

Circular Strategies for a Competitive Tomorrow in Bangladesh’s Apparel Landscape



Bunon 2030's Inaugural Dialogue on Apparel's Tomorrow

In a bid to bring together diverse strands of conversation concerning the future of the apparel industry, LightCastle Partners, a prominent management consulting firm, in association with The Policy Exchange of Bangladesh, organized the inaugural dialogue event focused on the themes of circularity, decarbonization, and competitiveness. This initiative is part of LightCastle's collective effort to strengthen the apparel ecosystem through research, private sector engagement and advocacy initiatives.

The dialogue event, attended by industry leaders, policymakers, development partners, innovators, and academics, explored the complexities of upcoming transformations impacting the industry in the coming decades. The inaugural dialogue is a part of the Bunon 2030 - a dedicated initiative to empower Bangladeshi women garment workers in the face of increasing automation, geopolitical turmoil, circularity, and decarbonization, among others, by fostering sector competitiveness.

Oporajita's Vision for Collective Impact & Wellbeing of Women Workers

Bunon 2030 is supported by the H&M Foundation and facilitated by The Asia Foundation as a part of the 'Oporajita: Collective Impact on the Future of Work in Bangladesh' initiative with a shared objective to safeguard the future livelihoods of women garment workers in Bangladesh.

The project intends to improve sector competitiveness, skills development, and employment opportunities for women apparel workers based on an improved understanding of the impact of technology and automation on the apparel industry. Bunon 2030 aims to strengthen the apparel industry for the next decade—adapting to the emergence of the 4th Industrial Revolution, changing Geopolitics, Circularity, Decarbonization, and Automation. The initiative has taken on the task of conducting comprehensive scenario mapping, evaluating essential policy imperatives, organizing a series of dialogues, fostering collaborations with stakeholders across various sectors, and hosting national-level events involving innovators, industry leaders, and policymakers. All these efforts are aimed at safeguarding and ensuring the sustainability of livelihoods for women garment workers in the face of future changes.

The Urgency of Sustainable Choices in Bangladesh's Apparel Sector

By 2030, the world's population is projected to reach 8.5 billion, consuming an average of 68 garments per person annually, totaling 80 billion items globally. With a 63% increase in global garment production anticipated by 2030, there is a critical need to address resource pressures, greenhouse gas emissions, water usage in cotton production, and the extended biodegradation period of products.

The USD 2.4 billion fashion industry brings with it a significant carbon footprint, which, if left unaddressed, will exacerbate environmental degradation and the fallout of climate change. According to the International Finance Corporation's (IFC's) publication, wet processing consumes 300 liters of water to manufacture each KG of fabric every year. The huge consumption of water has been causing the depletion of groundwater. The textile industry's water



demand will grow three times that of domestic demand by 2030. The release of textile effluents has already been found to affect areas near the industrial regions of Savar, Gazipur, and Narayanganj. Rivers and waterbodies around are becoming highly polluted, which eventually affects marine life and impacts communities relying on water and fish catch for livelihoods.

In adopting circularity, the country could take steps to formalize and have recycling systems in place for the 570,000 tonnes of textile waste or “jhoot” per year. The country could save USD 500 million if all cotton waste was recycled domestically. With sustainable growth and degrowth coming into focus, it is important to work on building a circular ecosystem. With the use of advanced technology in cutting and processing, the volume of textile waste can be reduced significantly, but the need for recycling will remain.



Nearly 50% of the post industrial, pre consumer textile waste in Bangladesh is 100% cotton. While worldwide, manmade fibers – MMF or blended fibers make up the majority of clothing produced (74%), in Bangladesh, 70% of apparel products are cotton based. At present, Bangladesh is well poised due to the availability of sourcing materials to implement fiber recycling technology.

Decarbonization and Competitiveness at the Forefront

The “Circularity, Decarbonization, and Competitiveness in the Apparel Industry of Bangladesh” dialogue was successfully organized under the Bunon 2030 initiative. The event commenced with a keynote presentation on circularity practices in both Bangladesh and the global context, delivered by Faisal Rabbi, Stakeholder Engagement & Public Affairs Manager at the H&M Foundation. During his presentation, he shared that **“60% of our GHG emission is coming from apparel producing countries, to achieve H&M's net zero target by 2040, the GHG reduction must happen in production countries like Bangladesh. The Bangladesh government and the industry here need to align with the goals of fashion brands as they are not just goals set by the brands, but actually a legal requirement for market access going forward.”**

The following panel discussion featured key representatives from the apparel sector - Md Ariful Hoque, Director General at Bangladesh Investment Development Authority (BIDA), Vidiya Amrit Khan, Director at Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and Fazlee Shamim Ehsan, Vice President at Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). The discussions revolved around circularity practices



within the apparel sector, both in local and international contexts.

There was also a keen focus on sustainable and environmentally friendly practices, innovation, and the role of various stakeholders in promoting circular economy principles and business models within the RMG ecosystem. Industry leaders, academicians, innovators, buyers, and manufacturers actively engaged in the dialogue, sparking meaningful conversations on various aspects of the presented topics.

Innovation Solutions Showcase

The event wrapped up with an innovative pitch session, during which both local and global players. Reverse Resources, Renewcell, Cyclo, and Classical Handmade Products showcased case studies highlighting circular business models and practices that have the potential for replication within other segments of apparel production. A transition to a circular economy requires significant innovative technology, both from home and abroad, and the showcase was aimed at pointing out potential ecosystem synergies that could be leveraged.

Deep Dive Workshop

Subsequently, participants actively engaged in a participatory exercise, generating ideas for collaborative solutions to the key challenges identified in the panel discussions. While presenting for a deep dive workshop, Mrinmoy Sobhan, Business Consultant at LightCastle Partners, shared existing bottlenecks hindering the adoption of a circular practices within the RMG system. Upcoming policies of EU's Green Deal, Due Diligence Act (HREDD), Carbon Border Adjustment Mechanism (CBAM) were discussed.

This collaborative effort resulted in the formulation of a set of strategic interventions aimed at driving systemic solutions. Workshop participants included members from academia, large and medium apparel manufacturers, global fashion brand representatives, development sector players and innovative local and global ecosystem companies.

Uniting for a Sustainable Tomorrow

The event wrapped up with concluding remarks from the industry leader and development sector perspective about the dialogue discussion. The speakers concluded with an open invitation for everyone to collaborate in strengthening the circular ecosystem.

Upcoming Initiatives

The Bunon 2030 initiative envisages hosting a series of thematic area-based dialogue sessions over the next year, co-alescing collaboration among ecosystem stakeholders, facilitating enabling policies, and guiding the sector toward a more sustainable future. The Bunon 2030 publications are publicly available and can be downloaded from: <https://www.lightcastlebd.com/bunon2030/>



Md Ariful Hoque, Director General, BIDA
“Recycled products also need to have enough competitive edge, otherwise consumers will not accept them. It is not just about making the buyers happy, but also to make sure that the market accepts the products.”



Vidiya Amrit Khan, Director at BGMEA
“In Bangladesh, the proper availability and collection of textile waste are lacking, and there is a shortage of recycling facilities. Moreover, the collection of waste from Export Processing Zones (EPZ) should not be restricted to designated individuals; instead, it should be open for anyone to take away. It is recommended not to levy tax when Ready-Made Garment (RMG) businesses sell waste to recyclers, as this would negatively impact the competitiveness of the sector.”



Kazi Faisal Bin Seraj, Country Representative - Bangladesh of The Asia Foundation
The impact of the 4th industrial revolution will impact the RMG sector. So we need a safer, smoother future for the garment workers. The Oporajita initiative is aiming at collective impact for the future of work in the apparel sector, working with partners with an approach to safeguarding women garment workers' livelihoods, inspiring organizations and individuals to work collectively to solve systems-level issues.



M. Masrur Reaz, PhD, Chairman, Policy Exchange Bangladesh
Establishing a shared understanding of the circular economy in Bangladesh necessitates a holistic approach, encompassing pillars such as advancing chemical recycling infrastructure, since neglecting any aspect impedes the overarching vision. There is no doubt the RMG sector plays a significant role in economic and social advancement. The export basket, employment, and female employment all are under this sector. We all know about the reserve's current situation, therefore, in a sustainable manner for future growth, the sector needs to be addressed. The impact of technology in the RMG sector makes the shift in the supply chain, as after the LDC graduation, it is a vital point.



Zahedul Amin, Co-Founder & Director, LightCastle Partners
The RMG sector's sustainability is dependent upon its ability to adhere to environmental standards stipulated by the buying countries like the EU. A systemic approach is critical for aligning incentives to adhere to circular business models within the sector.



Fazlee Shamim Ehsan, Vice President, BKMEA
“In the dyeing sector, there is an urgent necessity to minimize the water footprint. Additionally, it is crucial to lower the taxes on imported solar panels. Apart from that, instead of prohibiting the export of recycled products, there should be an encouragement of competition in this aspect.”



Mumit Hasan, Director: Business & Operations, Bangladesh of Reverse Resources, presented how circularity initiatives can help the industry to better prepare for Corporate Sustainability Due Diligence Directive and Ecodesign for Sustainable Products Regulation (ESPR) regulations in the EU. He emphasized in the need for to eliminate barriers to getting waste out of EPZ (Export processes zones) and a specialized task force and law enforcement assistance to address challenges related to sending waste to circular solutions,



Abdullah Hil Rakib, Managing Director, Team Group
We as a country often do not reflect on what heroic achievement we have accomplished, in terms of organizing investment and creating the ecosystem present today. The country needs to remember its strength and become a flag-bearer of circularity initiatives not only nation wide but also globally.



Dr. Zaki Uz Zaman, Country Representative in Bangladesh, UNIDO
Bangladesh is the home to the best green factories in the world. But there are a lot of gaps of understanding between suppliers and buyers— a mismatch between vision. These need further alignment. Knowledge info has to be transferred to proper government bodies for effective initiative, with partners extending cooperation.