

Research Report: Textile Sector of Bangladesh - Update

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DSE Total Mcap (mn BDT)	2,031,540
Textile Total Mcap (mn BDT)	82,960
Textile Forward P/E (x)(December 02, 2013)	16.03x

Source: Research, IDLCIL

Listed Companies in Textile Sector (In order of F.F. MCap)

DSE Code	FYE	52 weeks price range	F.F MCap
SQUARETEXT	201212	85.6-114.6	4,821
FAMILYTEX	201112	27.5-56.4	3,497
RNSPIN	201112	24.6-43.0	3,325
ENVOYTEX	201209	38.8 - 70.0	3,026
MALEKSPIN	201206	15.7-32.9	3,017
MAKSONSPIN	201209	12.2-20.5	2,717
ARGONDENIM	201212	30.2-86.0	2,603
GENNEXT	201212	19.9-47.5	2,349
CMCKAMAL	201112	22.3-39.3	1,770
SAIHAMCOT	201204	21.7-36.0	1,581
PTL	201206	44-59.1	1,524
SAIHAMTEX	201206	22.7-36.9	1,337
TALLUSPIN	201206	18.2-47.1	1,159
DACCADYE	201206	20.2-35	987
MITHUNKNIT	201206	48.9-137	945
METROSPIN	201206	12.9-23.3	882
DELTASPINN	201206	25.6-45.0	865
AL-HAJTEX	201206	30.1-121.0	682
ZAHINTEX	201206	23.1-37.6	598
HRTEX	201209	18.8-49.0	479
PRIMETEX	201206	16.8-34.2	472
SAFKOSPINN	201112	16.2-32.7	395
STYLECRAFT	201203	600-1398.9	322
APEXSPINN	201203	54.0-101.0	281
SONARGAON	201112	12.9-25.8	246
ANLIMAYARN	201206	15.1-41.6	240
ALLTEX	201206	6.8-11.0	213
RAHIMTEXT	201206	76.0-360.0	127
DSHGARME	201206	20.0-108.0	102
MODERNDYE	201206	45.2-183.9	46
DULAMIACOT	201206	7.5-12.5	28

Source: DSE

Abstract

- In 2012, global clothing export was USD 423 bn.
- Being the second largest RMG exporting country, Bangladesh captured 4.5% of global export of RMG.
- CAGR of RMG export during 2005-12 was 16%.
- The textile value chain includes Spinning, Weaving/Knitting, Dyeing and Apparel manufacturing.
- Local yarn industry met 65% of total local demand for yarn, in 2012.
- Local Weaving/Knitting industry met 61% of local demand, the same year.
- EU is the largest destination for Bangladeshi RMG.
- However, Non-traditional market grew the fastest, at 37% during 2005-12.
- Main competitors of Bangladesh in textile and its subsectors are China, Turkey, Vietnam and India.
- Core strengths of Textile industry of the country are low wages, capacity and preferential treatment.
- Recent wages hike and labor unrest is expected to erode Bangladesh's competitive advantage, significantly.
- Pakistan's achievement of GSP benefit and India's probable Free Trade Agreement (FTA) with EU pose significant threat to Bangladesh.
- Shifting of China's product mix to high value added region is expected to increase market share for the remaining competitors.
- Two upcoming sourcing cotton agreements with India and Uzbekistan may appear helpful for yarn industry.
- Exploring new market in countries like Chile, South Korea, Russia etc. may offer significant growth opportunity.

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