

14TH MARCH 2023

**PROMOTING CIRCULARITY  
FOR A SUSTAINABLE  
Ready-Made Garment Industry**



**NORDIC CHAMBER OF COMMERCE AND INDUSTRY IN BANGLADESH**

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EMBASSY OF DENMARK



Norwegian Embassy



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**PROMOTING CIRCULARITY  
FOR A SUSTAINABLE**  
*Ready-Made Garment Industry*

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**Circularity** is a relevant topic in the international supply chain for Ready-Made Garments (RMG).

The Government of Bangladesh refers to the topic in its current 5-Year-Plan, albeit not yet clearly defining institutional and subject matter responsibilities:

*'Circular economy approach would be an appropriate solution [...], which allows the materials constantly flow around a 'closed loop' system, rather than being used once and then discarded. Circular economy confirms the best use of the recyclable items, which would result as several benefits such as resource efficiency, less waste generation, less land fill. Eventually, introducing circular economy for recyclable goods such as paper, metal, glass and plastic would create an employment opportunity if the business model runs sustainably.'* (8th Five-Year-Plan, 'Improved Waste Management and Introduction of Circular Economy', 497)

**Circularity** describes the aim of reusing, **recycling** or compost all remains of a product. In RMG, this leads to the need of addressing topics like **circular** designing, production close to sale point, using renewable energy, **sustainable** chemicals and saving other resources like water. It also includes returning products and reusing as part of the conversation, as well as the development of new materials and new technology to address to the ambitious target of a **circular** reality.

It is a long way, as it means a paradigmatic shift for most production processes, including apparels. Currently, there are boundaries on what is technologically possible, on the strategic incorporation of **circularity** in policies and regulations, as well as on what is wanted in the logics of industries and companies. For Bangladesh's RMG sector, one of the main entry points in the conversation around **circularity** is and will be the topic of **recycling** of textile waste.

The Nordic Chamber of Commerce and Industry (NCCI) in Bangladesh organised an exchange of experts on 'Promoting **Circularity** for a **Sustainable** Ready-Made Garment (RMG) industry in Bangladesh' in Dhaka, 14 March 2023, to enable to place expectations, chances and actions on the table of discussion.



## KEY HIGHLIGHTS

Speakers and panellists agreed on the relevance of a structured approximation to what **circularity** means for Bangladesh and, more specifically, for the RMG sector.

The textile **recycling** sector in Bangladesh is not yet ready to meet the growing demands of **recycled** materials coming from large brands. The demand will continue to increase as the European Union soon will introduce regulations that will limit the access to the European market for GHG emission intense products and products that do not contain **recycled** materials.

The lack of national regulations for textile waste management has led to the informal trading and exporting of fabric scraps. The absence of formal oversight over waste collection from factories complicates efforts to monitor and manage the flow of feedstock.

**Recyclers** encounter challenges due to the lack of traceability and uncertainty surrounding the availability of feedstock, which creates a barrier to entry.

The **recycling** capacity in Bangladesh is limited in comparison to the volume of material waste generated by the RMG sector. The local **recycling** industry requires modern technology and investment to meet the demand. This bears business opportunities and potentials for employment.

In many cases, the technology is not available or not scaled in certain groups of materials. However, the technologies under development need support to be scaled and executed.

Multi-stakeholder collaboration is required for scaling textile **recycling** further in Bangladesh. Establishing a platform involving relevant industry stakeholders to facilitate public-private dialogue would enable discussions on challenges, solutions and policy interventions.

The textile **recycling** sector in Bangladesh is expanding, but policy support is necessary to scale it and fully capturing the value of post-industrial textile waste. It is crucial to consider the interests of all stakeholders involved in the collection, sorting, aggregation, and **recycling** processes. Creating an appealing business case for all parties involved would aid in the shift from an informal to a formal sector.

The formalisation of the informal scrap trade market could decrease operational risks for potential investors seeking to invest in textile waste **recycling** and encourage both local and foreign investment (FDI).

Textile waste **recycling** is a rapidly expanding industry worldwide, and some technologies require advanced technical expertise. To achieve **circularity** on a larger scale in Bangladesh, it is critical to increase awareness among both industry and government stakeholders.

A cohesive marketing, and investment promotion strategy that addresses the challenges that are faced by investors in the waste handling sector would help attracting investments and innovative technology.

Easing the process of establishing new **recycling** facilities and the process of moving textile waste in/out of factory/industry zones/ clusters would enable more ease of doing business for the sector.

The textile waste handling/ **recycling** industry faces challenges in securing financing due to the long-term benefits of **recycling**, which are less immediate and tangible than other investment opportunities. A more targeted approach to financing **circular** initiatives and greater awareness among financial institutions could accelerate the expansion of textile waste **recycling**.



## SPEAKERS

Chief Guest

**MR. SALMAN F RAHMAN, M.P.**

Private Industry and Investment Advisor  
to the Honourable Prime Minister

Guest of Honor

**MR. LOKHMAN HOSSAIN MIAH**

Executive Chairman,  
Bangladesh Investment Development Authority (BIDA)

Special Guest

**MR. FARUQUE HASSAN**

President,  
BGMEA

Special Guest

**MR. FAIYAZ MURSHID KAZI**

DG, Multilateral Economic Affairs Wing,  
Ministry of Foreign Affairs

**HASSAN O. RASHID**

Managing Director and Chief Executive Officer,  
Prime Bank Limited

**FAISAL RABBI**

Stakeholder Engagement & Public Affairs Manager, H&M  
Group

Presented on behalf of Sustainable Fashion Platform Brands-  
H&M Group, IKEA, Lindex



# AMBASSADORIAL ROUND TABLE

03



## MR. TAHRIN AMAN

President, Nordic Chamber of Commerce and Industry in Bangladesh (Moderator)

## H.E. CHARLES WHITELEY

Ambassador and Head of Delegation of the European Union to Bangladesh

## H.E. MS. ALEXANDRA BERG VON LINDE

Ambassador of Sweden to Bangladesh

## H.E. MS. WINNIE ESTRUP PETERSEN

Ambassador of Denmark to Bangladesh

## MS. SILJE FINES WANNEBO

Chargé d'Affaires, Royal Norwegian Embassy

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## PANEL ON OPPORTUNITIES AND CHALLENGES

## EUN JOO ALLISON YI

Senior Environmental Specialist,  
The World Bank (Moderator)

## WERNER LANGE

Coordinator Textile-Cluster, GIZ

## GAGAN BANSAL

Head of Material Innovation and Strategy, H&M

## MUSTAFAIN MUNIR

Director, Cyclo Recycled Fibres

## RAZEEB HAIDER

Director, BTMA

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## PANEL ON POLICIES AND ROADMAP AHEAD



### HILDE VAN DUJN

Head of Global Value Chains,  
Circle Economy (Moderator)

### MD. HAFIZUR RAHMAN

Additional Secretary, Ministry of Commerce

### AKHTER HOSSAIN APURBO

Vice President, BKMEA

### ABDULLAH HIL RAKIB

Director, BGMEA

### MUMIT HASAN

Head of Operations, Reverse Resources

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## QUOTES

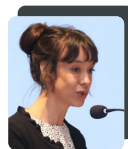


### Mr. Tahrin Aman,

President of Nordic Chamber of Commerce  
and Industry in Bangladesh

“As Bangladesh is expected to continue relying heavily on garment and textile industries to keep its economy humming, international buyers and EU regulatory changes are increasingly selecting suppliers based on their environmental credentials; and Bangladesh must respond to this changing demand proactively in order to remain competitive. Hence, the only way for Bangladesh to stay focused and aligned in the face of tough competition is by switching to a more **circular** RMG sector.”

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### H.E. Ms. Alexandra Berg von Linde

Ambassador of Sweden to Bangladesh,  
speaking on behalf of the  
Nordic Embassies in Bangladesh

“We look forward to joining hands on this journey. Because ultimately, promoting **circularity** and green transition is not only the right thing to do, it is also the smart thing to do. In order to make this green shift and promote **circularity**, it is necessary to work together in a multi-stakeholder approach. And that is why we are all here today. We need to find ways to promote policy changes that will allow textile waste **recycling** in Bangladesh.”

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### Mr. Hassan O. Rashid

Managing Director and Chief Executive Officer  
of Prime Bank

“We want to grow this business sustainably and we want to ensure our customers are complying with all international standards and their processes. Addresses all environmental concerns.”

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## QUOTES



**H.E. Ms. Winnie Estrup Petersen**  
Ambassador of Denmark to Bangladesh

“Bangladesh being the second largest manufacturer of our supplier of clothing in Bangladesh in the world, so there is no better country to start **circularity** practices or **circularity** and **sustainability** rather than doing it in Bangladesh.”

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**H. E. Charles Whiteley**  
Ambassador and Head of Delegation  
of the European Union to Bangladesh

Highlighted the impact of upcoming **circularity** and textile policies in the European Union and the need to proactively address issues in the fashion value chain. He noted that EU legislation tends to set the benchmark for the world, leading to more countries adopting similar requirements. Mr. Whiteley highlighted that Foreign Direct Investment (FDI) is crucial in transforming the sector through new technology and innovation for **circularity**. He mentioned,

“FDI has a crucial in boosting the wherewithal of Bangladesh to meet the demands of the **circular** economy, not least in terms of attracting the kind of technology that is necessary to meet the **circular** economy requirements.”

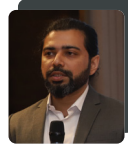
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**Ms. Silje Fines Wannebo**  
Chargé d'Affaires of the  
Royal Norwegian Embassy

“Norway is taking a lead in the Nordic Working Group for **Circular** Economy, where we want to influence global players as Bangladesh, by helping to identify solutions that will reduce consumption of raw materials, waste, and energy.”

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**Mr. Faisal Rabbi**  
Stakeholder Engagement & Public Affairs  
Manager of H&M Group, for the Swedish  
fashion brands H&M Group, Lindex, and IKEA

“There is a big opportunity in scaling post-industrial textile waste **recycling** in Bangladesh. The garment sector needs conducive policies, incentives for textile waste **recycling** and access to renewable energy to sustain its competitiveness” and that “the brands wish to continue the dialogue between government and private sector to create a supportive policy environment for textile waste **recycling**.”

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**Mr. Lokman Hossain Miah**  
Executive Chairman of Bangladesh Investment  
Development Authority (BIDA)

“It is a priority for the Government of Bangladesh to make Bangladesh an investment-friendly destination.”

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**Mr. Salman F. Rahman**  
Private Industry and Investment Advisor to  
the Honourable Prime Minister

“We recognize the collaborative efforts between the government, brands, and manufacturers in making impressive progress on **sustainable** practices. It is the government's plan to formulate a policy to ensure raw material availability. However, setting up textile waste **recycling** requires technological advancement, research, development, and investment. A ban on textile waste export will not be introduced until the **recycling** sector's capacity allows it.”

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**Mr. Faruque Hassan**  
President of BGMEA

“The current planetary needs to change if we want to create a **sustainable** future and one of the key strategies to do so is through resource decomposing. The **circular** economy can be a pathway for better environmental **sustainability** compared with economic growth. The concept of a **circular** promotes a regenerative resource and **sustainable** economic model. While we move toward the **circular** economy, the skill and efficiencies of our industries have to continue to improve to be competitive in the global marketplace. Since this is a relatively new topic, not much is known about it yet. We need to raise awareness amongst ourselves regarding this topic which will eventually help us to understand the global value chain and develop market-based solutions for promoting of **sustainable** production and consumption.”



**Mr. Faiyaz Murshid Kazi**  
Director General, Multilateral Economic Wing,  
Ministry of Foreign Affairs

“We have seen that we can absorb technologies, we can adapt to new technologies. So please come and share technologies and innovations with us. And this is where I would request our Scandinavian colleagues to continue to do the matchmaking.”



The ‘Sustainable Fashion Platform’ is an initiative of the Embassy of Sweden in Bangladesh and Swedish Trade and Invest Council – Business Sweden with Swedish brands – H&M, Lindex and IKEA – in Bangladesh by Sweden to combine and coordinate the efforts on **sustainability** within the RMG sector under one umbrella. The Nordic Chamber of Commerce and Industry (NCCI) in Bangladesh and Sweden-Bangladesh Business Council (SBBC) are strategic partners of the platform.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) to implement the **Sustainability** in the Textile and Leather Industries in Bangladesh (STILE) project that contributed to the organisation of the event.



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