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Research Brief

centre for entrepreneurship development

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Operational Status of Export-oriented RMG Factories during Covid-19 Pandemic

A Rapid Survey Conducted by the 'Mapped in Bangladesh' Project

Background

Centre for Entrepreneurship Development (CED) of BRAC University has recently conducted a Rapid Survey on the garment factories in Bangladesh to address their operational status during the ongoing Covid-19 pandemic. This rapid survey during early May 2020 was conducted over phone and has covered the export-oriented RMG factories in Dhaka, Gazipur and Narayanganj districts, as reported in CED's digital mapping project "Mapped in Bangladesh" (MiB), which has been mapping all the export-oriented RMG factories all over the country. This is the first phase of the survey, and CED plans to continue such surveys in different phases over the next couple of months and also include Chattogram district in the next phases.

MiB is supported by Laudes Foundation and the Kingdom of the Netherlands through the Royal Netherlands Embassy in Dhaka. BGMEA[1] and BKMEA[2], the apex trade associations of Bangladesh are the MiB project's strategic partners while the Department of Inspection for Factories and Establishments (DIFE), Ministry of Labour and Employment (MoLE), Government of Bangladesh (GoB), is providing necessary strategic support to MiB as well. The project is being coordinated by BRAC.

1 - Bangladesh Garments Manufacturers and Exporters Association (BGMEA)
2 - Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA)

Objective and Scope

The objective of this Rapid Survey was to identify to what extent the factories in the 3 districts are operational and producing face masks and PPEs (personal protective equipment) along with or without their regular products during the current pandemic. Additionally, the survey intended to collect relevant information, such as: the current number of workers at these factories, total capacity currently utilized in these operational factories, and to what extent these factories are expecting to resume their regular operation from June if the Covid-19 pandemic crisis continues. Furthermore, following the similar features of the digital map of MiB, CED has developed a separate digital map showing which factories are producing face masks and PPEs, along with the status of their workforce.

Measures taken for Garment Factories

- Joint statement from BGMEA and BKMEA announcing that the factories would remain closed until 25 April 2020.[3]
- Reopening the factories on 26 April 2020 to save the sector from the economic collapse.[4]
- BGMEA published factory opening guidelines.[5]
- Hygiene and Safety Guideline for garment factories from Ministry of Health and Family Welfare were circulated on 29 April 2020.[6]
- BDT 5,000 crore stimulus package for export-oriented RMG industries announced by the Government of the Bangladesh.[7]
- According to an online survey of Bangladesh employers, administered from 21 to 25 March, 2020; 58% of factories surveyed report having to shutdown most or all of their operations as a result of order cancellations and lack of payment.[8]

It is a unique research opportunity for MiB to cover the export-oriented garments factores in Bangladesh during this pandemic. The research was conducted through phone survey since the project collected contact information of factory management as a part of main data points during MiB's census. Leveraging the expertise and experience of conducting factory census in the major garments producing clusters of Bangladesh, MiB deployed its resources for the phone survey not only to unearth some crucial data, but also to unbox the space for the stakeholders to understand the products (face mask, PPE, and regular products) and production capacity utilization of the factories during this pandemic.

Methodology

The methodology of the data collection for the survey was based on following steps:

- Using own list of MiB digital map where 2526 export-oriented garments factories were reported following a factory selection criteria[9] as per the methodology of MiB
- Mobilizing the team who are already experienced in communicating with factories
- Assigning each team member with a list of factories' name and contacts derived from the factory list of MiB
- Input the collected data into KoBo toolbox

3- https://thefinancialexpress.com.bd/trade/rmg-factories-to-remain-closed-until-april-25-1586518829
4- https://www.ecotextile.com/2020041625965/materials-production-news/bangladesh-to-reopen-garment-factories.html
5- https://api.fairwear.org/wp-content/uploads/2020/05/BGMEA-Factory-opening-Guidelines.pdf
6- https://api.fairwear.org/wp-content/uploads/2020/05/Ministry-of-Health-and-Family-Welfare-Translated.pdf
7- https://www.dhakatribune.com/business/2020/03/23/rubana-ures-buyers-to-take-ready-apparel-goods-bgmea-bkmea-urge-workers-to-remain-patient
8- http://www.workersrights.org/wp-content/uploads/2020/03/Abandoned-Penn-State-WRC-Report-March-27-2020.pdf
9- https://mappedinbangladesh.org/wp-content/uploads/2019/05/MiB-Methodology-.pdf

Following questions were asked in the MiB rapid survey:

- Whether the factories are operating during the Covid-19 crisis?
- If they are operating, then what are they producing at the moment?
- If they are producing face masks/PPE, are these for profit or not-for-profit?
- If the factories are open, then how many workers are working at the moment?
- At what percentage of capacity are the factories operating at the moment?
- If Corona crisis (Covid-19 pandemic) exists till end of May, whether the factories expect to resume their regular operation from June?

An advantage of using the factories' contacts listed in the MiB map is that it includes both member of BGMEA/BKMEA (member factories), and other factories who are not members of these trade associations (i.e. non-member factories). Furthermore, during the country-wide census, MiB collected the total number of workers per factories (with male-female ratio). Such information can be compared with the actual total number of workers per factories covered by MiB, and the number of workers at work in the operational factories covered by the Rapid Survey. This is to underline to what extent the total number of workers has changed before and after/during the pandemic.

Findings

As per MiB data, among the covered 2526 factories as of May 2020, 1055 factories are located in Dhaka, 1053 factories are located in Gazipur, and 418 factories are located in Narayanganj. During the Rapid Survey, a total of 1686 factories (67% of 2526 factories) have responded to the phone calls, where 673 factories are from Dhaka, 686 factories are from Gazipur and 327 factories are from Narayanganj (Figure 1).

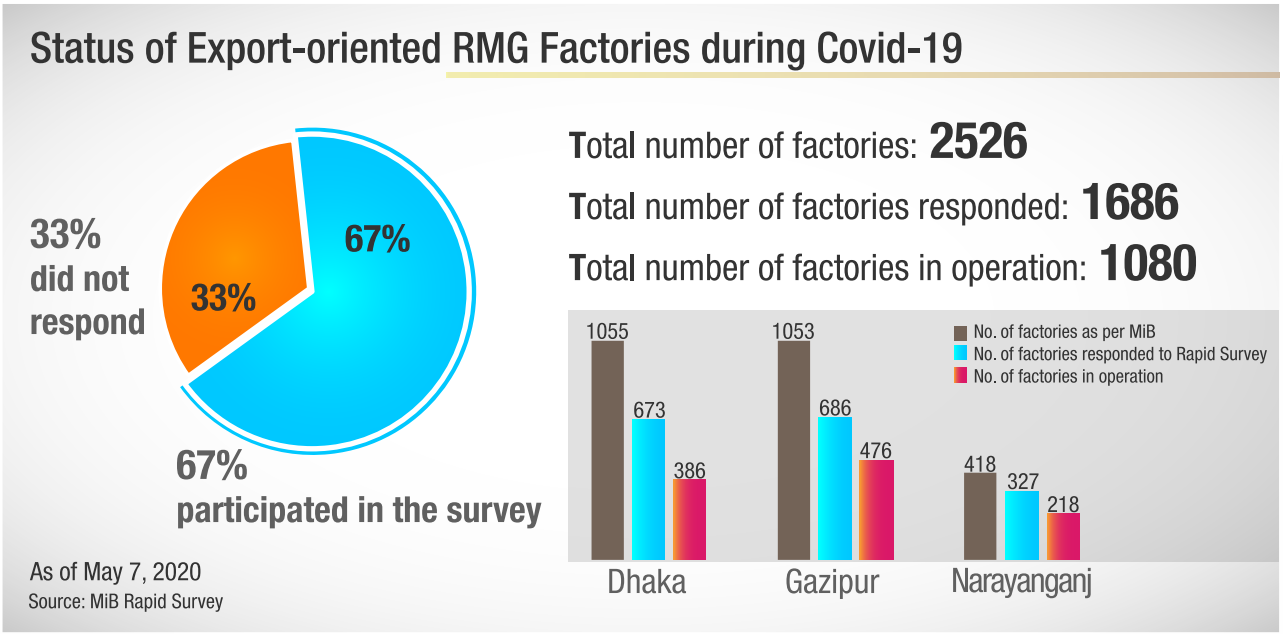


Figure 1: Status of Export-oriented RMG Factories during Covid-19 Found in Rapid Survey

We see that from the 1686 factories who responded to the survey, 1080 factories were operational during the survey period (2-7 May 2020). In other words, 64% of the factories that responded to the survey were found to be operational. Of these operational factories, 386 factories (36%) were from Dhaka, 476 factories (44%) from Gazipur and 218 factories (20%) from Narayanganj as depicted in Figure 2.

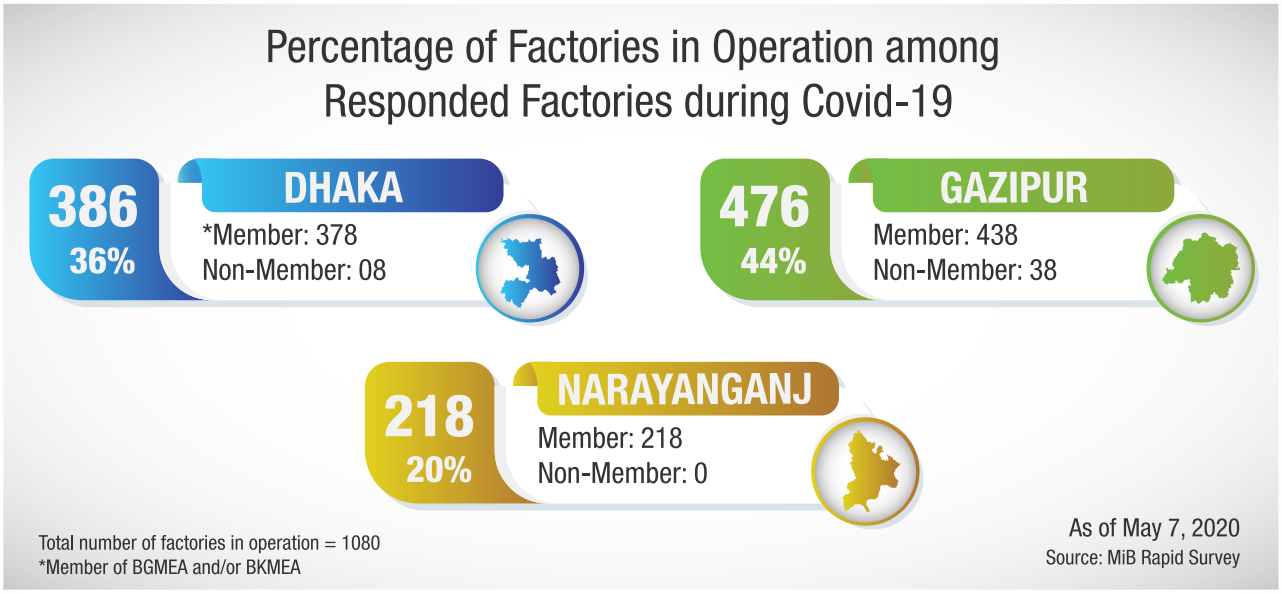


Figure 2: Percentage of Factories in Operation among Responded Factories during Covid-19

Among the 1080 operational factories, only 14% of the factories said that they were producing PPE and/or face mask along with their regular products; of these 14% factories, 53% of the factory management said that they were producing PPE/face mask on not-for-profit basis. Our survey revealed that 86% of the currently operational factories are engaged in producing regular products (Figure 3).

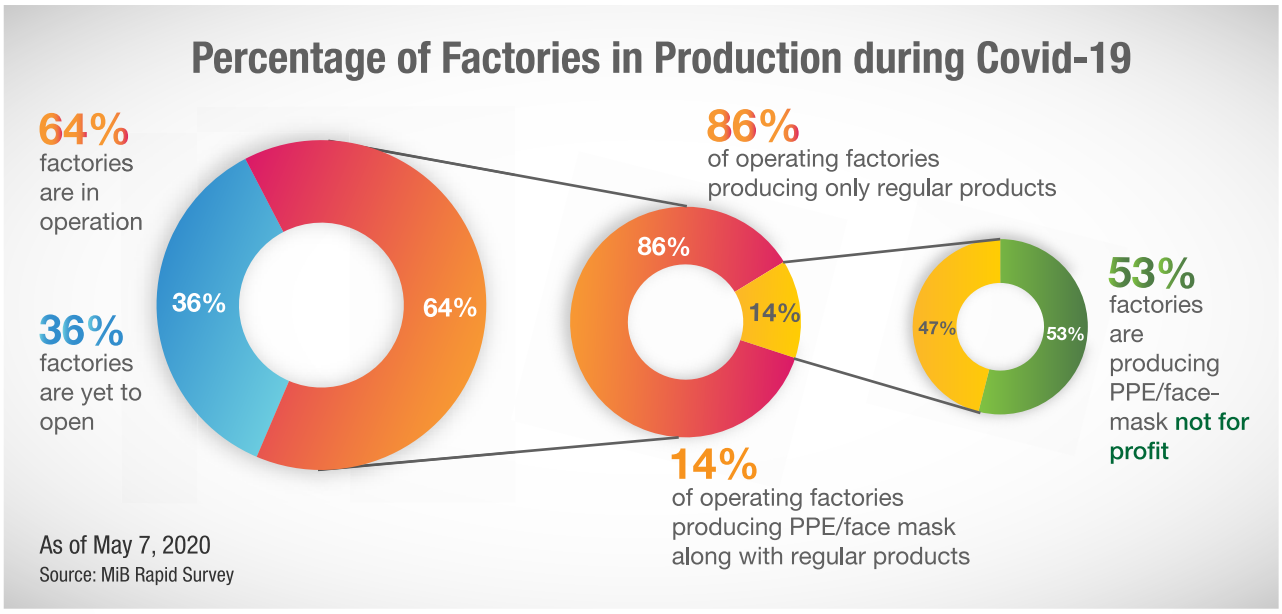


Figure 3: Percentage of Factories in Production during Covid-19

The number of workers of the factories found from the Rapid Survey has been compared with the total number of workers collected during MiB census. We present a comparison of the workers' number before and during Covid-19 in Figure 4. The first bar in Figure 4 shows the workers' number in the factories in Dhaka, Gazipur and Narayanganj before the pandemic; collected by MiB census during 2018-2020, while the second bar shows the workers' number in the factories during the pandemic; collected through the current rapid survey.

As we can see from Figure 4, compared to the regular time workforce, Dhaka currently deployed 58% of its workforce, while Narayanganj deployed 57% and Gazipur deployed 55%.

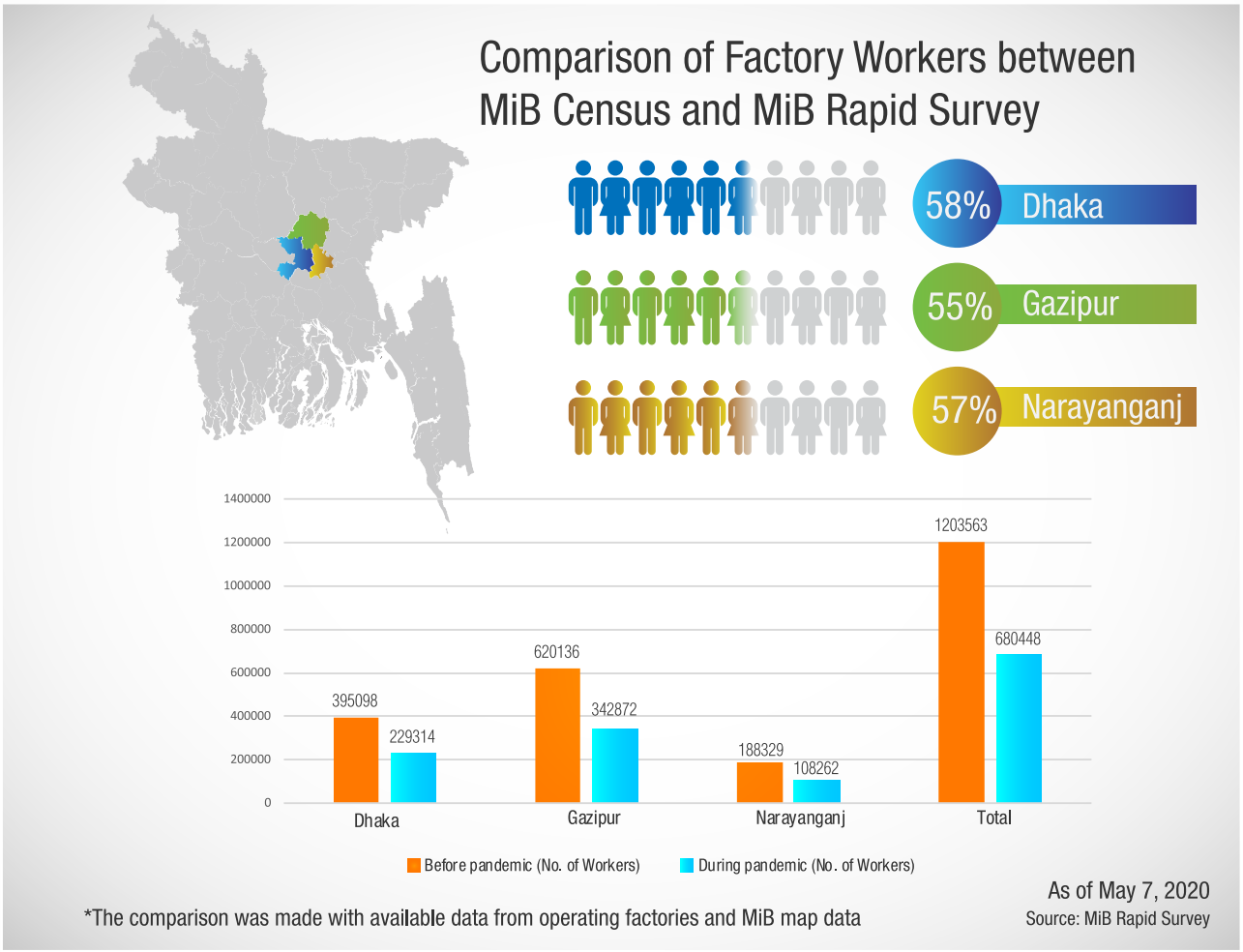


Figure 4: Comparison of Factory Workers between MiB Census and MiB Rapid Survey

An interesting fact to note is that both before and during pandemic, workers' number (in absolute terms) in Gazipur factories is higher than the two other clusters/districts. Of the total workers employed in the three districts, only 57% were found to be working during the current pandemic.

According to Figure 5, 43% of the operational factories responded that they will be able to continue their regular operation from June 2020, even if the current pandemic crisis continues. About 7% of the factories said they will not be able to do so. Around 50% of the factories do not know whether or not they will be in operation from June if the pandemic continues.

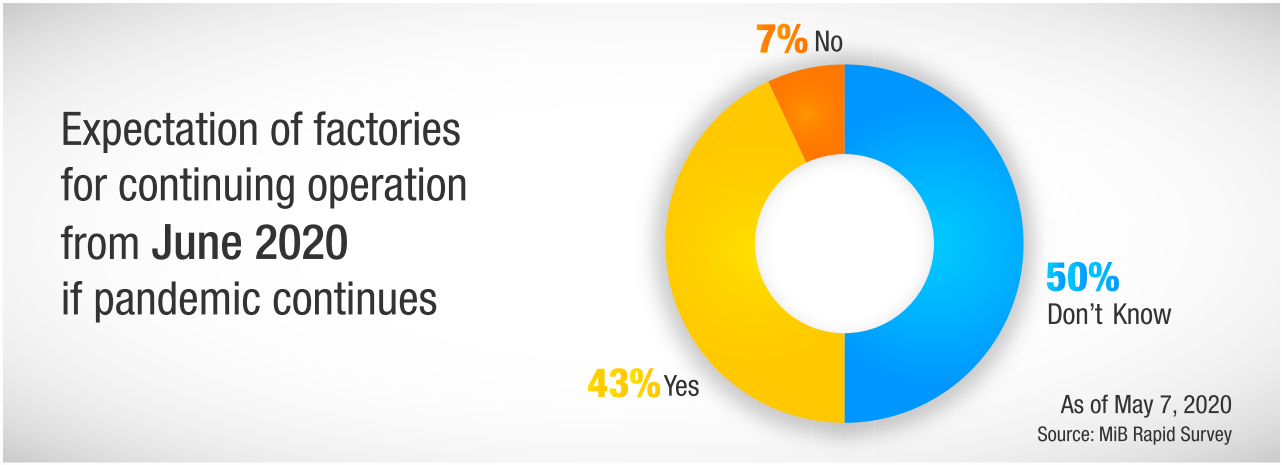


Figure: 5: Expectation of Factories (Percentage) to Resume their Regular Operation from June 2020 if Pandemic Continues

Table 1 shows the capacity (in percentage terms) the factories are currently operating at. Among the operational 1080 factories surveyed over phone, 21 factories did not respond to the question.

Table 1: Current Capacity Utilization by Factories

Capacity	0-20%	21-40%	41-60%	61-80%	81-100%	Total	Percentage
Dhaka	49	112	108	75	30	374	35.32%
Gazipur	48	181	135	74	30	468	44.19%
Narayanganj	22	64	82	26	23	217	20.49%
Total	119	357	325	175	83	1059	100%

As we can see from the table above, majority of the factories (801) in all districts are running with or below 60% of their capacity, while 258 factories were found to be operating at higher than 60% of their total capacity. A notable finding is that of the three districts, 357 factories is operating at 21-40% of their capacity, whereas 325 factories are operating at 41-60% of their capacity.

Limitations of the Rapid Survey

- As the MiB map has its factory selection process[10] for including an RMG factory into the digital map, factories not fitting into the criteria have not been covered in the current rapid survey.
- The map has only covered the member factories in Narayanganj, and excluded the non-member factories.
- A considerable number of factories (840 factories which is 33% of all MiB factories) did not respond to the survey/our phone call.
- The Rapid Survey did not explore why 606 of the non-operational factories were not operating at the moment.
- The export-oriented RMG factories of Chattogram and other districts of Bangladesh have not been covered by this rapid survey.

Map Development

Based on the data from the Rapid Survey, a digital map (https://covid-19.mappedinbangladesh.org/) has been developed by MiB. This map has similar features and similar data points on factories just like the MiB map adding the new data points from the survey.

On the map, factories can be identified in terms of currently produced products:

- PPE (factories producing only PPE)
- Face Mask (factories producing only face mask)
- PPE and Face Mask (factories producing both PPE and face mask)
- Regular Products (factories currently producing regular products)

The profile of each factory on the map contains some data points (similar to MiB map): factory name, establishment year, factory type, worker number, brands and agents, factory memberships, exporting countries, factory address and factory contact details, near by fire service station and medical service center.

10- ibid

The data of Rapid Survey has added following new data points to the map:

• Information of Workers' Number: The present workers' number collected by the Rapid Survey has been added beside the previous workers' number collected during MiB census.

• Information on whether the current production in a factory, during the Covid-19 pandemic, is for-profit or not-for-profit.

Recommendations

1. Seeing the digital map generated from the data of this rapid survey, the concerned authorities can identify the routes to be used by the workers of the operational factories, and crosscheck whether these factories are maintaining factory opening guidelines as directed by BGMEA and hygiene and safety guideline as published by the Ministry of Health and Family.

2. NGOs, volunteer groups, health care service providers and any other organizations or institutions can contact factories which are producing face mask and PPE.

3. The map would also allow the law enforcing agencies to restrict movements of the general public near the factories in one hand, and on the other also allow them to monitor the movements of the workers such as restrictions or taking necessary initiatives for those who are infected by Covid-19 and also to restrict the spread of the virus.

4. Furthermore, NGOs and health care facilities could be contacted and coordinated to setup health desks, hand washing facilities and disinfectant booths near the factories. This way the City Corporation could also identify which roads they need to disinfect.

5. Factories that are producing face mask and PPE not for profit can be rewarded. Thus, these factories will receive recognition for their contributions while other factories will get motivation to adopt such initiative.

6. Incentives and payments need to be ensured for the workers of those factories which will not be able to continue their operation from June 2020 and minimized the production capacity.

7. Further investigation is required to identify to what extent workers were able to rejoin their workplaces after reopening of the factories.

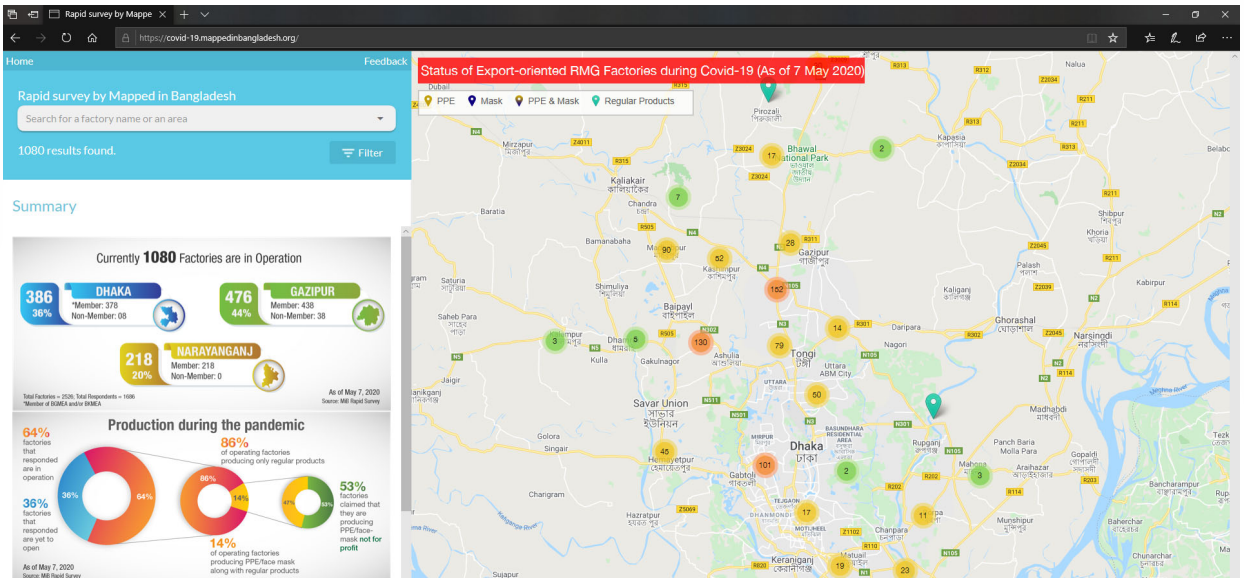
8. A number of brands have already been reported for canceling the orders from the factories of Bangladesh. As this survey reveals that the majority of the operational factories are engaged with the production of their regular products, an in-depth exploration is needed to identify those brands for which the factories are still producing. Such exploration is required for the transparency of this sector.

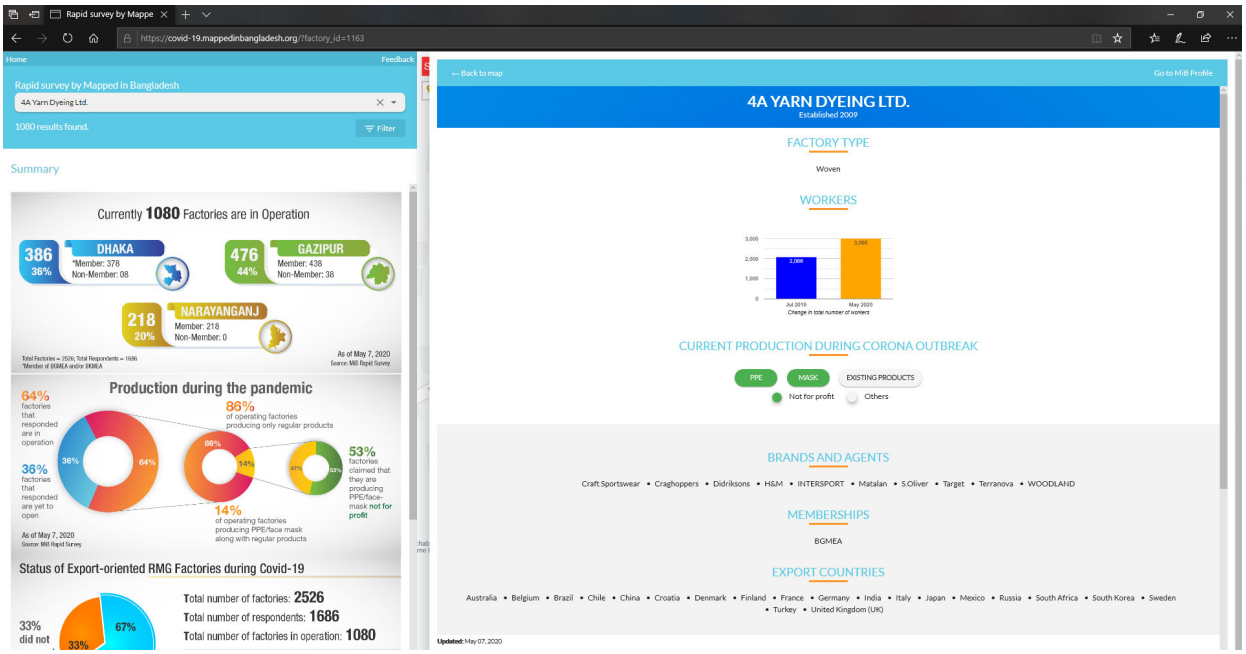
Conclusion

The significance of this rapid survey lies on leveraging the data derived from the largest portion of factories covered in the Mapped in Bangladesh's digital map to understand and document the delicate situation of garments factories in Bangladesh during Covid-19 pandemic. With these evidence worthy feedback from the rapid survey data and from the MiB's data, we hope that the relevant stakeholders play active roles in formulating short and long-term policies targeting the current Covid-19 crisis and forthcoming challenges of garments industries in the post-pandemic global world of apparel sector.

https://covid-19.mappedinbangladesh.org/

Annex 1: Images of the map





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