Press Release

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Attn: News Editor/ Chief Reporter/ Assignment Editor /Business Page-in-Charge:

**A Collective effort for an integrated approach is needed for Textile Recycling**

On 10 June, 2024, Business Leading Initiative Development (BUILD) organized a stakeholder consultation on European Union Circular Textiles Policies on Trading Partner Country at its Conference Room to identify practical measures to support Bangladesh’s textile industry in adapting to the EU’s sustainable and circular textiles strategy. BUILD in association with Chatham House and Circle Economy supported by GIZ, Laudes Foundation and European Environment Bureau (EEB) has commissioned the study in this respect,

For Bangladesh, the textile industry especially readymade garments (RMG) play a key role in the national economy and labour market. The export of readymade garments witnessed an increase of 3.67% in 2023 to $47.39 billion, up from $45.71 billion in 2022, according to data from the Export Promotion Bureau (EPB). The EU has undertaken strategy for promoting sustainable and circular textiles and fashion industry. The summary of key findings and analysis of the study was presented by Dr. Patrick Schroeder, Senior Research Fellow, Environment and Society Program, The Royal Institute Affairs, Chatham House. The discussions focused on potential opportunities and challenges, changes to upstream trade patterns, future textile exports to the EU, and recommendations for policy development.

While delivering the keynote, Dr. Patrick Schroeder said that we need to assess the landscape of the sector before we pprovide feedback on potential impacts and necessary adaptations for Bangladesh’s textile industry. And we need to figure out strategies for eenhancing collaboration between EU and Bangladesh stakeholders to promote a sustainable and circular global textiles sector.

Producer countries like Bangladesh have existing circular practices and entrepreneurship, often in the informal sector having market structures, micro enterprises and trade for pre-consumer textiles (Jhut). The EU should take a proactive, supportive, and collaborative approach with stakeholders to formalise Jhut sector while preserving livelihoods, said he.

Further he highlighted supporting institutional capacity for Extended Producer Responsibility (EPR) development in Bangladesh’s textile sector; improving IP and technology transfer to state-of-the-art recycling technologies while working on traceability in the Jhut value chain through mandatory reporting for a national digital database and marketplace (Jhut hub).

Welcoming the stakeholders, BUILD CEO Ferdaus Ara Begum said that our focus is to gather your thoughts for assessing the impact of EU strategy of sustainable and circular textiles on Bangladesh industry.

We also need to analyse the policy shifts areas for circular textiles and chart out a detailed scenario in that respect to support Bangladesh's textile industry in adapting to the EU’s sustainable and circular textiles strategy. We would expect enhanced collaboration between EU and Bangladesh stakeholders to promote a sustainable and circular global textiles sector, she added.

Chairing the programme, Asif Ibrahim, MD of New Age Group and former Chairperson of BUILD went on saying RMG sector was already facing a crisis given tight margins and the slowdown in the global economy and our entrepreneurs would finance adequate investment for the development of a circular economy.

BTMA Vice President Md. Saleudh Zaman Khan said that we need to consider development of supply chain for cotton recycling and forming local regulations for recycling additionally and extended producer responsibility policy is required.

Chowdhury Liakat Ali, Director (SFD) of Bangladesh Bank said that Bangladesh Bank has taken various policy initiatives for promoting sustainable finance and green banking in order to reduce GHG emission and speed up investments in renewable energy, Energy & Resource Efficiency, Circular Economy & Eco-Projects Financing, etc. BB issued Sustainable Finance Policy in 2020 and subsequently revised it in 2023. The policy includes Sustainable Finance Taxonomy along with a country perspective Green Taxonomy and Climate Finance Taxonomy. He added that BB fixes target for Banks and 15% of all loan disbursement and investments for green financing and 20% of all loan disbursement and investment for Sustainable financing.

Vidiya Amrit Khan, Director, Desh Group of Companies said unless and until we have a recycling process both mechanical and technical and carbon credit exchange mechanism process it would be difficult for progress. Mr. Khdem Yousuf,Director, BPGMEA said there is unavailability of data regarding informal agents in the whole supply chain. Ms Shamima Akhter, Director -- Corporate Affairs, Partnership and Communications, Unilever Bangladesh Ltd. Put emphasis on the need for a Extended Producers Responsibly(EPR) policy with engagement of PROs who will work with the concerns.

Syed Nazrul Islam, President, Bangladesh Textile and Garment Waste Processors and Exporters Association (BTGWPEA) said they have about 5000 members and gradually trying to get them on board for a registered company.

Mr. Mazedul Islam, Deputy Secretary, Export Wing, Ministry of Commerce and Coordinator, BPC said that as per UNFCC we will have make our sector ready as these will be binding gradually. Representative from BSTI informed that they will look into the international standard so that national standard for recycling industries can be proposed. Mr Nurul Amin Vice President BPFMEA spoke about the incentives allowed for export and advocated for its continuation.

Representative from Reverse resource, Garbagemen and other concerned spoke on the occasion, among others spoke on the occasion. A separate session on financing issues of recycling industries will be organized by inviting all concerned soon.

Concerned stakeholders of the sector including a number of government officials, representatives from business associations and trade bodies and other private sector officials participated at the meeting.

Sincerely

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