Implementation of Progress Report

under Bangladesh INSPIRED Project Component 2b
SME Competitiveness Grant Scheme Project of BGAPMEA

Grant Contract No. ASIE/2013/333-096

Title of the Action : "Strengthening Role of BGAPMEA in Export Growth and Competitiveness"

18th August, 2016 at 11:30 am at CIRDAP Auditorium, Dhaka.

Presented by :

Rafez Alam Chowdhury

Immediate Past President & Advisor, BGAPMEA

Implemented by :

Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association (BGAPMEA)

Funded by :

The European Union & Ministry of Industries, Govt. of the People's Republic of Bangladesh

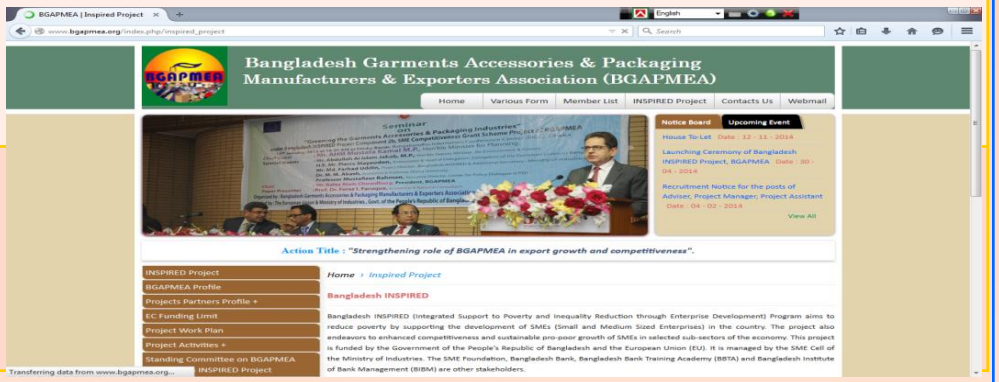
General over view of BGAPMEA INSPIRED Project

- **Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association (BGAPMEA) is implementing the Bangladesh INSPIRED SME Competitiveness Grant Scheme project under the Component 2b.**
- **The main objective of this project is to contribute to capacity building of its members of the Association not only to meet local demand for Accessories & Packaging but also to occupy sizeable share of World market.**
- **This project was signed on 22-11-2013 between the Ministry of Industries, the European Union & BGAPMEA. Initially duration of the project was 30 months. But it was extended for another 3 months.**
- **As per the approved project document, two partner organizations namely: (i) TTZ Bremerhaven, Germany & (ii) European University of Bangladesh (EUB) were involved.**

- **The European Union and the Ministry of Industries approved the total budget of EURO 1,93,376.82 for BGAPMEA project.**
- **They are supposed to give the total Grant amount of EURO 1,74,039.14 as 90% of the budget amount. Remaining 10% equity amount will be contributed by BGAPMEA.**
- **Till now BGAPMEA received the 1st & 2nd instalment of Grant amount of EURO 79,809.13 & EURO 67,129.58 respectively from the Contracting authority.**
- **10% equity amount against 1st & 2nd instalment of BGAPMEA was deposited to the Project account accordingly.**

Implementation of Project activities (activity wise)

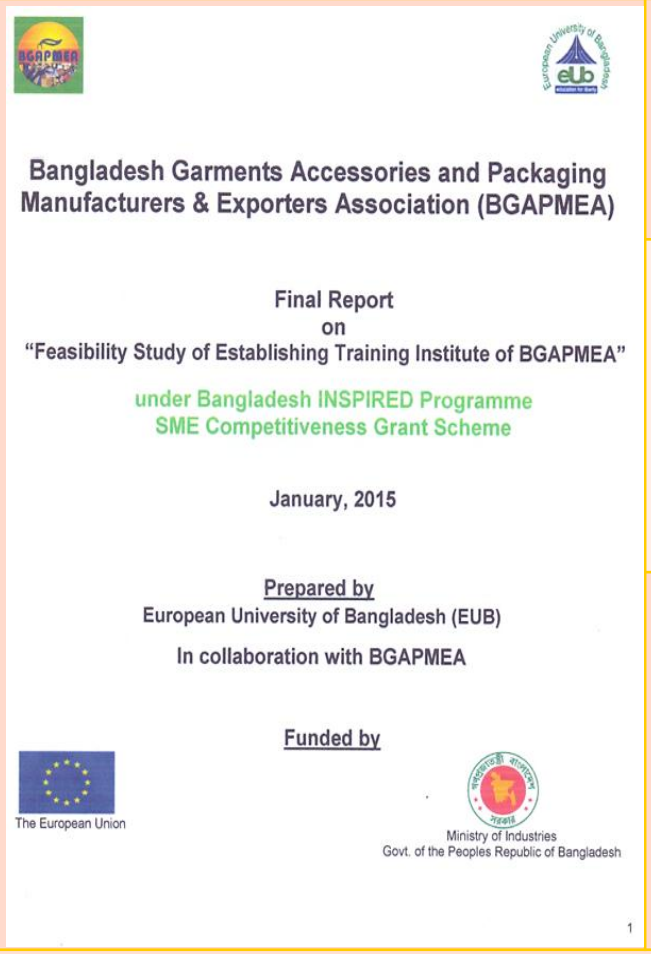
Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-1	Human Resources	• BGAPMEA appointed 04 personals for the post of 01 Project Adviser, 01 Project Manager, 01 Project Officer & 01 Administrative staff (Project Assistant).
	Organizing Project Management Secretariat	• INSPIRED Project office of BGAPMEA is situated at the Secretariat of the Association (Sonartori Tower, 9th floor), 12, Sonargaon Link Road, Banglamotor, Dhaka, Bangladesh).
		• INSPIRED Project Management Committee of BGAPMEA was formed on 15-12-2013 headed by the President, BGAPMEA. This committee consisting of another 06 BOD Members of the Association.
		• Project Coordinators from TTZ, Germany (Partner-1) & European University of Bangladesh (EUB) (Partner-2) were also involved in this committee.

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-2	Start up Meeting for approval of Work Plan	• Two meetings were held on 15-12-2013 & 30-12-2013 for preparation and approval of the Project Work Plan.
Activity-3 (Budget Code-6.1)	Designing and Hosting of Project Web Site	• Project Website (www.bgapmea.org) was designed and was inaugurated in the Launching Ceremony of BGAPMEA INSPIRED Project held on 17-05-2014. Till now it is running. 

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-4 (Budget Code-5.1)	Publication of Project Brochure, Promotional Materials	• BGAPMEA Project Brochure, Folder, Slip Pad etc. Were published & used for the Launching Ceremony of the Project as well as all the Seminars.
Activity-5 (Budget Code-5.7.1)	Organizing Project Launching Ceremony	• Launching Ceremony of BGAPMEA INSPIRED Project was organized on 17-05-2014 at Lakeshore Hotel, Gulshan-2, Dhaka. • Hon'ble State Minister for Finance & Planning, Govt. of the People's Republic of Bangladesh was present as the Chief Guest. • Representatives of EU delegation office in Dhaka, Ministry of Industries, Export Promotion Bureau, Exporters Association of Bangladesh were also attended the program as Special Guests. Representatives of different Chamber/Trade bodies also attended the program.

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-6 (Budget Code-5.2.1)	Undertake Feasibility Study to set-up Training Institute for Garments Accessories & Packaging Sector	• This activity was jointly implemented by European University of Bangladesh (EUB) {Partner-2} and BGAPMEA (Beneficiary).
		• After getting permission from the TA Team of Bangladesh INSPIRED two study teams were sent to Philippines & India during December/2014 for acquiring practical knowledge & experience for setting up Training Institute. The outcome/recommendation of the study visits were included in the Final report.

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-6 (Cont.)		• Final feasibility report of the study on Training Institute was received from EUB on January/2015.

Cover page of the study Report	Study Recommendation
	On the basis of the meticulous analysis and discussion of the findings and conclusions of the study, a number of recommendations relating to physical, technical, managerial and financial feasibility have been developed and briefly presented below :
	i) The proposed Garments Accessories & Packaging Training Institute (GAPTI) should have all the required physical facilities, such as, sufficient space for class rooms, trainer's office accommodation, conference room, laboratory, library, etc. It has been estimated that a built in area of 60,000 sft. is recommended for GAPTI with scope for further expansion based on needs;
	ii) An area of one acre of land located at any prime area of Dhaka city should be selected for GAPTI. Issues which should be taken into consideration for identification of appropriate location include amongst others are: nearness to the clients (demand side), availability of physical facilities and manpower supply (supply side), developed infrastructure and connectivity and availability of support services;

Study Recommendation

iii) The GAPTI should be organized as one of the most modern training outfit in the country. The class rooms should be equipped all necessary audio-visual and digital training aids; the library should be enriched with latest version of relevant books, journals, periodicals and e-library connectivity. The library should be equipped with modern testing equipments for training the participants and rendering testing services to member industrial units of BGAPMEA, and the Conference Room should be equipped with modern audio-visual facilities and sound system;

iv) The GAPTI should be implemented with an estimated total cost of Tk. 264.39 million of which fixed cost will be Tk. 202.00 million and variable cost will assume Tk. 62.39 million. Financial analysis, such as sources & application of fund, income and expenditure statements for 5 years cash flow analysis etc. confirms the viability of the project. It should be mentioned here that training and research projects are not usually found to be financially profitable, although it generates some income. In view of this, instead of financial cost-benefit analysis, cost-effectiveness analysis has been carried out by comparing with a similar training institute (namely, SCITI). Such cost-effectiveness analysis confirms the viability of the GAPTI Project;

Study Recommendation

iv) The study recommends the training courses which will help to increase knowledge of the employees and enhance their capacity to perform the tasks associated with their positions within the system of the organization;

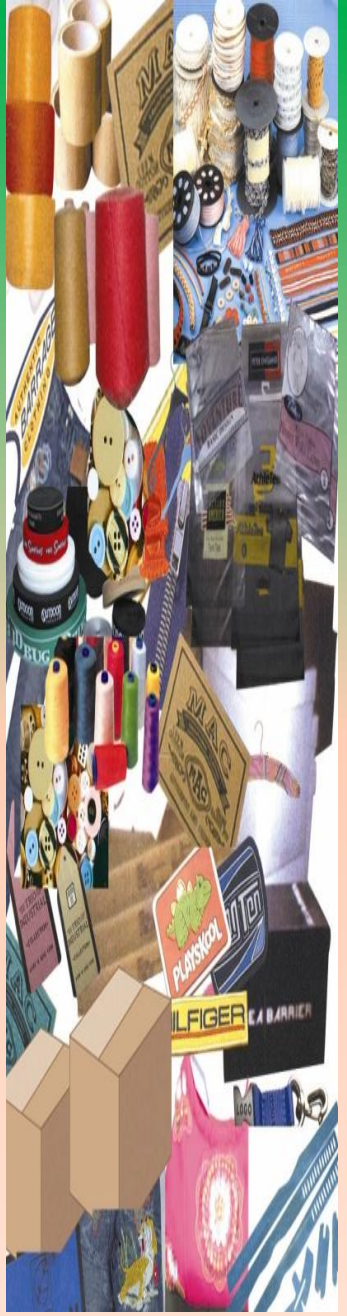
v) The study recommends to explore the possibility of offering Diploma/Degree programmes on Textile; garment accessories and packaging & related subjects under affiliation with BUTEX/ any other University in Bangladesh or outside.

vi) It recommends to introduce 52 courses. Some of the courses have been recommended in consultation with Experts of Indian Institute Packaging (IIP), Philippine Textile Research Institute and Industrial Technology Development Institute while visited these institutes by the Consultants of EUB and BGAPMEA Council Members. Details of the courses have been given in the Annexure-A of Study Report .

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-7 (Budget Code-5.2.2)	Setting up of a Testing Laboratory for Garments Accessories & Packaging Sector.	• The feasibility study for the Testing Laboratory was jointly undertaken by TTZ, Germany (Partner-1), EUB (Partner-2) & BGAPMEA (Beneficiary). • Total project team of BGAPMEA along with TTZ, Germany & EUB experts undertook field visits for a good number of Garments Accessories & Packaging factories in connection with the study.

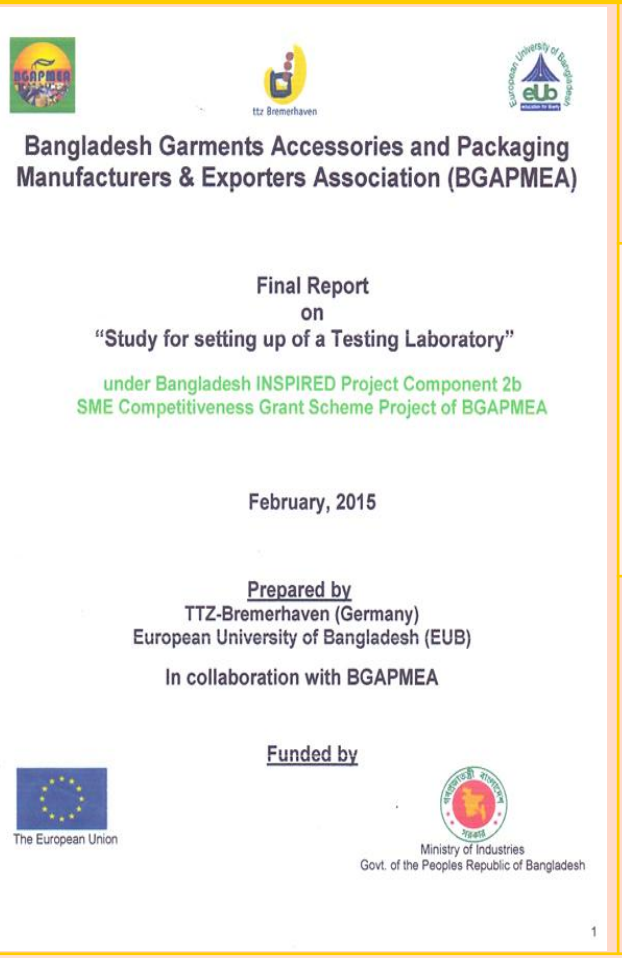
Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-7 (Cont.)		• An advertisement was published on 12-11-2014 in the 'The Daily Ittefaq' for renting space of proposed Testing Laboratory of BGAPMEA. But no response was received from any parties.
		• Steps are also being taken to find out space for construction of permanent premises for the proposed Testing Laboratory & Training Institute.
		• In this context, BGAPMEA met with the Chairman, RAJUK regarding the allotment of Inistitutional Plot of RAJUK at Uttara 3rd Phase as well as Purbachal. BGAPMEA applied for RAJUK plot which is under consideration. But it will take long time.

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-7 (Cont.)		• After that BGAPMEA met with the Hon'ble Minister for Industries as well as Senior Secretary, MoI and Chairman BSCIC for allocating a suitable space for setting up the Testing Laboratory at Tejgaon or Tongi. In reply BSCIC Chairman informed that currently it does not have any land to allocate in favour of BGAPMEA. However, BSCIC suggested to explore whether there is any suitable space available with any allotees in BSCIC Estate.
		• Accordingly BGAPMEA explored and found a suitable space of Mr. Md. Abdul Kader Khan, Managing Director of Khan Accessories & Packaging Co. Ltd. (KAPCO) at Tongi BSCIC Estate which is nearer to the large number of BGAPMEA member units. BGAPMEA team inspected the spot and made preliminary selection.



Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-7 (Cont.)		• Meanwhile, Mr. Md. Abdul Kader Khan Owner of the space at Tongi BSCIC Estate was elected new President of BGAPMEA who offered to give the space on free of cost for the Association to set up the initial Testing Laboratory.
		• As the duration of project is very short, so we have no alternative but to select this space of Mr. Khan for setting the initial testing lab under INSPIRED project. Later on we will shift this laboratory as and when we get the suitable place. This issue was intimated to Technical Assistance Team (TAT) of INSPIRED as well as Ministry of Industries.
		• BGAPMEA member units manufactured 30-35 items of Garments Accessories & Packaging products. Out of which 50% of our member units manufacture Corrugated Carton. As the initial project budget for procuring the testing equipment is not sufficient, so management of BGAPMEA decided to set up the Carton related Testing machines under INSPIRED project first. Afterward it will be extended for other items.

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-7 (Cont.)		• In this context, the following testing machines are under active consideration for initial procurement: - Bursting Strength Tester - Moisture Meter - Box Compression Tester - Drop Tester - Crush Tester - Cobb Absorbency Tester - Cobb Absorbency Tester Sample Cutter - Rub Tester - Bar Code Tester.
		• Accordingly BGAPMEA authority selected the name of initial testing lab as under: The European Union Ministry of Industries Government of the People's Republic of Bangladesh **BGAPMEA Testing Laboratory** Plot No. A-100 (1st Floor), BSCIC I/Estate, Tongi, Gazipur, Bangladesh. **Implemented by:** **Bangladesh Garments Accessories & Packaging Manufacturers & Exporters Association (BGAPMEA)** Sonartori Tower (9th floor), 12, Sonargaon Link Road, Banglamotor, Dhaka-1000, Bangladesh. Telephone: +88-02-9632700, 9632717, 9666763, Fax: +88-02-9632718, E-mail: bgapmea@gmail.com, Website: www.bgapmea.org **Regional Office:** Pragoti House (4th Floor), 1070, Sk. Mujib Road, Agrabad, Chittagong. Telefax: +88-031-2510709, E-mail: bgapmeactg@gmail.com Bangladesh INSPIRED *Developing SMEs* Funded by

Cover page of the study Report	Study Recommendation
	On the basis of the meticulous analysis and discussion of the findings and conclusions of the study, a number of recommendations relating to physical, technical, managerial and financial feasibility have been developed and briefly summed up below:
	i) The proposed Garments Accessories & Packaging Testing Laboratory (GAPTL) should have all the required physical facilities, such as, sufficient space for office accommodation, laboratory, archive center etc. It has been estimated that a built in area of 25,000 sqft. Is recommended for GAPTL with scope for further expansion based on needs;
	ii) An area of 50 decimal of land located at any prime area of Dhaka city should be selected for GAPTL. Issues which should be taken into consideration for identification of appropriate location include among others are: nearness to the clients (demand side), availability of physical facilities and required technical manpower (supply side), developed infrastructure and connectivity and availability of support services;

Study Recommendation

iii) The GAPTL should be organized as one of the most modern testing outfit in the country. The laboratory equipped with modern testing equipment's for rendering testing services to member industrial units of BGAPMEA and the archive center should have modern preservation facilities and documentation system;

iv) The GAPTL should be implemented with an estimated total cost of Tk. 343.50 million, of which fixed cost will be Tk. 320.00 million and operating cost will assume Tk 23.50 million. Financial analysis, such as sources & application of fund, income statement, Calculation of depreciation on fixed assets for 5 years, etc. confirm the viability of the project. It should be mentioned here that testing laboratory and research projects are not usually found to be financially profitable, although it generates considerable indirect benefits & income. In view of this, instead of financial cost-benefit analysis, cost-effectiveness analysis has been carried out by comparing with a similar testing laboratory / institute (namely, SGS and others). Such cost-effectiveness analysis confirms the viability of the GAPTL Project;

v) The proposed GAPTL may be recognized and accredited to Bangladesh Accreditation Board,, Bangladesh Standard and Testing Institution, Ministry of Textile, Ministry of Shipping, Ministry Civil Aviation, EN ISO/IEC 17025, ISO 9000, ISO 14000, UKAS, CPSCIA, TÜV, BUREAU VERITAS, and SGS;

vi) The GAPTL may be authorized as nodal agency to conduct the various performance tests on garments accessories and package products and also to certificates.

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-9 (Budget Code-5.2.4)	To prepare background paper on policy and regulatory issues for advocacy and lobbying	• This activity was undertaken by BGAPMEA (Beneficiary), EUB (Partner-2) & Bangladesh Project Management Institute (BPMI) as Consultant. • Khandakar Ibrahim Khaled, Former Deputy Governor of Bangladesh Bank & Former Managing Director of Sonali Bank, Agrani Bank & Pubali Bank Ltd. Has undertaken this study as a Team Leader. • This study was undertaken into two sub-studies: **(i)** **Study-I:** Financing the Garments Accessories and Packaging Sector: Constrains, Possibilities, Remedial Measures and Policy Decision. & **(ii)** **Study-II:** Impact of Export and Import Policies on the Growth and Expansion of Garments Accessories and Packaging Sector: an Analysis of the Constraints, Possibilities, Remedial Measures and Policy Derivatives.

Cover page of the Study Report-I

Bangladesh Garments Accessories and Packaging Manufacturers & Exporters Association (BGAPMEA)

Final Report
on
Background paper on Policy & Regulatory issues for Advocacy and Lobbying

Study-I
Financing the Garment Accessories and Packaging (GAP) Sector: Constraints, Possibilities, Remedial Measures and Policy Decision.

under Bangladesh INSPIRED Programme
SME Competitiveness Grant Scheme

Submitted on July, 2016

Prepared by
Bangladesh Project Management Institute (BPMI)
in Collaboration with BGAPMEA & EUB

Team Leader
Khandakar Ibrahim Khaled
Former Deputy Governor, Bangladesh Bank &
Former Managing Director of Sonali Bank, Agrani Bank & Pubali Bank

Funded by

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Ministry of Industries
Govt. of the Peoples Republic of Bangladesh

Study Recommendation

The consultants recommend the following regulatory / policy actions to remove the constraints hindering the growth and development of the GAP manufacturing units

(A) Recommendations to Remove the Constraints inhibiting the Flow of Revenue Earnings from Exports.

(a) In order to facilitate the receipt of early payment of deemed exporters' bills through negotiation of back to back L/C, Bangladesh Bank should advise the lien banks to purchase the same duly endorsed by the L/C opening banks.

b) The suppliers of accessories take loans from their banks by selling bills at high rate of interest. Due to delay in getting the payment from garments exporters, the deemed exporters fail to repay the loan taken against the accepted bills for which they have to pay high rate of interest. In view of this, Bangladesh bank is recommended to issue necessary instructions to the L/C opening banks to pay the deemed exporters' bill as per terms and conditions of L/C.

Report-I	Study Recommendation
	c) In making the payment against back to back L/C, the L/C opening banks not only delay in payment but also they make payment in local currency although they receive payment against master L/C in US Dollar. This results in a financial loss for the backward linkage industries due to payment of bill in local currency. For this, Bangladesh Bank may issue regulatory order to pay deemed exporters' bill in USD/ foreign currencies.
	d) In many cases, GAP manufacturers supply accessories and packaging products against work order of the direct exporters and get LCs later on. In many cases, they are deprived of getting the LCs from the direct exporters. Even if they (GAP manufacturers) get LCs, sometimes they don't get payment as the date of maturity is not given by the opening bank for silly discrepencies. Under this circumstance, there should be an arbitrary body under the supervision of Bangladesh Bank which will help the deemed exporters to get the payments.
	(B) Recommendations to Remove Constraints inhibiting the Flow of Funds from Financial Institutions
	(a) The existing rate of interest on term loan ranges from 12% to 14% and if hidden expenses are taken into account, cost of loan will be 15% to 17% which is excessive and inhibits of the growth of the subsector. In such situation, Bangladesh bank/ Govt. may formulate and adopt policy measures to reduce the rate of interest on term loans.

Report-I	Study Recommendation
	(b) In view of promising role in export earnings, the units under the GAP sector may be given financial support on easy terms considering them as SME industries.
	c) For working capital, Bangladesh bank may issue regulatory instructions to the commercial banks to arrange working capital for GAP manufacturers at lower rate of interest with soft terms and conditions
	d) Deemed exporters should be covered under given cash incentives scheme of the Govt. for export target achieved by them.
	(e) Export Development Fund (EDF) i. EDF loan fund size is USD 300 million. Bangladesh Bank is managing the fund by its Foreign Exchange Reserve and Treasury Management Department (FRTMD) at the Head Office of Bangladesh Bank. The loan is for the BGMEA, BKMEA and BTMA members is USD ------ million while loan limit for BGAPMEA unit is USD 2 million, considering the imperatives of EDF, this facilities may be extended for long term project financing (for financing of construction works, procurement of machineries, etc.) . ii. To match with the proceeds realization time, repayment period of loan for raw materials may be extended up to 1 year .

Report-I	Study Recommendation
	(f) Innovative Financial Products for the GAP industries: **I. The National Loan Guarantee Scheme (NLGS)** The Govt. may introduce National Loan Guarantee Scheme (NLGS) which will be based on government guarantees for unsecured borrowing by banks, enabling them to borrow at a cheaper rate. Participating banks will pass on the entire benefit that they will receive from the guarantees to the GAP manufacturers at cheaper rate. **ii. Enterprise Finance Guarantee (EFG)** EFG is a loan guarantee scheme to facilitate additional lending to viable GAP manufacturers lacking the security or proven track record for a commercial loan. Government may introduce EFG scheme for GAP units with 75% guarantee for each individual facility.
	(g) Other Recommendations: i. Currently L/C for raw materials is restricted with clause of deferred payment beyond 180 days. But due to business cycle of this sector, import of raw materials and supply of finished goods to the buyers takes more than six months and after that payment is received. In view of this, the Bangladesh Bank is recommended to relax the clause of deferred payment.

Report-I	Study Recommendation
	ii. Due to global business crisis, many suppliers of machineries are ready to accept payment through L/C with deferred payment of 4/5 years (with or without monthly installments). But the existing rule of Bangladesh bank does not allow to open L/C with deferred payment period beyond 360 days which is not enough to build up funds from export earnings. In such situation, Bangladesh Bank, in consultation with the suppliers of machineries, may consider the deferred payment for a reasonable time. iii. Currently Garments Accessories and Packaging industries are paying corporate tax at the rate of 25% which is recommended to be reduced to 10%. iv. Garments accessories and packaging (GAP) industries are paying tax at source @ 0.80. Considering the affordability of the GAP industries, such tax may be reduced to 0.60 as was earlier. iv. Foreign currency investment plan should also contain the provision of using foreign investment fund for replenishing the existing loan of GAP industries in addition to finance new project loan and BMRE project. v. Currently, Bangladesh Bank provides long term foreign currency loan for the new projects. Considering the needs for foreign currency loans by the existing industries, this credit line to be extended to these industries.

Cover page of the Study Report-II

Bangladesh Garments Accessories and Packaging Manufacturers & Exporters Association (BGAPMEA)

Final Report
on
Background paper on Policy & Regulatory issues for Advocacy and Lobbying

Study-II
Impact of Export and Import Policies on the Growth and Expansion of Garments Accessories and Packaging Sector: an Analysis of the Constraints, Possibilities, Remedial Measures and Policy Derivatives.

under Bangladesh INSPIRED Programme
SME Competitiveness Grant Scheme

Submitted on July, 2016

Prepared by
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Team Leader
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Ministry of Industries
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Study Recommendation

The consultants recommend the following regulatory / policy actions to remove the constraints hindering the growth and development of the GAP manufacturing units

(A) Recommendations relating to Import Policy

a) Issuance of UP on the basis of back to back L/C and UD by the Custom Authority involves cumbersome process and long time. To expedite this process such authority of issuing UD has long ago been delegated to BGMEA. Similarly, the authority of issuance of UP should be given to BGAPMEA to expedite the process, which would facilitate the process of import of raw materials by GAP units. It may be mentioned here that this decision was taken by the relevant govt. authority earlier and necessary software and other institutional capacity for issuing UP were developed by BGAPMEA. But this decision has not yet been implemented. We recommend the relevant govt. authority should implement the decision of issuing UP by BGAPMEA which belongs to the members of respective Association with immediate effect. Like BGMEA, BGAPMEA may be authorized to issue Utilization Declaration for which GAP industries will remain safe from harassment by the officials of the Bond Commissionerate.

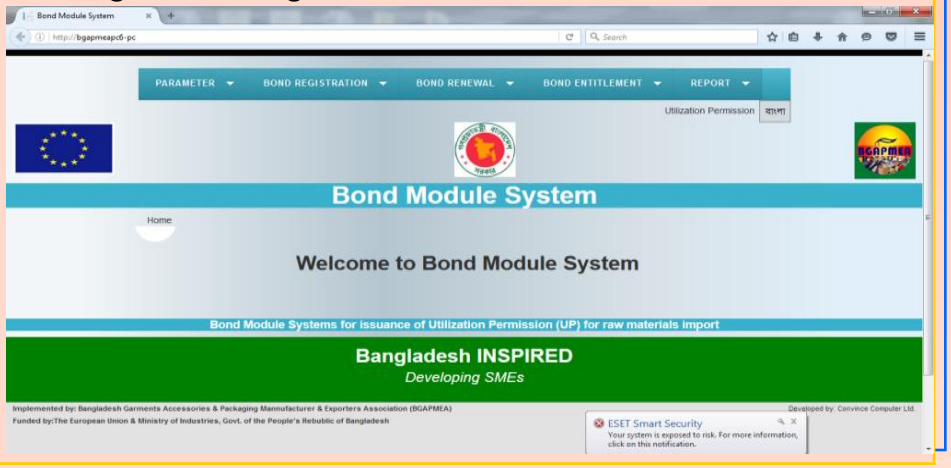
Report-II	Study Recommendation
	b) In order rescue the BGAPMEA member units from harassment by custom officials, the authority of determination of import entitlement for GAP factories should be given in line with authority given to BGMEA and BKMEA .
	c) BGMEA and BKMEA are availing the continuous bond facilities. BGAPMEA member units, as supporting industrial units and being 100% export oriented, should be given the similar facilities.
	d) Since, the gap between import of raw materials and supply of goods to the buyers and receipt of payment take more than six months, the clause of deferred payment by 180 days may be relaxed and extended up to one year.
	(e) Machineries are imported by GAP units with condition of deferred payment within 360 days but due to global business crisis and delay in payment of bills by the deemed exporters, GAP industries face problems to manage funds for payment of suppliers‟ bill. Such time limit for deferred payment is recommended to be extended up to 4 years.
	(f) The authority of into-bond and ex-bond is carried out by Bond Office. The Bond Office also carry out necessary audit and inspection before renewal of Bond Licence. Same work is again done by Custom Appraisal and Internal Audit Commissionerate. Such duplication of works involves time and cost. So, this system should be done away with.

Report-II	Study Recommendation
	g) As per rule, delivery of goods must be completed after issuance of UP. But sometimes due to pressure from RMG factories goods are delivered before issuance of UP because of time constraints. Capitalizing this issue, Custom Officials create problem for the deemed exporters raising the questions how raw materials have been delivered to RMG factories before getting UP. On the other hand, Customs Offices, at times, delay in issuing UP on the ground of inspections of bank and bonded warehouse and try to find sources to exploit the exporters. Realizing this dilemma on the part of deemed exporters to deliver accessories before issuance of UP, Custom Office should change its mindset concerning the utilization permission and abstain from exploiting the exporters.
	h) GAP industries may be allowed to open back to back L/Cs to procure raw materials in bulk form.
	i) Bangladesh Bank has restricted deferred payment against L/C of raw materials beyond 180 days. This restriction should be relaxed with the provision to deferred payment beyond 180 days until the deemed exporters receive payment. Because due to business cycle of this sector, the time gap between import of raw materials and supply of finished goods to the buyers ranges more than six months and after that payment is received.
	i) Conceptualizing the global business scenario, Bangladesh Bank should allow L/C for capital machineries with deferred payment of 4 years (with or without monthly installments).

Report-II	Study Recommendation
	(B) Recommendations relating to Export Policy
	a) Since L/C opening banks delay in providing acceptance to the bills and even at times fail to pay the bills under back to back L/C showing the cause of insufficient balance in the exporters' account. To remove such bottlenecks, Bangladesh Bank is recommended to issue necessary instructions to the L/C opening banks to make payment of the deemed exporters‟ bill as per terms and conditions of L/C.
	b) Bangladesh Bank is also recommended to issue necessary instructions to the local banks to pay the deemed exporters‟ bill in foreign currency because the L/C opening banks get payment for master L/C in foreign currency.
	c) Institutional capacity of EPB and other related export related organizations are recommended to be enhanced through restructuring , reorganization and managerial training.
	d) Multi- dimensional efforts may be taken to explore new export markets for GAP products;
	e) Interventions may be directed to develop product standards, production of high value products, and improvement of the design etc;
	f) Adoption of new strategy to expand the markets for new products, utilisation of computer technology, use of all modern technology including e-commerce;
	g) Development of required infrastructure and establishment of backward and forward linkages;

Report-II	Study Recommendation
	h) Creation of new exporters, support existing exporters, and creation of business-friendly environment;
	i) Development of skilled manpower,
	j) Awareness development amongst trade bodies, businessmen and all concerned about international trade rules and regulations.
	k) Formation of Product Development Councils;
	l) Support for market intelligence;
	m) Expansion of institutional facilities for trading and exporting houses;
	n) Establishment/strengthening of the institutions to ensure standards and quality of products;
	o) Support to the producers in using modern techniques for product design;
	p) Support to exporters in gathering information about the business techniques and procedures;
	q) Undertake sector-specific diagnostic studies so that structural and policy constraints can be identified in order to devise most appropriate policy framework;
	r) Emphasis on production incentives, quality and cost competitiveness, and diversification of export basket.

Report-II	Study Recommendation
	s) Arrange trade fairs of Bangladeshi products in different countries of the world and to provide support to the exporters for participating in various international fairs;
	t) Export Promotion Bureau (EPB) is the lead organization in the country to disseminate trade information, product development for export and organization of trade fairs. There have been allegations that EPB often fails to perform such roles effectively as it lacks efficiency and professionalism. Hence institutional reforms are required to make the EPB an effective export promoting agency.
	(C) General Facilities: The following facilities may be created for development of Garment Accessories and Packaging(GAP) manufacturing units: i) Industrial Estate for GAP sector: For healthy growth of the GAP sector, industrial estate with all necessary physical facilities and utility services, like-gas, electricity, CETP etc. should be created nearby Dhaka and Chittagong . we recommend to undertake this project immediately with the help of Ministry of Industries and BSCIC in consultation with BGAPMEA. ii) Venture capital at lower interest rates and on soft terms for production of goods; iii) Support for obtaining foreign technical assistance, service and technology for development and diversification of products; iv) Support for sending marketing missions abroad and participating in international trade fairs; v) Cash incentives; vi) Financial assistance for Export Promotion Fund (EPF) or Export Development Fund (EDF) for the promotion of export; vii) Loans at lower interest rates and on soft terms for import of capital machinery and raw materials to promote exports.

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-10 (Budget Code-6.2)	Installation of Bond Module Systems for issuance of Utilization Permission (UP) for raw material import.	• This activity was jointly undertaken by Convince Computer Ltd. & BGAPMEA. • At present members of BGAPMEA are getting the UP from Bond Commissionerat Office for import of raw materials. But BGMEA & BKMEA issues UP for their member units for a pretty long time. We are not authorised to issue UP from the Govt.. In the mean time, we have developed the Bond Module System Software under INSPIRED project in order to prove our worth to UP like BGMEA & BKMEA. • After getting permission from the Govt. we will start issuing UP through this software. 

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-11 (Budget Code-6.3)	To guide members with necessary policy support to meet economic shock due to unpredictable nature of market price escalation of raw materials.	• This study paper was conducted by the Consultant Prof. Dr. Feroz Iqbal Faruque in cooperation with EUB (partner-2) & BGAPMEA. • Final Report of the study was received from the Consultant on January/2015.
Activity-12 (Budget Code-6.4)	To encourage formation of cluster of packaging and accessories units for better integration.	• This study paper was conducted by the Consultant Prof. Dr. Feroz Iqbal Faruque in cooperation with EUB (partner-2) & BGAPMEA. • Final Report of the study was received from the Consultant on January/2015.

Activity No.	Physical Activities	Physical Progress (From November/2013 to February/2015)
Activity-13 (Budget Code-5.7.2)	Holding of Seminars and workshop on social compliance and environmental issues.	• 1st Seminar was organized on 09-03-2014 at BICC well ahead of the schedule time after getting approval from TA Team of Bangladesh INSPIRED & MoI. The topic of the Seminar was *"Garments Accessories & Packaging Industries in Bangladesh : Growth, Social Compliance & Environmental Issues"* and was presented by Prof. Dr. Mokbul Ahmed Khan, Vice-Chairman, European University of Bangladesh(Partner-2).

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-13 (Cont.)		• Distinguished Guests were : Hon'ble Minister for Industries, Government of the People's Republic of Bangladesh, Secretary, Ministry of Commerce, Distinguished Fellow of CPD, Economist & Professor of Dhaka University.
		• Representatives of different Chamber/Trade bodies also attended the program.
		• The 2nd seminar was organized on 17-01-2015 at BICC after getting approval from TA Team of Bangladesh INSPIRED & MoI. The topic of the Seminar was *"Greening the Garments Accessories & Packaging Industries"* and was presented by Prof. Dr. Feroz Iqbal Faruque.

Activity No.	Physical Activities	Physical Progress (From November/2013 to February/2015)
Activity-13 (Cont.)		 • Distinguished Guests were: H.E the Ambassador & Head of Delegation, Delegation to the European Union to Bangladesh, Additional Secretary, Ministry of Industries & Project Director, Bangladesh INSPIRED, Executive Director of CPD, Economist & Professor of Dhaka University were also attended the program as Special Guests. • Representatives of different Chamber/Trade bodies were also attended the program.

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-13 (Cont.)		• The 3rd seminar was also organized on 13-01-2016 at International Convention City, Bashundhara (ICCB). The topic of the Seminar was *"Future Trends for Environmental Sustainability of Garments Accessories & Packaging Industry in Bangladesh"* and was presented by Prof. Dr. Feroz Iqbal Faruque.

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-13 (Cont.)		• Distinguished Chief Guest was Dr. Moshiur Rahman, Adviser to the Hon'ble Prime Minister (Economic Affairs). Govt. Of the People's Republic of Bangladesh. Mr. Md. Mosharraf Hossain Bhuiyan, ndc, Senior Secretary, Ministry of Industries, Prof. Dr. M. M. Akash, Economist, Dhaka University, Khandakar Ibrahim Khaled, Former Deputy Governor, Bangladesh Bank, Mr. Sushen Chandra Das, Additional Secretary, Ministry of Industries & Project Director, Bangladesh INSPIRED were also attended the program as Special Guests. • Representatives of different Chamber/Trade bodies were also attended the program.

Activity No.	Physical Activities	Physical Progress (From November/2013 to July/2016)
Activity-14 (Budget Code-5.2.5)	To undertake study and go for R&D to prepare position paper on quality control, productivity level, use of renewable energy and energy efficiency	• After getting consent from the TA Team & MoI, this study was rescheduled from Semester-4 to Semester-3 for the convenience of all parties specifically for TTZ, Germany. TTZ is undertaken another study during the same time from Germany. • A Consortium Agreement was signed on 08-09-2014 between BGAPMEA (Beneficiary), TTZ, Germany (Partner-1) & EUB (Partner-2) for conducting the study. • The Final report by TTZ & EUB was received on February/2015.

Cover page of the study Report	Study Recommendation
	For the more sustainable and resources efficient production in the garment accessories and packaging sector in Bangladesh the study report give the following recommendations: • Monitor and record each stage of the production's energy consumption; • Implementation of energy efficiency measures; • Decentralized electricity generation on site by means of renewable energies, in particular PV, to secure sustainable and affordable electricity supply at times of unstable grids in a short term; • Promotion and implementation of resources efficient biomass based energy supply chains (especially biogas) in a medium and long term; • Reuse of resources, recycle and recover valuable substances;

Study Recommendation

- Waste minimization and recycling can help to significantly decrease production costs and treatment operation costs as well as pollution of the environment,
- Construction of effluent treatment plants (ETP) considering the specific situation on site;
- Adjacent small factories at the same industrial area can establish jointly operated ETPs to treat effluents and share costs;
- Introduce an industrial ecology and symbiosis approach within the same industrial zone that would certainly reduce the waste generation and will ensure the efficient resources use.

Future Plan for the remaining activity

Activity No.	Physical Activities	Remarks
Activity-15 (Budget code-5.4)	Preparation and submission of Project Evaluation and Completion Report	• During the last AGM of BGAPMEA, the Audit firm of the Association was changed from M/s. G. Mostafa & Co. to M/s. M. R. Khan & Co. • So the project evaluation report will be undertaken by the new Audit firm after completion of the project period.

Thank you all