



MANMADE FIBRE

Bangladesh's best bet to become top apparel exporter

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Having become the world's second largest source for apparel items after China, Bangladesh is now pushing for the top spot by adding more value-added products to its export basket.

Clothes made of manmade fibre (MMF) are playing a particularly vital role in this regard as such highly value-added apparel items have significant demand abroad.

Besides, non-cotton apparel fetches higher prices than cottonwear for being more flexible, durable and functional, with the cost of a T-shirt made from MMF being about double that of one made from cotton.

As such, local garment makers have been diversifying their product base with non-cotton items.

Additionally, they have increased their production capacities, maintained consistency in supply and improved product quality over the past five decades.

Now, about 7.9 percent of all apparel items

filament yarn and viscose staple fibre has increased, they each account for just 5 percent of the global output.

On the other hand, global production of acrylic staple fibre declined from 1.7 percent in 2017 to 1.4 percent in 2022. Meanwhile, wool and silk have a negligible global production share of 1 percent and 0.1 percent respectively.

Volume-wise, the trade of both cotton and non-cotton fibres has increased at a rate of about 1 percent annually from 2018 to 2022.

During this five-year period, global trade of polyester fibre fell by a compound annual growth rate of 3 percent while polyester yarn and fabric saw increases of 1 percent and 2 percent respectively.

The boom in local MMF apparel production was practically initiated by the collapse of Rana Plaza in April 2013 as the tragedy revealed how workers in the garment industry were subject to unbearable working conditions.

This prompted many international retailers and brands to move away from the country until certain conditions, particularly those laid



Objects like plastic bottles can be recycled to make fibre. PHOTO: ZAHANGIR SHAH



PHOTO: REFAYET ULLAH MIRDHA

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sold worldwide come from Bangladesh as the country has turned into a reliable source for international clothing retailers and brands.

And with about 29 percent of the country's garment exports comprising MMF products, Bangladesh aims to use this segment to expand its global market share to 12 percent by 2030.

With this in mind, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) aims to increase the country's annual apparel exports to \$100 billion within the next six years.

Against this backdrop, local exporters have been exploring markets for MMF products and increasing their value addition, BGMEA sources said.

Value addition in the country's export-oriented garment items currently stands at about 71 percent, as per data of Bangladesh Bank.

Exporters attribute the growing volume of MMF apparel shipments for the increased value addition in export-oriented garment items.

This is because the MMF segment accounts for a bulk of the export receipts from highly value-added garments, with some producers even exporting MMF jackets worth \$100 per piece.

The share of MMF in global fibre production has increased to 78 percent over the past five years, according to a study, styled "Beyond Cotton - A Strategic Blueprint for Fiber Diversification in Bangladesh Apparel Industry", released in March this year.

Of the total non-cotton fibre production, about 39 percent is comprised of polyester filament yarn while polyester staple fibre makes up 15 percent, the study shows.

And although the production of nylon

out by the Alliance and Accord, were met by local producers.

So, as a part of the remediations, garment makers invested extensively to fortify workplace safety as per the recommendations, which included addressing fire, structural and electrical concerns.

Not only did this boost the confidence of foreign buyers, but it also led to Bangladesh emerging as the global champion in green garment factories.

Now, the country has 217 LEED certified green garment units, of which 83 are platinum rated, 120 are gold, 10 are silver and four are just certified by the US Green Building Council.

It was only after these investments were made that the capacities of local garment makers reached such a level that they could diversify their product base with more value-added items and include non-cotton products.

Another trend that spurred the transition to synthetic fibres is changing fashion.

For example, the demand for casualwear such as polos and T-shirts made from blended fibres has increased as their acceptability in formal settings such as offices has risen over the past decade.

Now, non-cotton apparel is the largest and fastest growing category of garment exports, contributing 50 percent of all shipments from leading sources such as China, Vietnam and Italy.

The concentration of cotton apparel exports compared to non-cotton is higher in cotton producing countries like India and Turkey. However, Bangladesh accounts for a high share of global cotton apparel exports even though cotton production in the country is negligible at best.

China is the largest exporter of non-

cotton apparels with a market share of 36 percent while India contributes 2 percent and Bangladesh provides 1 percent.

However, China's share is declining as it was 56 percent just a few years ago while India is also seeing reduced non-cotton apparel exports.

On the other hand, the situation is reverse in Bangladesh as the country's share in the global non-cotton apparel trade used to be even less than 1 percent, the study shows.

"If we want to achieve more from garment exports, the traditional model will not work as a new model prioritising fibre diversification is needed," said Faruque Hassan, the immediate past BGMEA president.

The data also shows that MMF imports recently increased, indicating that local garment manufacturers are expanding their product base.

"Still, government support is needed for the sector's growth," Hassan said.

Against this backdrop, he urged the government for a 10 percent incentive on exports of MMF garments to encourage production and thereby help grab a bigger share of the global non-cotton apparel market.

"Cotton is also a priority for Bangladesh but MMF-based garment production is an innovative idea to grab more market share," Hassan said.

He also urged for withdrawal of the Tk 3

Investment in artificial fibre still low

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Investment in manmade fibres in Bangladesh is low as the country has mainly focused on the trade and production of cotton fibre garments over the past five decades.

The total investment in the relatively new sector stands at around Tk 7,000 crore.

But with the evolution in fashion and climate change, the demand for garments made from manmade fibres has been rising worldwide and China, the largest apparel supplier globally, is dominating in this segment.

Recently, Vietnam has also been staging a strong performance in this segment globally.

Bangladesh's share in the total global trade of manmade fibre-based garments is still hovering at around 5 percent and it is growing gradually through the gain of contracts lost by competitors China, Vietnam and India.

If Bangladesh invests \$18 billion, the country will be able to export \$46 billion worth of non-cotton garment items by 2032, according to a study on "Beyond Cotton - A Strategic Blueprint for Fiber Diversification in Bangladesh Apparel Industry".

The study was conducted by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in March this year.

Of the amount, \$4.6 billion needs to be invested in fibre, filament and yarn manufacturing, \$9.2 billion in fabrics manufacturing and \$4.2 billion in garment manufacturing, the study also said.

This will enable the installation of an additional 4.7 million spindles, 14,000 knitwear machines and 0.5 million sewing machines.

Bangladesh should expedite the process of enhancing its capacity in manufacturing garments from manmade fibres, recommended another study conducted by PricewaterhouseCoopers (PwC) on behalf of the BGMEA in April this year.

This is due to the fact that 60 percent of the \$1,121 billion-worth garments to be traded globally in 2030 will be constituted of manmade fibres, be it wholly or by a substantial margin, it said.

Meanwhile, 35 percent will be cotton and cotton-rich garments and only 5 percent others.

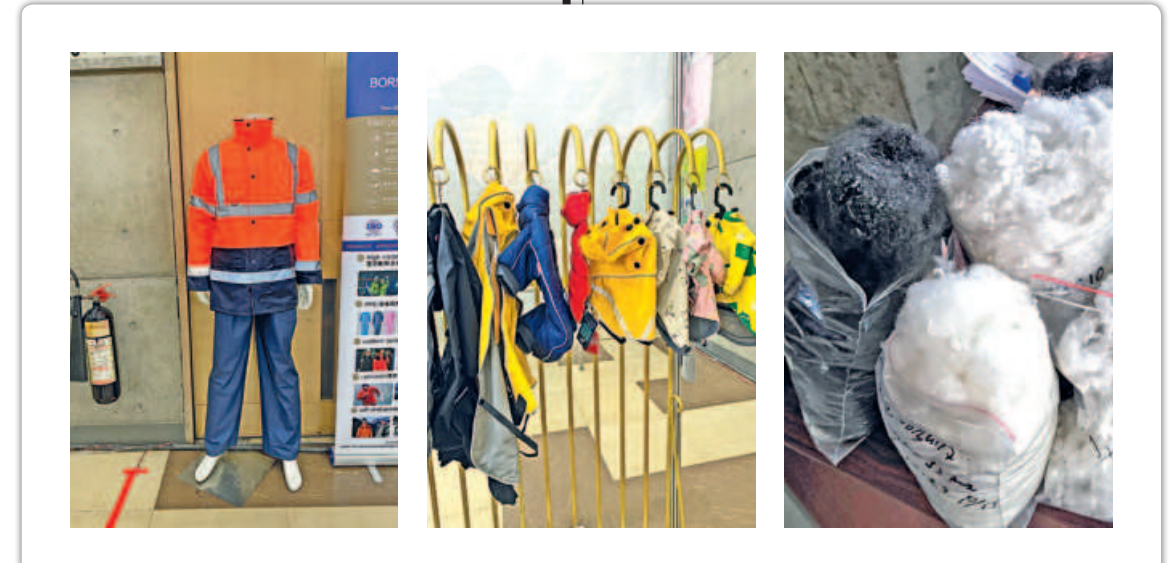
In contrast, the value of garment items traded globally in 2022 stood at \$953 billion, of which manmade fibre and manmade fibre-rich garments accounted for 50 percent, cotton and cotton-rich fibres 37 percent and others 13 percent, the study said.

The study also found that the total global trade of four garment items, including brassieres, technical textiles, activewear and swimwear, jackets, suits and blazers, stood at \$100 billion in 2022.

Around 73 percent of that value came from manmade fibre-based items.

There are six to seven mills dedicatedly producing manmade fibres, said Monsoor Ahmed, additional director of the Bangladesh Textile Mills Association (BTMA), a platform for primary textile millers.

Many have expanded their manmade fibre



value-added tax on sales of MMF yarn in the domestic market.

But like all things artificial, MMF does come with its own set of drawbacks, particularly environmental.

MMF or synthetic fibres are engineered through a complex chemical process rather than being manufactured from natural sources.

In essence, these fibres are mainly made from polymers derived from petrochemicals.

So, while the fossil-fuel-derived fibres are not conflict materials, they are products of an industry with a heavy social impact.

Besides, MMF are not biodegradable and have been contributing to environmental pollution as washing non-cotton clothes releases microplastics.

production capacity along with that of cotton fibres to cater to local garment manufacturers and export small quantities, he said.

Since the investment in this segment is still low, most of the demand is met through imports, mainly from China, he added.

Abul Kalam Mohammad Musa, managing director of Manikganj-based Mumanu Polyester Industry, said he has been producing manmade fibres from discarded polyethylene terephthalate (PET) bottles by setting up a mill in 2018.

The fibre is used in the production of jackets, outerwear, sportswear and activewear, he added.

His production capacity is 120 tonnes per day but he can utilise just half of it for a scarcity of raw materials in local markets and due to a restriction on imports of the required polymer.