

An Input-Output Analysis on the Demand-Supply Structure of Textile-Clothing Industry of Bangladesh & Asian Competitors

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The objective of the paper is to know the demand-supply structure of the textile and clothing industry (TCI) of China, Bangladesh, India, Viet Nam and Indonesia which are the top five clothing exporting nations in the world and control 90% clothing exports of the region.

The methodology of the paper is input-output analysis including multiplier analysis, structural decomposition analysis, linkage analysis with detailed backward linkages to clothing industry and analysis of vertical specialisation using National Input-Output Tables and Interregional Input-Output Tables of the economies.

The results show that among the economies, the domestic multiplier effect of China is the highest. The domestic multiplier effects are 3.09, 2.35, 2.17, 2.14 and 1.60 times for China, Viet Nam, India, Bangladesh and Indonesia respectively in 2011. In the growth path, the contribution of final demand effect outplayed technical change effect, whereas export contribution is much higher than domestic demand expansion.

Technical effect during 2000 to 2011 period in TCI is highest in Viet Nam (18%) followed by China, India, Bangladesh, and Indonesia. Value added export (VAX) has changed positively by 14% in China, 8% in Bangladesh from 2000 to 2011 period. On the other hand, VAX has changed negatively in Indonesia, India and Viet Nam. So, the demand side and the supply side structure of China is very good in the region followed by Viet Nam, India, Bangladesh and Indonesia.