

MARKET INTELLIGENCE SINPPET (MIS)
RMG & TEXTILE SECTOR
MARCH, 2019

BIZDATAINSIGHT
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**RMG &
TEXTILE**



ABOUT THE SNIPPET:

The “Market Intelligence Snippet (MIS)” is a summary of insights derived from industry specific information, news, events which are curated from different published and inside intelligence source – newspaper, magazines, articles, papers, events, company’s website, regulatory body’s website, social media etc. This snippet highlights the main insights which are essential and relevant for intelligent business decision. The snippet is covering the insight covering the below categories:

1. Industry update (Trend, Growth, Forecast, Analysis, Report)
2. Regulatory update
3. Competitor’s business update
4. Marketing – PR – Exhibition update
5. Market Innovation (Product & Service launch)
6. Strategic Partnership (Merger, Acquisition, Partnership)
7. Key Management changes

The snippet was developed and prepared in association with **Bangladesh RMG Center**, an independent knowledge based service provider for the Readymade Garment (RMG) industry.

ABOUT US:

BIZDATAINSIGHT is the premier market and data intelligence company in Bangladesh offering industry specific business information, insight and sector-wise data analytics to the business executives, investors and corporations enabling data & insight driven intelligent business decisions.

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We are on a mission to be the most trusted and reliable market insight and data intelligence provider in Bangladesh to drive data and insight driven business decision making. We welcome you to let us support you in an intelligent way.

KEY HIGHLIGHTS FOR MARCH, 2019:

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2. Chemical market size to be \$1.38b by 2024, Market thrives on Apparel & Textile
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21. Invest on producing polyester fibre from plastic waste, Raw Tech to invest Tk 50 crore

1. INDUSTRY UPDATE

73.2% Japanese firms willing to expand business in BD: JETRO

Bangladesh remains in the highest position in business expansion plans by Japanese companies in the next one or two years, according to the '2018 JETRO Survey on Business Conditions of Japanese Companies in Asia and Oceania'.

The study finds that 73.2% of firms surveyed want 'expansion' in Bangladesh, whereas 72.8% want in India, 72.1% in Myanmar, and 69.8% in Vietnam. Bangladesh gets the top position among Asian and Oceania regions despite problems in quality control, deregulation and securing labor force. The study shows the country's position in operating profit forecast by the firms among the top three.

Main reason to expand their business here in Bangladesh due to less production cost as Bangladesh is providing the lowest wage to their manufacturing workers among 19 countries were surveyed. According to the study, a three years experienced manufacturing worker gets \$109 wage per month in Bangladesh, which is lowest salary among 19 surveyed countries.

Over 5,073 out of total 13,415 affiliated companies with direct and indirect investment from 10 or greater in 20 countries responded in the 32nd JETRO survey. In Bangladesh, 57 out of 140 Japanese firms were surveyed, of them, thirty of the firms belong to large groups and 27 small-and-medium enterprises.

According to the survey, 55.1% of the firms questioned from October 09 to November 09

in 2018 selected 'expansion' as their approach to future business challenges. This is up by 1.4 percentage point from 53.7% in the 2017 survey.

Although 4.2% of firms forecast 'reduction' or 'transferring to a third country/region or withdrawal from current local markets', there is no such firm in this group from Bangladesh.

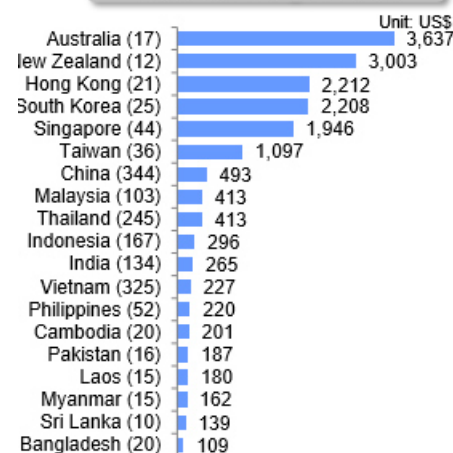
But 26.8% of the companies responded to remain in the same position, meaning no expansion plan in the next one or two years.

61% of companies showed the reason for expansion as 'high growth potential' and 'sales increase in local market'. Some 41% of companies highlighted 'sales increase for export expansion' as the key reason. But the firms reacted to reasons like high receptivity for high value-added products, reconsideration of production and distribution networks, cost cuts, deregulation and ease of securing labor force.

On the average rate of annual rise in wages for all industries for 2019, it was the highest 10% in Pakistan followed by 9.6% in Bangladesh and India, 8.1% in Sri Lanka. The JETRO found that 62.5% of companies questioned the quality of employees, 58.9% of pay hike and 64.6% difficulty in quality control.

JETRO

Manufacturing: Worker



Chemical market size to be \$1.38b by 2024: Market thrives on Apparel, Textile

Riding on rising garment export, Bangladesh's textile chemicals market is forecast to grow to \$1.38 billion by 2024 from \$864 million last year registering an 8% compounded annual growth rate. It is estimated that textile chemical sales in local markets has been increasing by nearly 25% year-on-year as export of apparel items has been increasing and also for textile millers who sell garment items in local markets.

The research report published by [The Research and Markets](#), a global market research company based in Ireland, titled “Bangladesh textile chemicals market by product type, by cluster, by application, competition, forecast & opportunities, 2013-2024”. The company has 450 of the Fortune 500 companies in the list of its clients.

[Export duty exemptions, favorable policies and availability of labor at lower wages are attracting foreign investors towards Bangladesh's textile sector, which in turn is catalyzing the demand for textile chemicals, the report finds.](#)

Textile colorants dominate the markets for textile chemicals owing to their properties of imparting aesthetic appearance and value to the finished textile products.

Garment makers seek duty benefit from US, expressing interest to set up spinning mills in US

Garment manufacturers urged the US and Bangladesh to sign a cotton purchase agreement so that they could get duty

1. Market size of textile chemicals: \$864m
2. Use of local fabrics rising 25% year-on-year
3. Bangladesh has about 450 spinning mills, 1,200 weaving mills
4. 5,000 export-oriented dyeing units

Dhaka is the largest demand-generating region for textile chemicals in Bangladesh, backed by the presence of a large number of textile mills.

Reasons for the growth are – more purchase of the local fabrics more the garment manufacturers and rise of Denim industry. Usage of local fabrics requires more chemicals for washing and dyeing and denim fabrics require more chemicals for washing and dyeing compared to other fabrics. Effluent treatment plants (ETPs) in the textile sector also require hundreds of tonnes of a wide variety of chemicals all the year round.

Some of the major players operating in Bangladesh's textile chemical market are: Huntsman (Singapore) Pte Ltd, Archroma (Bangladesh) Ltd, Dystar (Singapore) Pte Ltd, Pulcra Chemicals Bangladesh Pvt Ltd, Matex Bangladesh Ltd, A3 Color Chem Ltd, Rudolf Bangladesh Ltd, Rossari Biotech Ltd, Auxichem International Ltd and RH Corporation. Local textile millers use a lot of hydrogen peroxide as a bleaching agent to whiten the fabrics.

privileges on export of apparel items to American markets.

BGMEA proposed to US to allow export garment items to American markets duty-free, provided that BGMEA would apparel items using the cotton from the US. If the US agrees to the proposal, local millers will import cotton from the US under a special arrangement for Bangladeshi apparel manufacturers to make garment items from the yarn and fabrics for American customers.

Two local spinning mills already proposed the government to allow them to set up mills in the US to produce yarn there and make garment items in Bangladesh, but the proposals weren't approved. Such trading arrangement in garment business had been

Bangladesh cotton imports could fall 15% as Yarn prices soften

Bangladesh's cotton imports in 2019 are likely to fall 15% from the previous year as lower yarn prices are forcing spinners to cut overseas purchases. Bangladesh, world's biggest fibre importer bought 7.2 million bales of cotton in 2018.

Yarn prices have fallen around 10% in local market which affected the margin for the

incorporated in the now-scrapped Trans Pacific Partnership Agreement keeping Vietnam in mind. Bangladesh does not produce cotton and meets 98% of the requirement through imports. Of the imports, 40% comes from India and 10% from the US.

The US is the single largest export destination of Bangladesh. Local apparel exporters face 15.62% duty on the shipment of garment items to the country as the American government does not allow duty-free import of garment items. Bangladesh exports more than \$6 billion worth of products every year to the US, of which 95% are garment items.

spinners and hence imports have become less lucrative. Bangladesh buys most of cotton from India, the world's biggest cotton producer. India's share in total shipments has been coming down due to quality issues and may stand at 40% in 2019 compared with 46% a year ago. Recently, buyers are shifting to Brazil and Africa due to quality issues even as they have to pay more.

ILO & IFC launched training to create more RMG women supervisors

The International Labour Organisation (ILO) and the International Finance Corporation (IFC) jointly launched a training initiative to get more women in supervisory roles in Bangladesh's RMG. The initiative, Gender Equality and Returns (GEAR), was introduced at an International Women's Day reception, hosted by the Canadian high commission at the residence of the High Commissioner in Dhaka, Benoit Prefontaine.

Rolled out in 2016, the programme has made significant strides in raising women's

economic potential, according to a statement from the ILO Dhaka office. To date, GEAR has trained 144 female workers, 58 of whom are now in supervisory roles. After a successful pilot, Better Work is scaling up GEAR to train 700 female operators and their managers in 70 factories to promote career-



International
Labour
Organization

progression opportunities for women in the garment sector.

Impact assessment shows that lines led by GEAR-trained females experienced an average increase of 5% in efficiency. The GEAR-promoted female supervisors also saw on an average a 39 percent increase in salary.

Although 80 percent of line-operators in the sewing sections of the garment sector are women, 19 out of 20 line-supervisors are male. This means 90 percent of the managerial talent in factories comes from just 20 percent of the workforce.

RMG compliance rises amid buyers' pressure: study

Intervention by Western apparel buyers has significantly improved compliance with the labour law in Bangladesh, found a recent study by Laura Boudreau, which was conducted on 80 factories. She is completing her doctorate degree from UC Berkeley, presented her findings of the study, 'Multinational enforcement of labour law: Experimental evidence from Bangladesh's apparel' at a session of the Development Economics Conference, organized by

International Growth Centre and Brac Institute of Governance and Development (BIGD). The study found, frequency of meetings of safety committees in factories increased from about 1.27 times every three months to 2 times, the study found. It also had a small, positive effect on indicators of safety committees' effectiveness, including measures of physical safety and awareness, according to the study.

New platform 'Nirapon' emerges to oversee Alliance-listed RMG units

North America-based apparel brands and retailers launched a new platform, 'Nirapon', last month to oversee the ongoing safety, training and helpline efforts at the Alliance-listed garment factories.

Plan harmonized standards for structural, fire, and electrical safety, have implemented standardized training programmes focused on worker safety and continue to make the helpline service, Amader Kotha, available to their factory workers.

A total of 21 global apparel brands with more than a dozen of former Alliance-signatory members, including Gap, Walmart, JC Penny and VF, have joined the locally-managed organization with the commitment to sustaining the culture of factory safety in Bangladesh, according to a statement.

Nirapon would serve as a single point of contact between its members and the factories on these issues and would also focus on building local capacity to manage fire and building safety to sustain the investments in worker safety that have been made to date. Nirapon will have no authority to suspend factories, instead, leaving sourcing decisions to each of its members.

Nirapon will monitor the factories from which its member brands source to verify that they continue to meet the National Action

2. REGULATORY UPDATE

Apparel exporters to get up-to 12% cash incentives

Bangladesh Bank (BB) ensured that the cumulative cash incentives, up to 12 per cent, against apparel exports would not be reduced in this fiscal year. An exporter gets up to three types of cash incentives, out of four, against apparel exports, but as per an earlier directive, they got maximum 10 per cent in cumulative cash incentives.

BB in a circular issued recently clarified that the provision of capping the cumulative cash incentives at 10 per cent in an earlier directive issued in 2016 had been scrapped.

Apparel exporters get 4 per cent cash incentive as an alternative to duty bonds and duty drawbacks, 4 per cent for apparel products export for the small and medium industries, 4 per cent for export of new textile

and garment products and expanding export of textile items to new markets, markets other than the United States, Canada and the European Union, and 2-per cent cash incentive for exports of apparel products to EU market in addition to 4 per cent cash incentive.

BB confirmed that with the new order, an apparel exporter would now get highest 12 per cent cash incentives (4+4+4) if he or she got three types of incentives, which was 10 percent incentives earlier, even if the cumulative incentive was 12 per cent. In September 2018, the government announced cash incentives in favor of exporters of 35 products, including apparel, for the current fiscal year.

ACCORD published status report on workplace, 50% Accord-inspected RMG factories lack adequate fire safety system



More than 50% of the garment factories inspected by Accord still lack adequate fire detection and alarm system, according to the platform's latest progress report.

Accord, the platform of EU-based global apparel brands, retailers and trade unions, inspected fire, electrical and structural integrity in some 1,600 garment factories and found inadequate fire detection and alarm system in some 1,311 units.

Inadequate fire detection and alarm system still remains outstanding in some 668 units out of 1,311 till January 01 last, according to the quarterly aggregate report on remediation progress and status of workplace programmes at RMG factories released in March, 2019.

Pressure is mounting on the government to allow the platform for three more years here in Bangladesh as its extended tenure ended in November 2018. The issue now remained under judicial consideration.

The report showed that a total of 197 garment factories have so far completed all required safety related corrective measures identified in the initial inspection while 996 have fixed 90 per cent of the identified safety risks.

Accord has terminated business relation with some 116 garment factories due to their failure in timely remediation. It, however, reported a total of 89 per cent progress in fixing the safety flaws in its inspected factories.

The report added that the 2018 Transition Accord, which entered into effect on 01 June

2018, covers 1,688 RMG and textile factories of which 1,402 are active, 244 factories are 'no-brand' meaning that they were covered under the 2013 Accord but had not completed the initial remediation until 01 June 2018. According to the report, the findings of discrepancy with building plan and drawings remained outstanding in nearly 25 per cent factories.

A total of 1,152 complaints since 2014 to 2018 have been lodged at the platforms' complaint mechanism and 319 were resolved while 156 are under investigation.

ACCORD'S Extension: Global investors now seek BGMEA support



A coalition of 190 global investors has urged the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) to negotiate with the government for the extension of the Accord. The Interfaith Center on Corporate Responsibility (ICCR), based in New York, sent a letter to BGMEA seeking his support so that the Accord can operate until the Remediation Coordination Council (RCC) takes over the charge of inspection and remediation of garment factories.

The ICCR is a coalition of shareholder advocates who view the management of their investments as a catalyst for social change and represents more than \$3 trillion in assets under management. Its 300 member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and socially responsible investors with combined assets of more than \$400 billion.

The letter emphasized that this is not the time to phase out the Accord's comprehensive approach to inspecting and remediating fire and building safety issues in garment factories. The ICCR says the investors are concerned that ending the work of the Accord on Building and Fire Safety in Bangladesh would be too risky for the agency's signatory companies to continue to source from unsafe factories lacking a credible and effective regulatory system.

A hearing on a petition filed by the Accord challenging the High Court directive that asked the agency to stop activities in Bangladesh is scheduled April 7. The ICCR had earlier sent letter to Prime Minister Sheikh Hasina seeking the extension of Accord's operations.

Clean Clothes Campaign (CCC) also urges Govt. to keep backing Accord's work

Citing a latest garment factory fire, some global rights groups have called on Bangladesh government for supporting the Accord's activities unconditionally, until fully completed. They also suggested the Accord to seriously investigate complaints from factory owners about unfair pricing that restricts remediation efforts, according to a statement issued by Clean Clothes Campaign (CCC).

The witness signatories to the Bangladesh Accord - CCC, International Labor Rights Forum (ILRF), Maquila Solidarity Network (MSN) and Worker Rights Consortium (WRC). They urged the government to

respond to this fire incident by publicly and unconditionally supporting the Accord's work in Bangladesh until it is fully completed.

A fire broke out at Anzir Apparels Ltd, a factory listed with the Alliance and located in Ashulia, on March 04 that reportedly injured eight people, it said. On its website and on the website of the Remediation and Coordination Cell (RCC), an umbrella organisation for local inspection authorities, Anzir Apparels Unit-1 is listed as 'in operation', showing a summary of the initial damning inspection report by the Alliance, but without further signs of action.

3. COMPETITOR'S UPDATE

BSEC approves Tk 150m IPO of Ring Shine Textiles

The securities regulator has approved the initial public offering (IPO) proposal of Ring Shine Textiles to raise a capital worth Tk 150 million from the capital market. As per the BSEC approval, under the fixed price method, Ring Shine Textiles will float 15 million ordinary shares at an offer price of Tk 10 each. The company will utilize the IPO proceeds for purchasing machinery; repay bank loans and bearing the IPO expenses.

According to the financial statement ended on June 30, 2018, the company's net asset value (NAV) per share (without revaluation) was Tk 23.17 and the weighted average earnings per share (EPS) stood at Tk 1.86.

AFC Capital Limited and CAPM Advisory Limited will jointly act as the issue manager for the IPO process. After completing all the procedures, Ring Shine Textiles will be the 54th listed company in the 'Textile' sector in the Dhaka Stock Exchange.

SK Trims to invest Tk 35m in two companies

SK Trims & Industries has decided to invest total Tk 35 million in two companies.

As per the board decision, the company will invest Tk 25 million (2,500,000 shares) or 2.0 percent shares in W&W Company (Pharmaceuticals Packaging Manufacturing Unit situated in Gazipur). The SK Trims will also invest Tk 10 million (1,000,000 shares) or 1.43 percent shares in BEKA Garments &

Textiles. The board has also confirmed that investment of Tk 10 million in Dominage Steel Building Systems has been completed.

SK Trims, which raised a capital worth Tk 300 million through IPO, made trading debut on July 15, 2018. The company disbursed 2.0 percent cash and 10 percent stock dividend for the year ended on June 30, 2018.

Square Textiles posts 27% revenue growth, the company to invest Tk 916m to enhance production capacity

Square Textiles has posted a 27 percent growth in revenue year-on-year in 2017-18 due to increase of production capacity. At standalone level, the company's revenue stood at Tk 6,367.12 million in the fiscal year 2017-18 compared with Tk 5,020.43 million in the previous fiscal. Company's operating profit stood at Tk 444.19 million in the FY 2017-18 as against Tk 344.37 million in the previous fiscal, an increase by 28.99 percent. The net profit increased by 15.22 per cent to Tk

290.91 million in the FY 2017-18 which was Tk 252.49 million in the previous fiscal.

The company installed 4,500 tonnes per year production capacity yarns machinery and commenced its commercial production from July 2018, according to its latest annual report. The annual report noted that this will generate additional turnover around Tk 1.0 billion for



the current financial reports of 2018-19 with additional profit.

The board of directors of the company has recently approved an investment plan to further increase production capacity of the factory through building yarn production and fiber dyeing facility. Square Textiles will increase its production capacity of 3,000 tons

per year and estimated project cost will be Tk 916 million. The company expects that an amount of Tk 720 million will be added in the turnover per year and profit contribution 10 percent of the turnover after completion of the project. The company disbursed 20 per cent cash and 5.0 per cent stock dividend for the year ended on June 30, 2018.

Coats eyes BD market to expand business, Offers tech solutions to cut costs in RMG manufacturing process

Coats Global Services (CGS) looks to expand its business in Bangladesh's growing readymade garment (RMG) sector. The technological solutions provider, CGS, eyed to help reducing cost and increasing productivity as the buyers are squeezing the prices of the apparel products.

The event titled 'Apparel Tech Up', a series of discussion events aimed to initiate networking on value of technology for the apparel and footwear manufacturing space. The Bangladesh event highlighted the importance of data analytics and how accurate data management could impact the apparel

manufacturing. CGS last year acquired ThreadSol, an Indian software solution provider that deals with the waste of fabric in garment manufacturing. Fabric cost is about 60-70% of the total production cost and ThreadSol saves up to 10% of fabric cost by estimating fabric requirements accurately and buy exactly what is needed.

IntelloCut, intelloBuy, evolve, vision, GSD enterprise and GSD quest are among the sets of complementary software solutions CSG offers. The CGS has more than 150 clients in Bangladesh including Beximco, Dekko, Ananta and Epyllion.



Zaber and Zubair fabric week attracts global buyers

Zaber and Zubair Fabrics Ltd of Noman Group of Industries launched fabric week in first week of March at its corporate office in Gulshan of Dhaka, which is 4th time of its kind. Garment buyers from Europe and the US, buyers' representatives from local offices, local garment and buying houses visited the fabric exhibition.

This fabric show is the first of its kind in Bangladesh organized by a single company. The management of Zaber and Zubair Fabrics decided to organize a self-driven 'mill week' to enhance its global brand image. Mill week is a concept for showcasing fabric or garment products to buyers, who also organize mill weeks to purchase seasonal products from different suppliers.



Mahin Group to build Tk 400cr spinning mill

Mahin Group, a trouser and woven fabrics manufacturer, is going to invest Tk 400 crore this year to set up a spinning mill to produce 30 tonnes of yarn a day. Of the investment, 70 percent will come from banks and the remaining 30 percent from the company. Significant amount of the investment will come from foreign sources. The company expected to go into production in August next year. Mahin Group has bought 26 bighas of land at Charsindhur in Narsingdi to set up the mill, which will have the capacity for 55,000 spindles. It will start the construction of the pre-fabricated factory building in May this

year and will begin the installation of machinery in March next year.

The group plans to produce 10 to 20 count of yarn for trousers, 30 to 40 count of yarn for trousers, and 40 to 50 count of cotton yarn for formal shirts. Currently, the group consumes 50 tonnes of yarn every day. The group's annual turnover is \$85 million and posts 12 percent year-on-year average growth. The group counts Abercrombie & Fitch, PVH, H&M, Esprit, and Decathlon as major customers.



Investors of C&A Textile and Tung Hai Knitting face troubles

No disclosure in 18 months

Investors holding shares of C&A Textile and Tung Hai Knitting may find themselves in a difficult situation as the firms have not made any corporate disclosure in the last 18 months and their factories were found shut. The two companies have not published their annual financial statements in the last fiscal year, in a breach of listing regulations. Since August 2017, both companies have not shared any information with investors through Dhaka Stock Exchange (DSE). C&A Textile has been downgraded to junk stock within only three years of its listing in 2015. Similarly, Tung Hai Knitting, listed in 2014, has become a junk stock for not giving dividend. On June

7, 2017, C&A Textile informed investors through the DSE website that it needed to upgrade some of its equipment and bring some structural changes to the factory as per recommendations of the Accord and the Alliance. As of November 2017, sponsors of Tung Hai Knitting held 30.04 percent of shares whereas general investors held 64.34 percent. Meanwhile, C&A Textile's sponsors held 22.14 percent of shares and general investors 62.19 percent. Through their listings, C&A Textile raised Tk 45 crore from the market and Tung Hai Knitting Tk 35 crore.

4. MARKETING – PR – EVENT UPDATE

Bangladesh joins 'Fashion World Tokyo' fair

Bangladesh is taking part in the prestigious 'Fashion World Tokyo-2019' in Tokyo, which was held last week of March, 2019. The Bangladesh embassy, Ministry of Commerce (MoC), and Export Promotion Bureau (EPB) are providing support to the participating businesses. A seminar on 'Recent Developments of Bangladeshi Apparel Industry' was organised by the Bangladesh embassy in collaboration with MoC and EPB

at the same venue. It was supported by Japan External Trade Organisation, United Nations Industrial Development Organisation (UNIDO), Japan-Bangladesh Committee for Commercial and Economic Co-operation of The Japan, Tokyo Chamber of Commerce and Industry, and the Japan Textile Importers Association.



BD offers India RMG at 'a very competitive' price, Local exporters take part in Indian apparel show

A total of 23 local readymade garment (RMG) exporters are participating in the Apparel Sourcing Week in Bengaluru to increase apparel export to India. Apparel Resources at ITC Gardenia, Bengaluru organised the expo, with support from Bangladesh Garment Manufacturers and Exporters Association (BGMEA). BGMEA President Md Siddiqur Rahman inaugurated the first edition of the week. Its Vice President Mohamed Nasir and Principal Secretary of Commerce and Industry, Government of Karnataka, Gaurav Gupta were also present at the inaugural function.

Seminars, panel discussions, vendor workshops and open house are being held during the expo, touching all the key aspects

of the booming Indian fashion retail sector, sourcing strategies, products, pricing and networking and knowledge sharing.



Local participating garment companies are Laila Styles, Bando Design, Jamuna Apparels, Energypac Fashions, Anowara Knit Composite, Sonia and Sweaters, Pacific Jeans, Universal Jeans, Gramtech Knit Dyeing Finishing and Garments, Standard Group, Standard Stitches, Apex Textile Printing Mills, Pakiza Knit Composite, Well Group, Anzir Apparels, Anzir Terry Towels, Epic Group, Kwuntong Apparels, Lenny Fashion, K.C Bottom and Shirt Wear Company, RBSR Fashions, Denimach and Green Smirt Shirts.

5. NEW INNOVATION

Raw Tech to invest BDT 50 Crore to produce polyester staple fibre from plastic waste

Raw Tech, a Bangladesh-Hong Kong joint venture, is set to invest Tk 50 crore to produce fibres from wasted plastic bottles with a view to grabbing a share of the market for polyester staple fibres currently dominated by Chinese firms. Of the Tk 50 crore invested in the venture, the partner from Hong Kong provided Tk 5.50 crore and Raw Tech took a loan of Tk 25 crore from Bangladesh Infrastructure Finance Fund. The rest came from individual investor.

The construction work for the factory spanning eight bighas of land at Bhaluka under Mymensingh district is on way, with production expected to start from December, 2019. Raw Tech has targeted to churn out 600 tonnes of plastic staple fibre in a month and log in Tk 60 crore in sales in a year.

The company will have plastic bottle collection booths in different parts of the country. Raw Tech is hoping to export the plastic fibres to China, India and Pakistan.

While cotton is the main raw material for producing fibres, of late some countries, especially China, are doing good business in polyester staple fibres that are made through recycling of wasted plastic goods. Hence, Bangladesh has the opportunity to grab the global market. Currently, only one company produces such fibre from plastic goods in Bangladesh. Many companies in Bangladesh import such kind of fibres from other countries to make pillows, geo-textile, geo-bags padding, home textile and jackets. So, local users can also be the customers of the Raw Tech product.

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