



# BANGLADESH TEXTILE MILLS ASSOCIATION

*a national organisation representing Yarn & Fabric Manufacturers and Textile Product Processors*

**Mohammad Ali Khokon**  
President

18<sup>th</sup> July, 2020

BTMA: 553.772

**The President**  
**International Cotton Association (ICA)**  
**6<sup>th</sup> Floor, Walker House, Exchange Flags**  
**Liverpool, L2 3YL**  
**United Kingdom**

**Sub: Requesting for a Guideline to Overcome the Difficulties of Non-fulfillment of Contractual Obligation due to the Global Pandemic COVID-19**

Dear Sir,

On 16<sup>th</sup> April'2020 I have sent a letter to let you know the critical situation of the Textile Mills which we are passing here due the rapid increasing of Coronavirus Infection as well as most of the Garments' order delay & cancel in response to pandemic crisis. I also enquired about the possible solution & 'Force Majeure' clause application. We acknowledged that on behalf of International Cotton Association (ICA) you addressed the queries and stated that "there is no provision in their Rules which recognize 'Force Majeure' ICA by Law 201 & Rules 237 and 238 define the method for resolving contracts that will not be performed. We encourage all parties to be adaptable to the extraordinary circumstances and to find mutually agreeable terms thereby avoiding disputes, arbitration and defaults these trying times."

As you know, Bangladesh is one of the largest buyers of Raw Cotton. But in the present pandemic period BTMA Member Mills are passing here an extreme situation. Till now most of the factories running with only 50% to 60% production capacity as yarn demand is nosedived. Present scenario is that we have huge stock of yarn in our factory though we are trying for "push-sale" but buyer demand is very poor. So our business just disrupted due to COVID-19 Pandemic and Global Economic Fallout. It is also need to mention here that all Miller of BTMA are passing every moment miserably as 25-30 cents are losing in per Kg yarn. In this situation Member Mills of BTMA are being extremely pressurized by their suppliers to honor the contractual obligation of cotton procurement but we are not mentally fit at all to take extra pressure.

At the stage, we thus request you to take initiative to increase the time for all pending contract'2020 up to the March'2021 without applying any carrying charge. You know that in this crucial situation carrying charge will be just in humanitarian mental burning for all Miller of BTMA. So we believe as a sincere partner of ICA value chain we will get the highest support with guideline from you with so that we can move on for our smooth future business.

You know that as the president of BTMA , I have to prioritize to protect the rights of member mills. At this point there should be a clause of 'Force Majeure'. But as there is no clause in the contract but as ICA contract does not include it. In view of above and in such a situation, you will agree that honoring of contractual obligation is difficult but demanding a provision with guideline to cut of the contractual difficulties with our valued supplier and also think about the inclusion of pandemic in the 'Force Majeure' clause in ICA BY LAWS AND RULES.

Thank you

(Mohammad Ali Khokon)