



MOVING ADIDAS TO BANGLADESH: OPPORTUNITIES AND RISKS

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INTRODUCTION TO ADIDAS



- ADIDAS IS A GERMAN MULTINATIONAL BRAND AND HAS BEEN FOUNDED BY ADOLF DASSLER IN 1924, IN BAVARIA
- MANUFACTURES AND DESIGN CLOTHING, SHOES AND ACCESSORIES
- THEIR MISSION: “TO BE THE BEST BRAND IN THE WORLD”
- THEIR PURPOSE: “THROUGH SPORT TO CHANGE THE LIVES” (ADIDAS, 2022)

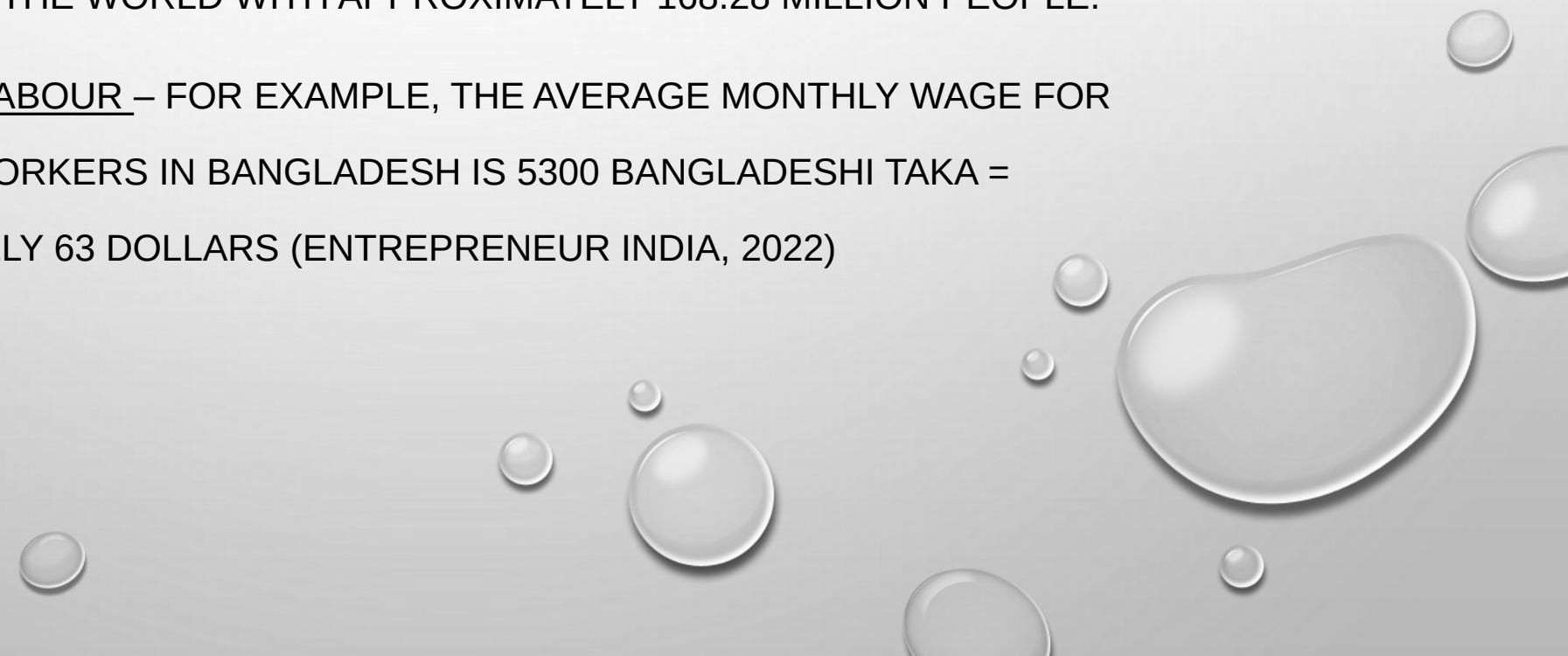


WHY BANGLADESH?

- BANGLADESH BECAME A VERY ATTRACTIVE INVESTMENT BECAUSE OF ITS COMPETITIVE AND LARGE LABOUR MARKET.
- BANGLADESH IS CONSIDERED A LOW-COST DESTINATION FOR JAPANESE FIRM
- THE TEXTILES AND CLOTHING INDUSTRY IS BANGLADESH'S BIGGESTS EXPORT EARNER (ENTREPRENEUR INDIA, 2022)



OPPORTUNITIES:

- LARGE POPULATION -BANGLADESH IS THE EIGHT MOST POPULOUS COUNTRY IN THE WORLD WITH APPROXIMATELY 168.28 MILLION PEOPLE.
 - LOW-COST LABOUR – FOR EXAMPLE, THE AVERAGE MONTHLY WAGE FOR GARMENT WORKERS IN BANGLADESH IS 5300 BANGLADESHI TAKA = APPROXIMATELY 63 DOLLARS (ENTREPRENEUR INDIA, 2022)
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OPPORTUNITIES CONTINUATION

- STRONG CONSUMER DEMAND FOR PRODUCTS
- EASY AVAILABILITY OF THE RAW MATERIALS,
- THE LAW OF BANGLADESH ALLOWS TO OPEN A 100% FOREIGN OWNERSHIP COMPANIES, A SUBSIDIARY COMPANY OR BRANCH OFFICES (BUSINESS DAILY 24, 2022)

RISKS

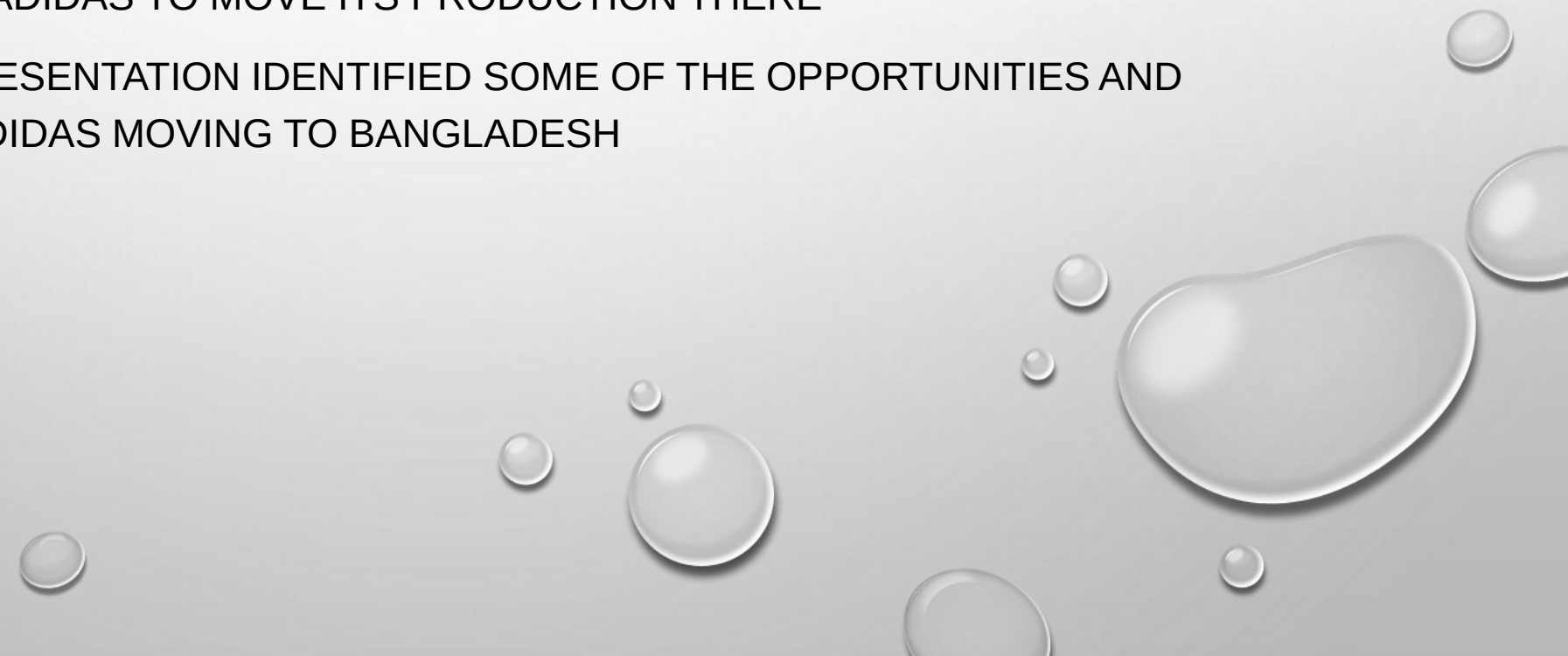
- COMPETITION – BANGLADESH MARKET IS VERY COMPETITIVE BECAUSE OF STRONG CONSUMER DEMAND FOR PRODUCTS
- PRICING STRATEGY – “THE BANGLADESH MARKET IS EXTREMELY PRICE SENSITIVE WITH LOW-PRICE GOODS FROM INDIA AND CHINA DOMINATING MANY SECTORS” (GOV, 2022)

RISKS:

- HIGH LEVEL OF BURBERY AND CORRUPTION – ACCORDING TO THE TRANSPARENCY INTERNATIONAL REPORT, BANGLASDESH IS ON 162ND OUT OF 179 COUNTRIES AND HAS A 2.0 IN THE CORRUPTION INDEX
- COPYRIGHT ABUSE AND PIRACY ARE WIDESPREAD (GOV, 2021)



CONCLUSION

- THIS PRESENTATION HAS DISCUSSED WHY BANGLADESH WOULD BE AN OPTION FOR ADIDAS TO MOVE ITS PRODUCTION THERE
 - ALSO THE PRESENTATION IDENTIFIED SOME OF THE OPPORTUNITIES AND RISKS FOR ADIDAS MOVING TO BANGLADESH
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REFERENCES

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3. GOV (2021). *OVERSEAS BUSINESS RISK: BANGLADESH* AVAILABLE AT WWW.GOV.UK/GOVERNMENT/PUBLICATIONS/OVERSEAS-BUSINESS-RISK-BANGLADESH/OVERSEAS-BUSINESS-RISK-BANGLADESH [ACCESSED: 15 AUGUST 2022]
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