

# Bangladesh Garment Suppliers Hit Hard By Late Payments

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"It was a year of trepidation and angst," said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), according to recent [Dhaka Tribune](#) reports.

While the quote could apply to any business in any market, when it comes to the world's clothing supply chain, disruptions and uncertainty were particularly painful last year. Late payments were among the biggest pain points, and indeed, this week's B2B Data Digest finds the garment sector continues to face intensifying challenges as a result of delayed and unpaid invoices.

It's far from the only industry plagued by delayed B2B payments, however. As the data in this week's roundup reveals, delayed payments continue to be a common

headache, and have led to recent lawsuits in trucking, legal services and other industries. PYMNTS breaks down the numbers behind these stories below.

**47 percent of businesses admit to paying suppliers late**, data from the Tungsten Network and the Institute of Finance and Management (IOFM) revealed, as recently reported by [Material Handling & Logistics News](#). The surveyed businesses said at least 1 in 10 payments to suppliers was paid after an agreed-upon due date. Of the late-paying companies, 16 percent said as many as one-fifth of their B2B payments are delayed. "Late payments impact economic growth," said Andrew Lemonofides, Tungsten Network's CEO, in a statement. "Chasing payments is a source of frustration for suppliers and buyers alike."

**\$182,905.88 in damages, late charges and interest is being sought by IBM**, which has reportedly sued casino investor Imperial Pacific International over unpaid invoices. Reports in [Marianas Variety](#) said Xerox claims Imperial Pacific International has failed to pay for services and rented equipment, with Xerox now suing its former customer in District Court. According to the allegations, some of the invoices date back to 2017.

**\$508,000 in unpaid invoices is now at the center of a legal dispute with freight carrier Central Freight Lines**. Reports in [Freight Waves](#) said freight brokerage Mothership Technologies has filed a lawsuit against the less-than-truckload carrier, accusing it of failing to pay invoices as of mid-October.

**\$84 million is still owed to Bangladeshi garment suppliers of Debenhams, JCPenny and Arcadia Group**, according to Dhaka Tribune reports, which have highlighted the pressing concerns of canceled orders and late payments on the country's clothing export operations. With the industry contributing to more than 11 percent of the nation's GDP, the ramifications of delayed payments reach far beyond struggling suppliers. According to the BGMEA, an estimated 1,150 clothing manufacturers faced canceled or deferred orders totaling \$3.18 billion. About 300 garment factories have closed this year, a direct result of retail closures and a downturn in apparel sales across the U.S. and Europe. According to one supplier, "Still I am waiting for the payment as the buyer declared bankruptcy. It is not clear whether I will be able to realize full payments or not."

**\$1 billion worth of Bangladeshi orders placed by U.K. fashion retailers was canceled by mid-2020**, according to Traidcraft Exchange data as reported by [The Times](#). The figure adds further evidence of just how hard the pandemic has hit the world's clothing retail industry, and Bangladeshi suppliers in particular. Traidcraft Exchange found an additional \$500 million worth of orders placed by U.S. retailers with Bangladeshi suppliers were canceled as of June 2020.

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