantial growth in HS 5516 exports to Bangladesh, with a twenty-four-fold increase over the same period. Nevertheless, the value of imports from China in this category was approximately 13 times greater than

2011-2012				2016-2017			2021-2022		
HS	Rank	Country	USD	Rank	Country	USD	Rank	Country	USD
6004	1	China	22,951	1	China	48,882	1	China	276,908
	2	India	6,165	2	Hong Kong	25,061	2	Taiwan	17,118
	3	Pakistan	5,411	3	India	3,062	3	India	17,040
	4	Taiwan	3,954	4	South Korea	1,506	4	Malaysia	10,553
	5	Hong Kong	3,288	5	Taiwan	1,454	5	Viet Nam	8,686
6006	1	China	14,006	1	China	144,082	1	China	856,531
	2	India	4,663	2	Hong Kong	20,981	2	India	91,117
	3	Hong Kong	4,088	3	India	13,576	3	Taiwan	33,940
	4	Taiwan	3,320	4	Taiwan	10,831	4	Hong Kong	27,526
	5	Sri Lanka	1,024	5	South Korea	5,449	5	Viet Nam	23,102

Note: Values are in thousands of USD.

Source: Compiled by the author using data from Bangladesh Bank (2013, 2018, 2023).

Figure 15 Bangladesh's imports of major HS 60 inputs (key apparel raw materials), by country

2011-2012				2016-2017			2021-2022		
HS	Rank	Country	USD	Rank	Country	USD	Rank	Country	USD
8445	1	China	45,906	1	China	56,769	1	China	77,038
	2	Japan	32,295	2	Switzerland	49,932	2	India	45,232
	3	India	26,995	3	Japan	49,425	3	Japan	37,431
	4	Germany	25,268	4	India	42,243	4	Germany	30,196
	5	Switzerland	25,782	5	Germany	41,007	5	Italy	13,046
8447	1	China	37,443	1	China	156,902	1	China	114,955
	2	Taiwan	29,445	2	Japan	155,835	2	Japan	49,636
	3	Germany	12,474	3	Germany	45,023	3	Taiwan	44,992
	4	Japan	10,372	4	Taiwan	30,975	4	Germany	3,834
	5	Korea	6,243	5	South Korea	16,479	5	Italy	2,672
8451	1	China	21,864	1	China	64,364	1	China	76,241
	2	Italy	19,734	2	Italy	60,905	2	Italy	63,729
	3	Germany	12,994	3	Germany	50,320	3	Turkey	34,766
	4	Turkey	10,298	4	Turkey	24,605	4	Germany	28,593
	5	Greece	6,999	5	South Korea	20,416	5	South Korea	21,204
8452	1	China	59,388	1	China	100,952	1	China	172,982
	2	Singapore	31,054	2	Singapore	36,388	2	Japan	33,920
	3	Japan	23,046	3	Japan	29,063	3	Taiwan	14,155
	4	Taiwan	4,491	4	Taiwan	13,315	4	Vietnam	10,335
	5	Germany	4,430	5	Malaysia	10,093	5	Malaysia	8,930

Note: Values are in thousands of USD.

Source: Compiled by the author using data from Bangladesh Bank (2013, 2018, 2023).

Figure 16 Bangladesh's imports of major HS 84 machinery, by country

that of imports from India in 2021–2022.

China also has a strong presence in the HS 6004 (knitted or crocheted fabrics containing elastomeric yarn) and HS 6006 (knitted or crocheted fabrics of synthetic fibers) categories, with the value of its exports to Bangladesh increasing twelvefold and sixty-one-fold, respectively, over the past decade. India ranks second in both categories, in particular showing a nineteenfold increase in HS 6006. Nevertheless, the value of imports from China remain significantly higher than that of imports from India.

HS 8445 machinery (machines for preparing textile fibers: spinning, doubling, or twisting machines) is another category in which imports from China rank number one. China also leads in HS categories 8447 (knitting, lace-making, or embroidery machines), 8451 (machinery for washing, wringing, drying, ironing, pressing, bleaching, dyeing, or finishing textile fabrics), and 8452 (sewing machines, related furniture, or needles), showing an increase of about threefold between 2011–2012 and 2021–2022. Japan and Taiwan rank in the top 5 in HS 8447, while Italy, Turkey, and Germany have a strong presence in HS 8451. In the HS 8452 category, Japan ranks second or third, but the gap between the value of its exports to Bangladesh and that of China has increased over the past 10 years.

Conclusion

Bangladesh's rise as a major apparel exporter has been facilitated by changing international trade relations. First, beginning in the 1970s, major economies such as the United States and the EU adopted protectionist trade policies aimed at restricting apparel imports from major Asian producers such as Hong Kong, Taiwan, and South Korea. This mainly took the form of quotas under the MFA and ATC. Subsequently, China embarked on a period of rapid economic growth, emerging in the 1990s as the world's largest apparel producer and exporter. China has since exerted significant influence on the sourcing strategies of international apparel producers and retailers within the global supply chains. Protectionist trade policies implemented by the Trump administration—most notably the US–China trade dispute—have further accelerated this trend.

In this international context, supply chain stakeholders have sought to diversify their sourcing of apparel products in order to reduce the risks associated with overreliance on China, and other Asian apparel exporters—especially Bangladesh—have been chosen as alternative supply sources. This overall framework has given Bangladesh opportunities to expand its apparel exports, even in the face of events such as the removal of quotas in 2005,

the global financial crisis of 2008, the US-China trade dispute that began in 2018, and the economic downturn caused by the COVID-19 pandemic in 2020, and the Russia-Ukraine war. It has also applied in the context of domestic challenges, such as the Rana Plaza collapse in 2013, which killed over a thousand people, and political unrest in 2024. Today, this framework remains relevant amid renewed US protectionist policies under the second Trump administration, which began in 2025.

China's apparel exports and its share of the global market have declined since the mid-2010s, but this does not necessarily mean that China is playing a diminished role in the global supply chains. As shown by import payment data, Bangladesh has increased its apparel exports by importing raw materials and machinery, mainly from China. China ranks first in 11 of the 12 import categories that showed significant growth over the decade of 2011–2012 to 2021–2022, and the value of its exports to Bangladesh remains substantially higher than that of other countries in most of these categories. Notably, China is a major supplier of man-made raw materials—such as fibers, yarns, and fabrics—as well as machinery for apparel production.

Interestingly, several Asian countries—such as Indonesia, Malaysia, Thailand, and Vietnam—have become increasingly important suppliers of these raw and intermediate materials and machinery to Bangladesh. This suggests that industries that support apparel production have been growing in these countries, possibly in the context of supply chain diversification away from China.

As described above, the international environment has exerted a strong influence on the growth of Asian apparel exporters, particularly Bangladesh. China has played a central role in supporting Bangladesh's export expansion, especially over the past two decades. However, there are also internal factors that have enabled Bangladesh to continue attracting orders from around the world. For example, Bangladesh has a competitive advantage in RMG production not only in terms of low labor costs, but also in high compliance standards. These standards are reflected in the high number of certified factories, and in the safety monitoring systems developed after the Rana Plaza tragedy. Bangladesh is now recognized as having one of the highest numbers of “green” factories in the world.⁴⁾

Further research on Bangladesh's apparel industry is called for to identify and better understand internal factors which have contributed to the country's remarkable export growth, and to assess the effectiveness of RMG sector governance systems in ensuring sus-

4) For further information on compliance improvements in the RMG sector, see Rahman (2021). For coverage of green factories, see also Fukasawa (2022) [in Japanese] .

tainability. Further studies on the development of supporting industries, such as the textile industry, are also necessary to fully understand structural changes in the sector. Case studies examining the diversification over time of supplier countries by multinational apparel retailers represent another important area to explore. It is hoped that these research gaps will be addressed in future studies analyzing the Bangladesh textile and garment industry as a whole.

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