

PGIL/SE/2023-24/104

Date: February 26, 2024

**THE GENERAL MANAGER,**  
DEPARTMENT OF CORPORATE SERVICES -CRD  
BSE LIMITED  
1ST FLOOR, NEW TRADING RING  
ROTUNDA BUILDING, P. J. TOWERS  
DALAL STREET, FORT,  
MUMBAI – 400 001

**THE GENERAL MANAGER,**  
LISTING DEPARTMENT  
NATIONAL STOCK EXCHANGE OF INDIA  
“EXCHANGE PLAZA”, PLOT NO. C- 1,  
G- BLOCK, BANDRA - KURLA COMPLEX  
BANDRA ( E ),  
MUMBAI - 400 051

**Reg: Scrip Code: BSE-532808;**

**NSE - PGIL**

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Investor & Analyst Meet 2024 Presentation.**

**Ref: Company letter No: PGIL/SE/2023-24/103 dated February 26, 2024 - Intimation of Investor & Analyst Meet 2024.**

Dear Sir/Madam,

In continuation to aforementioned letter, please find enclosed herewith the Investor Presentation on Bangladesh and Vietnam operations of the Company.

The same is also being uploaded on the website of the Company (<https://www.pearlglobal.com/>).

The above is for your information and records.

Thanking you,

Yours faithfully,  
for **Pearl Global Industries Limited**

**(Shilpa Budhia)**  
**Company Secretary & Compliance Officer**  
**ICSI M. No.: ACS-23564**

Encl: As above

**Pearl Global Industries Limited**

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CIN: L74899DL1989PLC036849

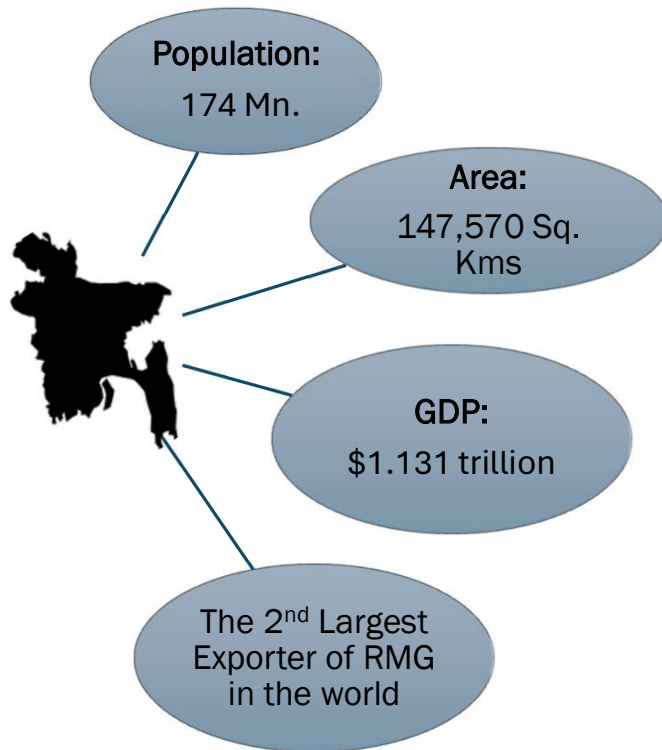
Regd. Office: C-17/1, Paschimi Marg, Vasant Vihar, New Delhi - 110057

# **PEARL GLOBAL INDUSTRIES LIMITED BANGLADESH**

## **BANGLADESH RMG INDUSTRY**

**Apparel manufacturing powerhouse of South Asia**

## 1. BANGLADESH- COUNTRY OVERVIEW



The industry contributes 65% in the total industrial development

The industry employs around 4.5 million people and 80% of them are women

The 2<sup>nd</sup> largest exporter of garments in the world.

**GDP**

GDP growth rate ~ 6.5%

Financial Year	Total Export	RMG Export	%age
FY 2019-20	33	23	70%
FY 2020-21	45	31	69%
FY 2021-22	52	42	81%

Data from June to July each year

FY 2022-23 Total Exports ~ US\$56 billion  
 RMG Export ~ US\$ 47 billion (82% of Total Export)  
 2030 Targeted RMG Export as per BGMEA- US\$ 100 Billion

**2. BANGLADESH ANNUAL EXPORT-FY 23-SECTORWISE**

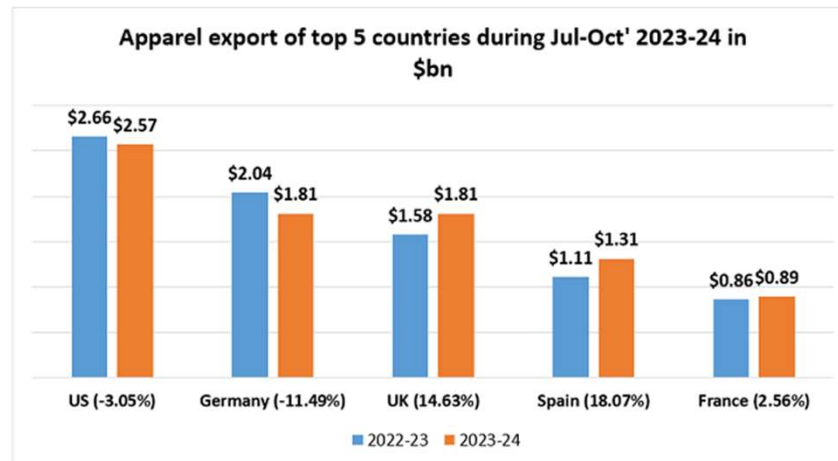


<b>%age of Total Export</b>	<b>85%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>2%</b>	<b>1%</b>	<b>1%</b>
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### **3. BANGLADESH RMG EXPORTS- PRODUCT WISE**

<b>Name of Item</b>	<b>2021-22</b>	<b>%age</b>	<b>2022-23</b>	<b>%age</b>
Trousers	\$ 14,508	34%	\$14,953	32%
T-Shirts & Knitted shirts	\$ 9,858	23%	\$10,863	23%
Denim And Other	\$ 7,498	18%	\$ 9,214	20%
Sweaters	\$ 5,640	13%	\$ 5,942	13%
Shirts & Blouses	\$ 2,766	6%	\$ 3,650	8%
Underwear	\$ 2,344	5%	\$ 2,370	5%
<b>Total</b>	<b>\$ 42,613</b>	<b>100%</b>	<b>\$46,992</b>	<b>100%</b>

## 4. BANGLADESH RMG EXPORTS- MORE ANALYSIS



## **5. Bangladesh RMG Industry: SWOT Analysis**

### **Strengths:**

1. **Cost Competitive Labour** cost advantage compared competing RMG Manufacturing Export Countries.
2. **Industry Experience:** The country has a well-established and experienced workforce in the garment industry.
3. **Trade Agreements:** Bangladesh benefits from various trade agreements facilitating exports to different countries e.g. GSP Subsidy to EU and UK, duty free benefit to Canada, ASEAN collective market advantage in RMG.
4. **Growing Industry:** The sector has shown consistent growth over the years, contributing significantly to the country's economy.
5. **Adaptability & Versatility :** The industry has demonstrated adaptability to changing fashion trends and market demands & matured to become a multi product textile and apparel source.
6. **Middle Age Population** with average worker age of 25.9 in RMG, which is vital for growth in Industry.
7. **Progressive Investment in Textile & RMG:** Machinery, Technology & Manpower skill development

### **Weaknesses:**

1. **Environmental :** The environmental impact regarding water and energy consumption may impact Sector but ongoing progression and improvements in the same may reduce the impact to minimal.
2. **Dependent on Raw Material Import is high:** Mainly Cotton Yarn and Ready to use Fabrics.

## **Bangladesh RMG Industry: SWOT Analysis. continued**

### **Opportunities:**

1. **Diversification:** The industry can explore product diversification to meet the evolving demands of the global market.
2. **Technological Integration:** Adopting advanced technologies can enhance efficiency and productivity.
3. **E-commerce Growth:** The growing trend of online shopping provides an avenue for increased sales and market reach.
4. **Sustainability:** Sustainable practices can appeal to environmentally conscious consumers.
5. **Global Market Expansion:** Exploring new markets and forming strategic alliances can open up avenues for growth.
6. **ASEAN Trade:** The huge market of ASEAN can give boost to RMG sector

### **Threats:**

1. **Global Economic Uncertainty:** Economic downturns in major consumer countries can impact the demand.
2. **Intense Competition:** The global garment industry is highly competitive, and other low-cost mfg countries pose a threat.
3. **Supply Chain Disruptions:** Events like natural disasters or geopolitical tensions can disrupt the supply chain.
4. **Trade Barriers:** Changes in trade policies and tariffs in key markets can affect the industry's competitiveness.
5. **Labor Issues:** Strikes, unrest, or changes in labor laws can disrupt the workforce and production.
6. **Under Developed country to Least Developed Country to Developed Country may affect the trade agreement benefits**



## **6. Bangladesh RMG Industry: Outlook**

### **Mid-term Outlook:**

- it is expected that Bangladesh apparel export to grow at 5.3% CAGR and reach USD 56 Bn by 2026E
- With dominance in cotton-based apparel, Bangladesh is increasingly focusing on Man made fiber to ride on a stronger global growth outlook
- Migration of global fashion retailers' order flow from China will drive market share expansion for Bangladesh apparel

### **What does this mean for companies operating in the sector?**

*Companies investing in the Man Made Fiber segment are likely to witness faster growth*

*Companies expanding their portfolios with higher-margin product categories will perform better*

*Companies expanding into nontraditional markets to consolidate market share*

### **Long- Term Outlook**

- Preferential trade deals and strong backward linkage could ensure a smooth transition for the apparel sector
- Export growth picked up from Quarter3 Year 2024
- the total export is likely to be affected after 2026 resulting in a significant increase in tariff rates
- Securing preferential trade agreements, focusing on sustainability, and enhancing competitiveness would help to smoothen the transition path.

### **What does this mean for companies operating in the sector?**

*We expect well-established apparel exporters to consolidate their market share further*

*Product portfolio to have a greater share in higher margin products*

*Well-established companies to move lower margin manufacturing to countries that still enjoy duty benefits*

## **7. Bangladesh: A graduating LDC (Least Developed Country)**

As per the decision of the UN General Assembly held in November 2021, Bangladesh is set to graduate out of the group of least developed countries (LDCs) on November 24, 2026, about 50 years after it first became a member of this cohort of developing countries in December 1975.

### **Latest Development, February 2024**

- 1. LDC graduation: Bangladesh to get duty benefits beyond 2026:**
- Bangladesh is set to enjoy duty-free market access beyond its [graduation from the least-developed country bracket](#) in November 2026 after the World Trade Organisation decided to extend support measures for graduating countries.
- [LDC graduation](#) is an important sign of development progress. WTO members reaffirmed their commitment to helping smoothen this process for graduating LDCs to prevent any loss of the economic growth and development momentum that had propelled them to graduation," said Ngozi Okonjo-Iweala, the director-general of the WTO.
- Bangladesh along with other LDCs, however, have been negotiating with developing and developed countries and different international organisations like the WTO for an extension of the trade benefits for six more years after graduation due to the economic hits taken for the pandemic and the Ukraine war.
- Discussions are currently going on in the LDC sub-committee for the extension of WTO's existing LDC-specific special provisions after graduation. Members of the LDC group, including Bangladesh, are actively working towards a decision in this regard at the 13th Ministerial Conference.

# **PEARL GLOBAL INDUSTRIES LIMITED, BANGLADESH**

## 1. PGIL-Bangladesh-Milestones



### • NORP KNIT UNIT-1

- Started - 2004
- Capacity 575,000 pcs/ month - 550 machine.

### • DRY & WET PROCESSING

- Started - 2014
- 2022/23 TECHNOLOGY, Capacity & sustainability Upgrade
- Capacity  
Existing: Denim 14,000, Non-Denim 40,000  
Upgraded : Denim 27,000 , Non-Denim 40,000



### • OUTSOURCING

- Started - 2010
- Re-Strategized from 2019 with direct marketing including Design



### • UNIT 2

- Started - 2010
- 2018: Automation - Woven Bottom
- Capacity knits - 575,000 pcs/month, 550 machine
- Woven - 650,000 pcs/month, 1200 machine



### • PRUDENT FASHION

- Started - 2019
- Automation - Woven Bottom 2023
- Capacity Knits - 525,000 pcs/month, 525 machine,
- Woven: 200,000 pcs/month, 375 machine



### • DESIGN

- Started - 2018
- Upgrade to 3d design, Product Co-creation, direct design
- 2022-23 virtual denim co-creation

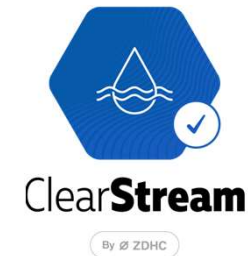


### • Alpha Clothing

- Added to PGIL BD in Apr 2022
- Capacity - 450,000 pcs/month, 850 machine.

## 2. PGIL-Bangladesh- Achievements in FY 2023-24...continued

### #Sustianability & Product Certifications



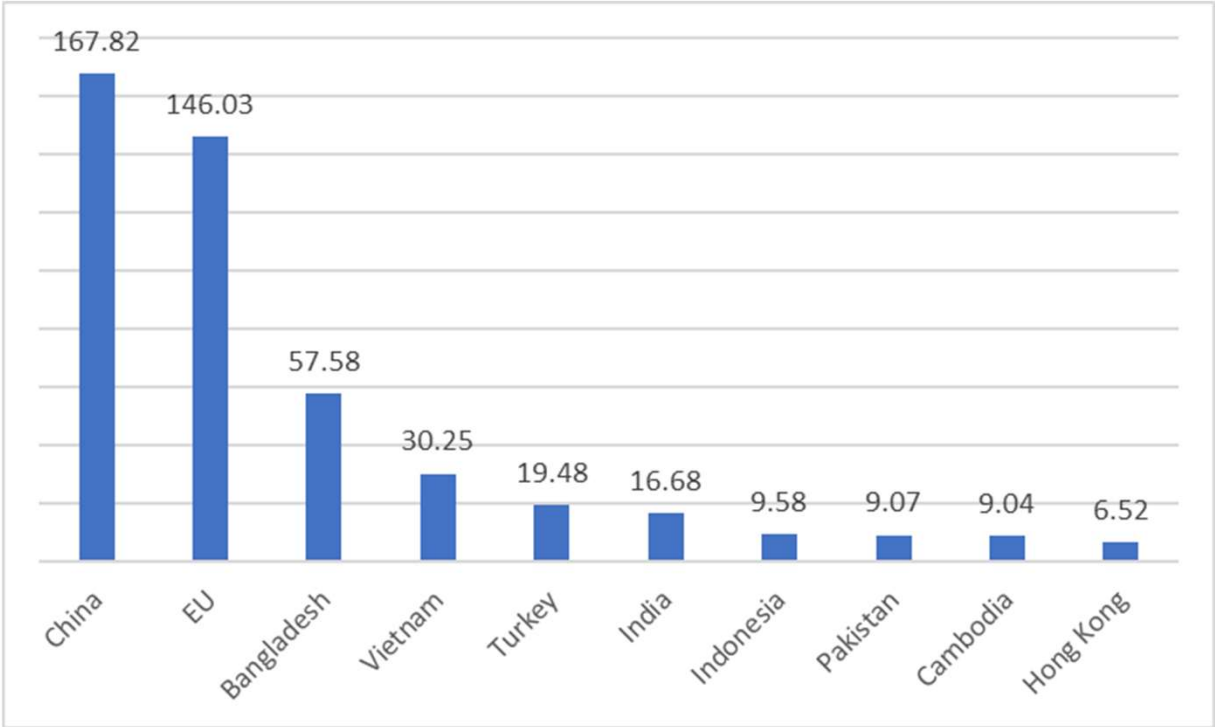
**THANKS**

## PVN Overview

**PEARL GLÖBAL**  
Exceeding Expectations...Always



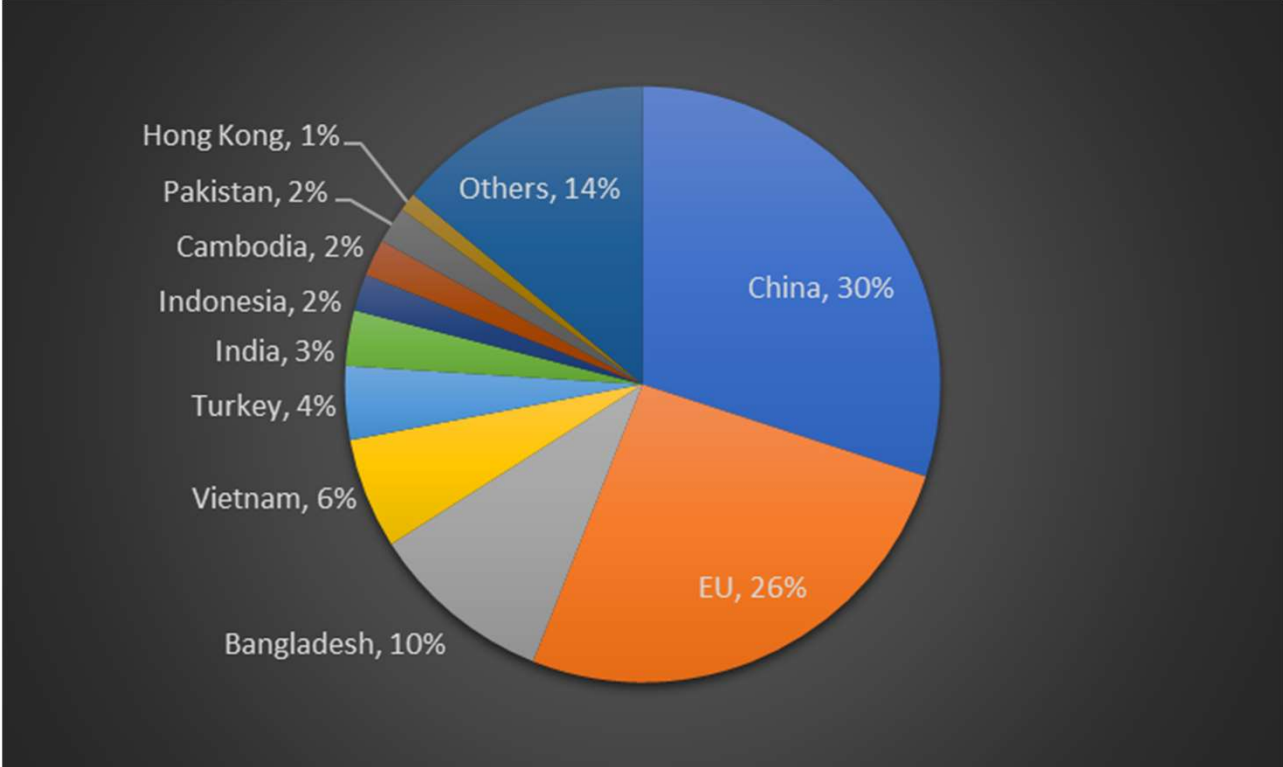
# Top 10 Garment Exporters in 2022



(Unit: USD billion)



# Market Share of Garment Exporters in 2022

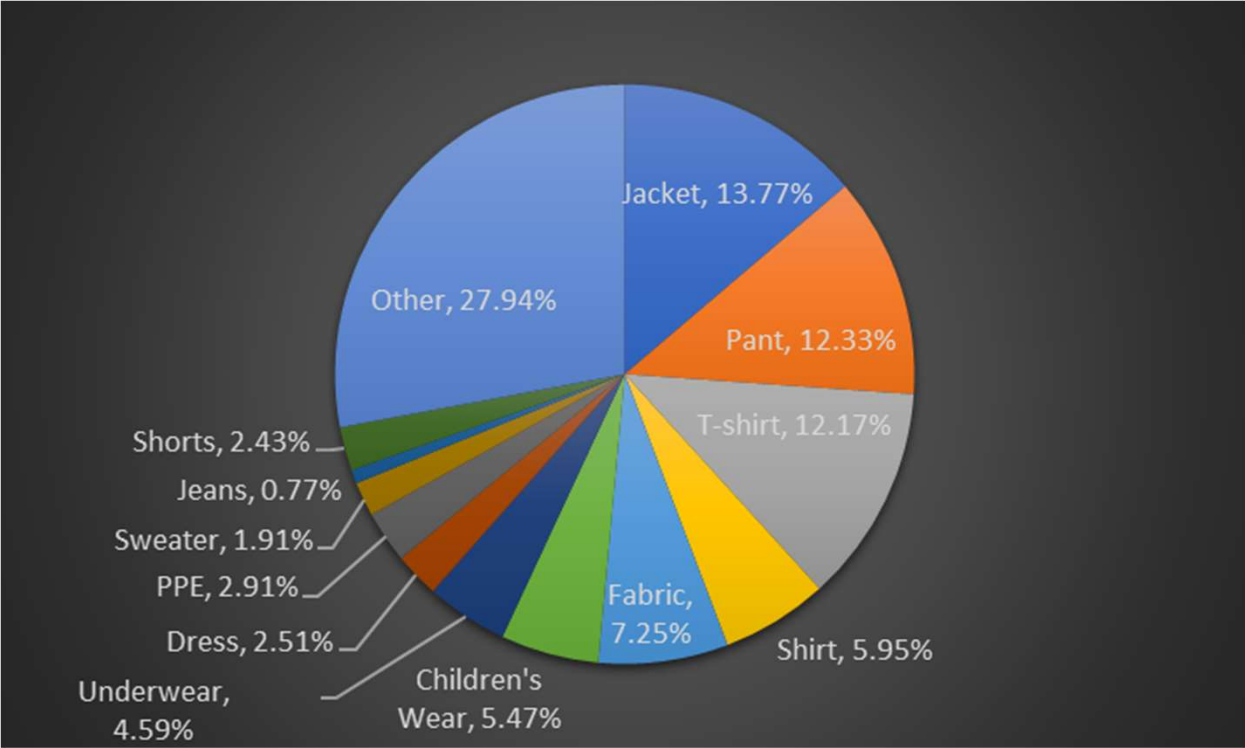


# Vietnam's Garment & Textile Export Turnover Over The Years

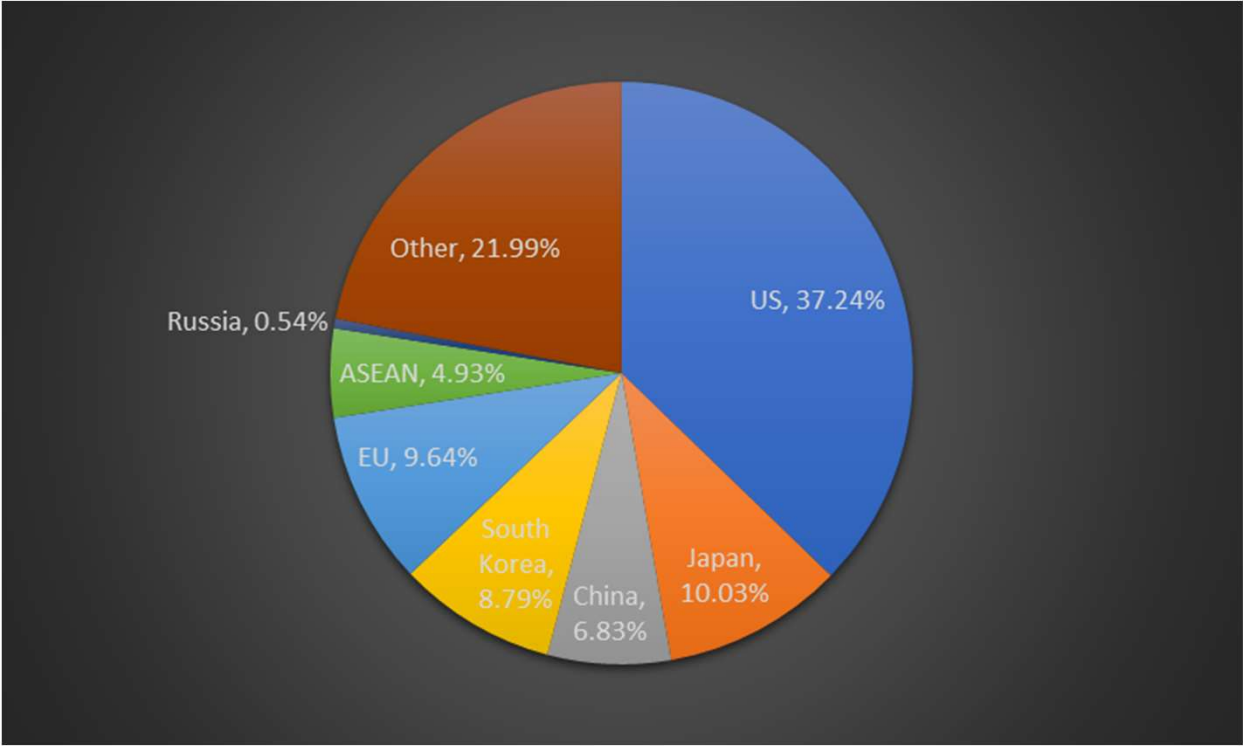


(Unit: USD million)

# Estimated Share of Garment & Fabric Exports of Vietnam in 2023



# Vietnam's Estimated Garment & Textile Export Turnover to Major Markets in 2023



## Competitiveness Assessment Framework in Some Textile & Garment Exporting Countries

Criteria/Country	Bangladesh	Cambodia	Laos	Nepal	China	Vietnam
Production quality	3.5	3.5	3.5	2	4.5	4.5
Ability to create value-added products	3	3	2.5	2	4.5	4
Vertical integration/ Access to raw materials	2	2	2.5	3	5	3
Innovation and ability to develop products with buyers	3	2	2.5	2.5	4.5	4
Efficiency	3	3	2	3	4.5	4
Delivery time	3.5	3	2	2	4	4.5
Price	4.5	4.5	3	3	3	4
Tariff advantages	3.5	2	3	3	2	3
Flexibility in order quantity	3	2.5	2.5	2.5	4	4
Financial stability	2	1.5	2	2	3	3
Political stability	2.5	3.5	3	3	2.5	4.5
Compliance level/ Sustainability	2	2.5	2	2	2	3.5

Source: WTO Importer Survey 2022

## Opportunities in Vietnam

- The market is showing signs of recovery. It is expected that the export turnover in 2024 will reach USD 44 billion.
- Free trade agreements allow Vietnam to be one of the biggest garment exporters in the world.
- The government of Vietnam and Vietnam Textile & Apparel Association are actively working to promote trade activities and remove obstacles for business.

## Challenges Faced in Vietnam

- "Sustainable fashion" as a replacement of "fast fashion". Sustainability is becoming more critical for businesses to remain competitive as the industry is shifting to green production.
- Application of EPR (extended producer responsibility) and CBAM (carbon border adjustment mechanism).
- Continued inflation in key markets, causing reduced purchasing power and orders from buyers.
- Although global prices, inflation and interest rates have decreased, these numbers still remain high.
- Input, production and freight costs are high.

## Macro factors favoring Vietnam

- Support from the government of Vietnam:
  - Lending interest rates have lowered significantly, leading to lower loan costs for businesses.
  - The Government's current support policies available to business may be extended in 2024.
  - The strategy for developing Vietnam's textile, garment and footwear industry to 2030, with a vision to 2035 has been approved => with specific activities being elaborated.
- Inflation and interest rates are decreasing, exchange rates are basically stable, bad debt risks are under control.



## Way Ahead

- Investment in sustainable development. Search and apply new eco-friendly technologies, recycled materials and raw materials.
- Diversify source of raw material supply.
- Apply technology in production to reduce costs, improve productivity and shorten delivery time.