

Star BUSINESS



DBL to invest in Vietnam to make sewing thread

REFAYET ULLAH MIRDHA

DBL Group, one of the leading local garment exporters, is going to invest in Vietnam to produce thread as many international clothing retailers and brands have nominated the group's product to stitch clothes.

"We will invest in Vietnam to produce our branded sewing thread Eco-Thread as our buyers are demanding for supplying more thread to them," said MA Jabbar, managing director DBL Group.

"We are already supplying a lot of sewing thread to many international retailers and brands," he said.

The group has a plan to start running the Vietnam unit within the next two or three years.

DBL Group exported garment items worth \$480 million in 2021 and expects 25 per cent higher shipment this year

"Setting up a sewing thread factory is one kind of a support for our buyers as many Western buyers are sourcing from Vietnamese garment factories," said Jabbar.

"The buyers have nominated our sewing thread," he said without mentioning the amount to be invested in Vietnam.

Currently, the DBL produces 10 tonnes of sewing thread in a day of which 80 per cent is sold to other garment manufacturers and the rest used by the group's own garment factories.

Earlier, DBL Group invested in the garment sector of Ethiopia but was now facing trouble running that unit because of a war in the landlocked African nation.

As a major exporter, DBL Group exported garment items worth \$480 million in 2021 and at the end of this year the group is expecting 25 per cent more export earnings from garment shipments, Jabbar said.



AT A GLANCE

- Sewing thread is a yarn used to stitch garments
- Bangladesh now exporting sewing thread
- But 10 years ago, Bangladesh was a net importer
- Local companies want to grab bigger share of global market
- DBL Group to set up a sewing thread factory in Vietnam
- Garment makers use local sewing thread to maintain lead time

BY THE NUMBERS

- Total investment in local market so far: Tk 1,000cr
- About 200 export-oriented millers are in operations
- More than 100 small millers serve domestic market
- Daily requirement in the country: 100 tonnes
- Contribution of sewing thread to garment making: less than 1pc
- Annual sales of sewing thread in the country: \$150m

Sewing thread: a new avenue of growth in textile

Hundreds of factories have sprung up in recent years

REFAYET ULLAH MIRDHA

Hundreds of sewing thread manufacturing units have sprung up in Bangladesh in recent years, allowing the country to nearly attain self-sufficiency in the major garment accessory.

As a result, apparel manufacturers have been able to cut their over-reliance on the imported raw materials and maintain strict lead time.

Sewing thread is mainly used in stitching garment items. And 10 years ago, local garment manufacturers and exporters were fully dependent on imported sewing thread.

But now some of the major producers are even exporting the accessory after meeting local demand.

Currently, 20 local and multinational sewing thread mills produce more than 100 tonnes of the item a day.

Although the contribution of the sewing thread is less than 1 per cent to the total garment export of \$36 billion, it is vital for manufacturing a finished garment item.

In the past decade, the sewing thread sector witnessed an investment worth Tk 1,000 crore, according to industry people.

Sanzi Textile Mills, located

in Kalurghat of Chattogram, invested Tk 100 crore in 1995 to make sewing thread. Today, it produces 30 tonnes of thread per day.

"We are meeting the rising demand in the domestic and international markets," said Syed Nurul Islam, chairman

Sanzi Textile Mills' market share in the sewing thread segment is 30 per cent, raking in \$20 million annually. It also ships more than \$6 million worth of the accessory a year.

Islam puts the local sewing thread market at \$150 million. Previously, garment

Of the produce, the company consumes 20 per cent and the rest 80 per cent is sold to other garment manufacturers, said MA Jabbar, managing director of the group.

DBL Group is eyeing expansion in the segment. "I have a plan to set up a unit to produce sewing thread in Vietnam within two to three years as buyers are nominating our thread for their products due to its higher quality," Jabbar said.

Eco Threads & Yarns sells sewing thread worth \$25 million annually at present and plans to double the sales by 2025.

"Even a few years ago, local garment manufacturers were mainly dependent on multinational companies to procure sewing thread, but now local companies are capable of producing internationally standard sewing thread," Jabbar said.

Although the country has become self-reliant on sewing thread, the associated raw materials need to be imported, according to Abdul Kader Khan, managing director of Khan Accessories and Packaging Ltd.

He invested Tk 7 crore to



of Well Group, the owning company of the textile company.

Islam plans to invest in another factory to produce leather sewing thread since the leather and leather goods industry is also growing in Bangladesh. Currently, almost all of the required leather sewing thread is imported.

"Leather sewing thread has a very bright future in Bangladesh because leather and leather goods industries are performing strongly," he said.

manufacturers relied on China and Hong Kong for sewing thread. Now, local manufacturers can supply 95 per cent of the accessory, while the rest is imported owing to the special requirement from international retailers and brands.

DBL Group, a garment exporter, invested Tk 200 crore in 2016 to set up Eco Threads & Yarns to make quality sewing thread. It produces 10 tonnes of sewing thread a day at its Kashipur factory in Gazipur.

Remittance hits 8-month high

MD FAZLUR RAHMAN

Remittance to Bangladesh rose to an eight-month high in March as migrant workers sent home a higher amount to help their families meet an increased expenditure during Ramadan, official data showed yesterday.

Expatriates transferred \$1.86 billion last month, the highest since July when \$1.87 billion flew into the country, according to the Bangladesh Bank.

March's receipts were nearly 25 per cent higher than February's \$1.49 billion but down 2.67 per cent from \$1.91 billion recorded in the same month last year.

Families of migrant workers usually receive a higher amount of remittance ahead and during Ramadan and ahead of Eid, said Arfan Ali, managing director of Bank Asia. The fasting month began yesterday.

"The exchange rate has also been adjusted upwards amid higher demand for US dollars," he said.

Because of the escalated commodity prices, the US dollar supply in Bangladesh has come under strain as import payments have outstripped export receipts. Exports and remittances are two major sources of American dollars for the country.

Syed Mahbubur Rahman, managing director of Mutual Trust Bank, also credited Ramadan, banks' efforts to attract more American dollars, and the government's incentive for the increased flow of remittance.

"Banks are offering higher rates for incoming US dollars in order to facilitate imports," he said. The government also provides a 2.5 per cent cash subsidy on remittance to prop up the flow of foreign currencies with a view to tackling the foreign exchange crisis.

Bangladesh received \$15.30 billion in remittances in the first nine months of the current fiscal year, a decrease of 21.56 per cent compared to the same period a year ago.

Last fiscal year, migrant workers sent home a record \$24.77 billion. Remittance flow had rocketed to an "abnormal level" during the pandemic-induced two years for "abnormal factors" compared to the pre-crisis levels, said Zahid Hussain, a former lead

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STOCKS	
DSEX ▲	CSCX ▲
0.20%	0.38%
6,771.91	11,893.41

COMMODITIES	
Gold ▼	Oil ▼
\$1,928.8	\$99.57
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI ▲	TOKYO ▼	SINGAPORE ▲	SHANGHAI ▲
1.21%	0.56%	0.31%	0.94%
59,276.69	27,665.98	3,419.11	3,282.72

New patents bill passed

RASHIDUL HASAN and JAGARAN CHAKMA

The parliament yesterday enacted Bangladesh Patents Bill 2022, aiming to make a century-old patents law more time-befitting and safeguard intellectual property rights.

The law, among others, extends the validity period of patents from 16 years to 20 years.

Analysts say this would attract foreign investment as it protects intellectual property and works as a safeguard in stopping generic versions of new products or innovations from coming up, according to experts.

Sheikh Faezul Amin, additional secretary (policy, law and international co-operation) to the industries ministry, said the new law included provisions enabling joint registrations if needed.

The pre-existing patent and design law was enacted in 1911. In 2016, the law was divided into two parts, a patent law and a design law.

According to him, the act was needed to enable updates and enabling staying attuned with the current growth of the economy and expansion of trade and commerce.

The bill states that any technological product would be patentable if it has something new in it.

However, inventions, scientific theories and mathematical methods, business methods, rules or methods of performing purely mental work or sports and any such computer programme would not be patent protected.

In addition to the need to prevent commercial use within the borders of Bangladesh in order to protect public order and ethics, a number of other issues have been left out of patent protection, including innovation.

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Popular fruits and vegetables that are copiously enjoyed during Ramadan are seen on display at a store in Karwan Bazar, one of the biggest kitchen markets in Dhaka. However, prices of such daily essentials were high on just the first day of the month as lemons cost as much as Tk 120 per dozen while cucumbers and tomatoes each sold for about Tk 40 per kilogramme. The picture was taken yesterday.

PHOTO: ANISUR RAHMAN

'Can't visit market every day to control prices'

Says Tipu Munshi

STAR BUSINESS REPORT

Commerce Minister Tipu Munshi yesterday said the price of daily essentials drop whenever he visits a kitchen market but ultimately rise again once he leaves.

"This is not right," he told reporters at the Islamiya Shanti Samiti in Karwan Bazar after visiting the kitchen market in Dhaka.

Traders offer various discounts during festive seasons abroad, such as Christmas in the US or Durga Puja in India.

"But if we businessmen take advantage of the month of Ramadan, when people are supposed to show restraint, then Allah will not forgive us. So we need to keep fair prices," Munshi said.

The commerce minister went on to say that if any product prices go up due to extortion, then

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