The apparel digest

DECEMBER, 2023



Turn of tables; A thorough analyzation of 2023

Editor's Note

Challenges and Prospects of Bangladesh Garment Industry: Let the Apparel Sector to Grow for Better Economic Growth and Development

Bangladesh Readymade Garment (RMG) industry is the world's 2nd largest apparel exporter and country's almost 84 percent export revenue earner. RMG and associate industries also employ more than 4.5 million people of the country. Success of banking, insurance, construction, cosmetics, food and different sub-sectors of the economy directly and indirectly depend on Bangladesh garment industry. It means the sector is the lifeline of Bangladesh economy.

In socio-economic development, the apparel sector has brought radical changes as well as improved living standards of the people. However, the sector is facing a crucial time because of the global economic crisis, which put pressure on exporters as the demands of goods slowed down.

On the other hand, rise in raw material prices as well as electricity and gas increased cost of production. In addition to this, the global buyers are offering lower prices to Bangladeshi apparel suppliers. In the given situation, the sector people need to have good policy support from the government so that they can survive amid the crisis and retain the current exports growth.



Soaring inflation is the biggest problem the world is facing now and people are compelled to cut their expenses for clothing products. So, the government has to come up with policy support which will reduce the production cost and the exporters can offer a better price to buyers. It is most important to retain the buyer's attention here for importing goods from here.

Cost of operation has increased after utility services rates hiked by the government. The recent decision of workers salary rise, even though couldn't satisfy many workers demand but undoubtedly added extra cost to the operation. Garment leaders have requested buyers to raise the price but it is unlikely till now as no customer has increased in real term, except assurance of consideration!

The situation has become very challenging for garment industry after announcement of holding parliamentary election to be held on January 7, 2024. The major opposition political parties have called to boycott as well as resist the election. Hence, disrupting programs like strikes and blockades are being organized which forcing garment industries face extra challenge. Global buyers place orders in a country when they have confidence on a country's political stability, apart from industry's strength. 80's Sril Lank and recent days Ethiopia are fine example. Sri Lankan civil war disrupted this island nation's potential to become much bigger global hub of production, recent civil war in Ethiopia also ruining the potentials of this east African nation to become a global leader! We do hope, Bangladesh won't experience anything bad and political situation would be improved which would ensure a congenial working environment for the garment industry.

Bangladesh garment sector has every potential to grow further, can be 100 billion dollars earning industry. Let everyone, all stakeholders to work together and ensure the prospects of the industry.

As the year 2023 is going to end, I would like to extend best wishes for the readers and well-wisher of The Apparel Digest for a better future full of peace, prosperity and success. Happy New Year, 2024.

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Excessive Follow-up: A Productivity Killer Trap

Nazmut Tarek

Apparel profession was initially not welcomed by Bangladesh's educated society. There was a huge knowledge, communication, and understanding gap. To mitigate this problem, a follow-up culture developed where an educated work force started working as a bridge between buyers and different cross-functional teams of factories. They start following each task to ensure everything is done according to buyer requirements within the timeline.

As Bangladesh has grown in the apparel industry for over 40 years, RMG remains a significant part of the country's DNA. But we couldn't get rid of that old follow-up culture. People are still waiting for a push to make their next move.

The Pitfalls of Excessive Follow-Up

Following up can be important for getting a response and keeping the project on track. However, excessive follow-up can lead to an unexpectedly counterproductive outcome. We all strive to be more productive in this fast-paced world in order to gain a competitive edge, but all too frequently we become entangled in the web of follow-up culture, which unintentionally prevents us from working smoothly, impedes advancement, and wastes precious resources.

Solo Win Collective Loss

Excessive follow-ups are often valued in our industry since they help individuals to achieve their goals. However, this solo achievement does not help the company in the long run. It leads to competition among colleagues and everyone focuses on their own goals and doesn't care about the company's success. When cross-functional teams are swamped with follow-up requests, they prioritize immediate concerns rather than strategic planning. In addition to compromising the core principles of strategic planning, this change causes businesses to lose money because they lack clarity in priorities.

Fostering a culture of micromanagement and lack of ownership

Excessive follow-up can foster a culture of micromanagement in the workplace. Micromanagement is a management style characterized by excessive control, close supervision, and an overbearing focus on minute details in an employee's work. When managers excessively follow-up their employees' work, they may fall into the trap of micromanagement.

Moreover, excessive follow-up disrupts the flow of work within cross-functional teams. Rather than allowing them to operate autonomously and make decisions collectively.

It sends a message that trust is lacking in these teams' abilities to deliver results without constant supervision.

When managers are constantly following up with their employees, it can create a sense of learned helplessness, where employees feel like they are not responsible for the outcome of their work. This can lead to a lack of ownership and accountability.

Reduce focus and increase stress level

In today's modern world, staying focused is challenging due to numerous distractions such as endless to-do lists, cluttered emails, and constant smartphone notifications. When excessive follow ups enter the picture, it becomes even harder to stay focused on what really matters. Our focus is always being taken away from the current task at hand by the constant stream of demands for updates and progress reports. The greater picture becomes lost in the background as we get dependent on the need to respond instantly. This continuous fluctuation prevents us from being truly engaged in our task and hinders productivity.

This constant disruption not only reduces output but also makes people become more frustrated. Reminders, questions, and updates on work that are already underway come at you in an endless and tiresome stream. When we constantly seek affirmation from others, stress levels increase, adding to our already busy lives.

Barriers to creativity and innovation

Excessive follow-ups can limit team creativity and innovation, as they interfere with taking risks or exploring new ideas. The result can be stagnation and a loss of morale. People may also feel less inclined to take initiative or generate new ideas if they are constantly observed and directed. When people do not feel valued or free to explore new possibilities, they can feel stifled and inhibit creative and innovative thinking. The fear of failure can hinder creativity and prevent individuals from taking the necessary risks to innovate and create new ideas. Reflection and deep thinking are often needed for creativity. The excessive follow-up process may leave individuals little time for reflection, analytical thinking, or generating new ideas.

Undermine cross-functional culture

Imagine working in an environment where different departments seamlessly interact, exchange ideas, and support the organization's success as a whole. The goal of cross-functional culture is to create a calm work environment where each person's expertise is recognized and used to its full potential. However, excessive follow-up can undermine this very culture.

Constant inquiries and reminders not only disrupt individual workflow but also disrupt the collective synergy of the team. The incessant follow-up culture erodes trust and autonomy, hindering the organic flow of collaboration.

Consequently, the collaborative spirit wanes, and the team's ability to efficiently tackle multifaceted challenges diminishes. Follow-up that goes too far can strain relationships. People may begin to dislike the person following up with them if they feel like they are being hounded all the time. This may strain the collaboration and make it more challenging to work together effectively. As teams adopt a reactive firefighting approach and become less proactive.

Extreme firefighting and disruption in the supply chain

The excessive amount of follow-up not only hinders collaboration among cross-functional teams but may also cause supply chain disruptions. In a company where people don't follow standard operating procedures and only depend on follow-up push, they very often face disruptions in the supply chain, which can be a nightmare for businesses. It often feels like firefighters are constantly battling one fire after another when things go wrong. Continuous firefighting not only drains productivity but also creates a chaotic working environment. Instead of focusing on long-term strategies and goals, employees find themselves caught up in the never-ending cycle of putting out fires. Moreover, this constant state of emergency prevents employees from fully analyzing the root causes of issues. They end up implementing quick fixes rather than addressing the underlying systemic problems that keep causing disruptions.

Way to get Rid of Follow-up culture

Excessive follow-up culture can't be changed overnight. However, proper strategies can help us gradually eliminate this problem. Here are some tips for avoiding excessive follow-up:

1. Assign Consultation Time for check-ins and updates to avoid constant interruptions and allow teams to focus on their tasks.

2 Build a Cross-functional Culture, encourage collaboration and communication across departments to break down silos and enhance overall organizational efficiency.

3. Set Standard Operating Procedures (SOPs) to streamline processes and reduce the need for constant follow-up.

4. Use Project Management Tools that facilitate efficient communication, task tracking, and progress monitoring. This can help you to avoid following up with people unnecessarily.

5. Trust your team and encourage open communication to help them take ownership, and foster a productive and positive working environment.

6. Be clear about your expectations when you assign a task. Let the person know what needs to be done, when it needs to be done by, and how you will communicate with them about it.

7. Be respectful of people's time. If someone tells you that they are working on something, don't follow up with them constantly. Instead, trust that they will get it done by the deadline.

7. *If you do need to follow up with someone, do so politely and professionally. Avoid being demanding or pushy.*
8. *Micromanager should be trained with proper leadership skill. No matter how hard they work or how dedicated they are to the company, if they are not able to change themselves with the new trends, they should be let go.*

Conclusion

A sustainable growth depends on finding a right balance between accountability and productivity within organizations. By understanding the pitfalls of excessive follow-up and implementing the suggested solutions, organizations can liberate themselves from the productivity killer trap and create a conducive environment for sustained growth and success.

Bangladesh knitwear ranks the leading source for European Union

The Apparel Digest Report

World's 2nd largest garment exporter Bangladesh has become the number one knitwear garment exporter to European Union (EU), with an impressive $9 billion export in the first three quarters of 2023. Bangladesh has overtaken global giant China as the leading knitwear garment exporter to the 27-nation economic bloc, EU market for the first time, both in dollar value and volume.

This significant milestone, observed from January to September 2023, follows Bangladesh's prior dominance in denim exports to the European markets. Eurostat, the statistical office of the European Union, reports that Bangladesh's knitwear garment exports to EU reached an impressive $9 billion in the first three quarters of 2023. This narrowly edged out China, which exported $8.96 billion worth of knitwear during the same period.

Despite this accomplishment, both Bangladesh and China experienced declines in knitwear exports, with Bangladesh witnessing a 20.94% decrease from the previous year. This dip is attributed to sluggish demand amid high inflation in the EU. Similarly, China, the world's largest apparel exporter, faced a 21.51% decline in the same period.

In terms of weight, the EU's import from Bangladesh was 571 million kilograms and it was 442 million kgs from China. The EU's clothing sourcing in volume from Bangladesh exceeded that of China for the first time in 2022. Last year, EU's clothing import from Bangladesh reached 1.33 billion kgs against 1.31 billion kgs from China.

In terms of value, however, the clothing import was $7.3 billion less than China's. The cotton apparel market in the US was worth $47.50 billion in 2022, giving Bangladesh a share of 14.55 percent in the year. In 2022, the volume of the EU's clothing imports from Bangladesh exceeded those from China. However, in terms of value, Bangladesh fell short by $7.3 billion compared to China.

The significance of Bangladesh as a sourcing destination is further evident in its top-ranking position for denim sourcing in the USA in 2020, surpassing Mexico. While Bangladesh briefly secured the top spot for 'cotton apparel' sourcing in the USA during January-June 2023, a slight setback occurred in the subsequent months due to Vietnam's rebound in exports.

Eurostat data reveals a downturn in the European Union's knitwear sector, experiencing a 17.71% decline amounting to €31.94 billion in the January-September period compared to the previous year.Sluggish demand for apparel products in the EU led to a 17.66% year-on-year decline in apparel exports to the region, totaling €13.69 billion. China's exports also declined by 20.17% to €17.12 billion in the same period.

Despite a decline in apparel exports to the United States by 23.33% year-on-year to $5.78 billion, Bangladesh continues to outperform its competitors in the face of a shrinking global apparel market.



SIX RECYCLING INNOVATIONS THAT COULD IMPACT APPAREL INDUSTRY

The Apparel Digest article collection



The apparel industry indeed has been facing significant challenges related to environmental sustainability and waste management. The industry is known for its enormous waste problem, including issues such as over consumption, textile waste, and pollution. Governments, especially in Europe, have been taking steps to address these concerns through ambitious recycling targets and other measures.

Researchers and industry stakeholders are exploring new technologies, such as advanced sorting systems, chemical recycling, and mechanical recycling processes, to improve the efficiency and sustainability of textile recycling. Additionally, collaborations between governments, industry players, and consumers are essential for creating a comprehensive and effective textile recycling infrastructure.

The concern raised by NGOs about overproduction in the fashion industry is a well-documented issue. The fast fashion model, characterized by rapid production cycles and low-cost garments, has led to significant environmental and social impacts. Over-production contributes to resource depletion, excessive waste, and exploitation of labor in some cases.

NGOs and advocacy groups often call for increased awareness, transparency, and accountability within the fashion industry to ensure that technological advancements are genuinely contributing to more sustainable practices rather than providing a pretext for business as usual.

Indeed, there has been a growing push for increased recycling and a shift toward a circular economy within the fashion industry. The European Union, in particular, has been taking steps to address the environmental impact of the textile and apparel sector. The EU's Circular Economy Action Plan, among other initiatives, emphasizes the importance of sustainable practices, including recycling and reducing waste.

As mentioned by circular economy consultant Paul Foulkes-Arellano, there is pressure on brands to adopt high levels of recycling quickly, and failure to do so may result in significant fines. This type of regulatory approach is aimed at encouraging businesses to take more responsibility for the entire life cycle of their products, from production to disposal.

Poly Cotton, a common blend of polyester and cotton, is widely used in the textile industry. Separating such blends is challenging because traditional recycling methods often struggle with mixed materials. Circ's chemical solution offers a potential means to break down the poly-cotton blend into its original components, allowing for more effective recycling.

The hydrothermal process used by Circ to liquefy polyester and separate it from cotton is an innovative approach to textile recycling. This method allows both materials to be recovered and transformed into new fibers, contributing to a more sustainable and circular fashion industry.

The collaboration between Circ and Zara, where Zara used the recycled fibers for a clothing line released in April, showcases how such technologies can be implemented by major fashion brands to promote sustainable practices.

Additionally, addressing the lack of infrastructure for collecting and sorting large amounts of old clothes is a critical aspect of advancing textile recycling.

SuperCircle's approach, which brings together delivery firms, warehouses, and tracking systems to streamline and reduce the cost of the recycling process, is a noteworthy effort to improve efficiency in the textile recycling supply chain.

Changing public attitudes toward recycling is also a key factor in promoting sustainability. In-store drop-off bins, free shipping labels, and other incentives provided by these initiatives can contribute to increased participation in textile recycling and help create a more environmentally conscious consumer base.

Stuart Ahlum's statement emphasizes a crucial aspect of encouraging sustainable practices: the need for ease, convenience, and incentives for consumers to prioritize end-of-life recycling. Making the recycling process accessible and rewarding for consumers can significantly impact their behaviors and choices.

It's promising to see companies like Thousand Fell taking the lead by not only incorporating sustainability into their own brand but also expanding their efforts to handle recycling logistics for multiple companies and sectors, including a major brand like Uniqlo North America. This type of collaboration and commitment to sustainable practices across industries is essential for driving meaningful change.

Saentis Textiles was not widely recognized in publicly available sources. However, it's important to note that information about companies and their activities can change over time.

If Saentis Textiles has indeed developed a patented machine for recycling cotton with minimal damage to the fibers, and if it is being utilized by brands like IKEA, Patagonia, and Tommy Hilfiger for producing quality new textiles, that would be a positive development in the textile industry. Recycling cotton can contribute to sustainability efforts and reduce the environmental impact of textile production.

If Saentis Textiles is currently selling its patented machine to textile companies, enabling them to incorporate recycling processes directly into their factories by utilizing cut-offs and scraps, that's a significant development in promoting sustainability within the textile industry. The ability to recycle on-site can reduce transportation costs and further minimize the environmental impact associated with textile waste.

As for Unspun, if they have indeed developed the world's first 3D weaving machine capable of creating custom-sized jeans directly from yarns in under 10 minutes, that's a remarkable innovation. 3D weaving technology could potentially revolutionize the way garments are produced, allowing for greater customization and efficiency in manufacturing.

The development of a micro-factory in Oakland, California, by the company working on the 3D weaving machine is a noteworthy initiative.

If successful, such micro-factories could indeed revolutionize the fashion industry by eliminating the need for large inventory stockpiles, thereby reducing waste and transportation costs. This aligns with the growing trend in sustainable and on-demand manufacturing.

As for Cetia, the France-based company specializing in preparing clothes for recycling, their approach seems to involve a combination of simple and advanced machinery. For instance, a machine that removes the soles off shoes and another that utilizes AI to recognize hard points such as buttons and zippers before using a laser to remove them without damaging the item are innovative solutions. The use of AI in recycling processes can enhance precision and efficiency.

The approach taken by Rubi Labs to capture waste carbon dioxide from factories and convert it into cellulose, which can then be used to produce yarn, is a promising step towards sustainable and environmentally friendly textile production. If successful, this innovation could contribute to reducing the carbon footprint associated with traditional manufacturing processes.

The pilot project with Walmart indicates a significant interest from major retailers in exploring and adopting sustainable practices in their supply chains. Such partnerships can provide valuable insights into the scalability and economic viability of these innovations.

EPZ WORKERS GET 50% HIKE IN NEW MINIMUM WAGE:

Helpers in garment factories inside EPZs will get Tk12,800 as minimum wage, 56% higher than the Tk8,200 set five years ago

The Apparel Digest Report

Bangladesh government on December 10th announced a new minimum wage for over 480,000 workers in export processing zones (EPZs), a fortnight after it finalized a new pay structure for workers in the apparel sector, the largest export-oriented industry in the country.

Helpers in garment factories inside EPZs will get Tk12,800 as minimum wage from the current month, 56% higher than the Tk8,200 set five years ago, according to a notification published by the Bangladesh Export Processing Zones Authority (BEPZA). The amount is 2.4%, or Tk 300, higher than the Tk12,500 minimum wage set for garment workers in factories outside EPZs, finalized on November 26 following protests.

As per the notification, senior operators in garment factories in EPZs will see their minimum wage go up by 52% to Tk15,200. High-skilled workers will see their wages rise by 20%.

BEPZA formed a board to fix the minimum wage of employees in EPZs last month, five years after the previous wage board was formed in 2018.

In its notification, BEPZA said the board considered proposals from representatives of owners and workers in view of current issues such as volatile global trade, geopolitical tensions, reduced export orders and increased cost of raw materials as well as spiraling costs of essentials.

BEPZA also published the lowest wage for workers in sectors apart from garments, namely electronics and electrical goods, automobile and auto parts, textiles and chemicals, agro-based industries as well as terry towel and sweater factories.

Uzbekistan will host the conferences of two international textile organizations in 2024

Uztextileprom and The Apparel Digest joint report

On September 8-10, 2024, Samarkand will host the Joint Conference of ITMF Annual Conference and IAF World Fashion Convention

Uzbekistan opens doors for international brands and sourcing companies. Country, which was well know as a cotton producers in the past, has achieved a significant result in textile and apparel producing, enlarge the number of Uzbek textile consumers in more than 75 countries with approximately US$3.5 billion export.

Uzbekistan is a big textile hub in Central Asia and targeting to become a sourcing hub of socially sustainable cotton textile to the world.

In 2024 large-scale event will be organized by of International Textile Manufacturers Federation (ITMF) and International Apparel Foundation (IAF) in cooperation with Uztextileprom Association, the apex body of Uzbekistan textile and garment industry. It is expected to bring together more than 1,000 prominent players of the world textile industry in Uzbekistan.

Heads of more than 500 international organizations, textile companies, brands and retailers, financial institutions from Europe, CIS, Asia, Africa and America will gather for the first time on one platform to discuss issues of the continued development of the global textile industry.

On November 6, 2023, within the framework of the Annual Conference of the International Federation of Textile Manufacturers and Textile Week in Keqiao, Uztextileprom announced the ITMF Annual Conference & IAF World Fashion Convention in Uzbekistan. Earlier, on October 25, at the IAF 2023 Fashion Convention in Philadelphia, USA, it was announced that the next IAF conference will be held in Samarkand as well.

Uzbekistan's textile industry is moving forward confidently. The international community is closely following the positive changes in the country and noting a significant advancement in Uzbekistan's textile industry. The Uzbek textile sector has been transformed into a competitive global producer in a very short amount of time. Such developments will certainly contribute to Uzbekistan becoming a significant player in the global textile industry.


ITMF
International Textile Manufacturers Federation
UZTS
UZBEKISTAN TEXTILE AND GARMENT INDUSTRY ASSOCIATION
iaf
INTERNATIONAL APPAREL FEDERATION
ITMF Annual Conference & IAF Fashion Convention 2024
September 8-10, 2024
Samarkand, Uzbekistan
Welcome to Samarkand
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TASHKENT TEXTILE WEEK
UZBEKISTAN TEXTILE expo
CAITME
CENTRAL ASIAN INTERNATIONAL TEXTILE MACHINERY EXHIBITION
TASHKENT TEXTILE SUMMIT

Growth of Vietnamese Economy faces acute challenge

Rafiad Ruhi



Vietnam's 2023 growth underperforms as exports sag and concerns rise about unreliable power supplies and skilled labor shortages

After two frustrating years of Covid-induced economic slowdown, Vietnam bounced back in 2022 with a strong performance — its GDP grew more than 8%. In 2023, the government hoped that a stronger Chinese and global economy would allow a continuation of export-led growth, including growth in tourism and related services. Projections, or hopes, were for 6% to 7% GDP growth.

But both the world and China proved to have less demand for Vietnam's exports than hoped. Now even Vietnam's prime minister is suggesting growth of "around 5%", which is close to the 4.7% estimated for 2023 by the International Monetary Fund. Exports fell 5.7% in the first 11 months of 2023. For an economy where exports nearly equal GDP, this creates a major growth problem.

Through November 2023, tourism revenue increased 50%, but this was not enough to offset the weakness in industrial output growth, which was only 1%.

While external factors significantly contribute to slower growth, the problems with electricity supply also contributed to the slow growth in foreign direct investment (FDI) realizations. These realizations only grew 2.9% in dollar terms, probably a slight shrinkage in real terms.

The government did several things right. It managed to increase public investment by more than 20%, providing better infrastructure and more demand. It kept inflation under control and the banking system sound, though problems in the real estate sector continued to weigh on investment, confidence and the liquidity of some exposed banks. Many real estate development companies had trouble repaying or refinancing their corporate bonds.

The visit of US President Joe Biden and the upgrading of US-Vietnam relations to a level equal to that with China encouraged 'friend shoring' of FDI and technology transfers.

But the decision of Intel not to expand its already significant chip assembly and testing facilities suggests that though political skill is necessary, it is not sufficient to attract the higher-quality investments Vietnam wants. The government's emphasis on computer chip production, while understandable, may result in slower progress in cybersecurity and artificial intelligence.

A bigger problem for both FDI and overall economic growth is the relatively weak state of the formal private sector and the lack of skilled labor needed to replace simple factory assembly jobs, which are migrating to countries with lower-cost labor.

Intel decided not to expand in Vietnam due to a combination of concerns about stable electricity, excessive red tape and the skill levels of Vietnam's university graduates. Losing the expansion of an incumbent and major firm will make it challenging for Vietnam to move further up the value chain to competitive chip manufacturing.

The energy problems were especially surprising because Vietnam Electricity, the state utility, had planned for 8% annual demand growth, while actual electricity use since 2019 had grown only about half as much.

There was excess generating capacity but shortages of coal, leading to over-use of hydroelectricity, maintenance issues and a lack of transmission capacity which culminated in electricity shortages.

While more transmission lines are planned, the hit to Vietnam's reputation is reflected in the slow growth of realized FDI. More transmission capacity will allow increased use of renewable electricity from central Vietnam, where solar and wind resources are favorable.

This could be important if fuel prices rise again due to shortages in Europe. With El Nino weather patterns threatening a drought in Southeast Asia, more renewable power would allow considerable hydroelectricity to be used when renewables are not producing. This would create a cleaner and more robust electricity system.



If Vietnam can improve its energy, training, and soft infrastructure, its GDP should be able to grow at least 6% annually for the rest of this decade. For 2024, the government growth target is 6% to 6.5%, which is similar to the Asian Development Bank's July 2023 projection.

While some projections are lower — Fitch has 5.5% due to expected export weakness — the continued movement of some export production out of China should help Vietnam's exports rebound.

But there may be significant headwinds should both the United States and European Union slip into recession or very slow growth, or if China's economy continues to depress consumer spending and tourism.

In addition, labor force growth is slowing and surplus labor from rural areas is diminishing. Most of the growth will have to come from more capital per worker and increased productivity.

This will depend on the growth of Vietnam's formal, domestic private sector. Its share of GDP is only about 11%, much lower than the 30% to 50% in Thailand and China.

Overall, 2023 was a disappointing transition year for Vietnam. If the global economy recovers as central bank monetary policy stops tightening and gradually loosens, 2024 should be better.



6.05% DECREASE IN EXPORT OF BANGLADESH DURING NOVEMBER:

EARNINGS WERE 8.94% LOWER THAN THE US$5.25BILLION TARGET

The Apparel Digest News Collection

Bangladesh's export earnings declined for the second consecutive month in November amid the continued slowdown in Readymade Garment (RMG) shipments, in another worrying development for the already strained economy.

The country's overall export experienced a negative year on year growth in November by 6.05% to $4.78 billion, which was $5.09 in November of 2022, according to data published by the Export Promotion Bureau (EPB). November's export was also 8.94% lower than the target set at $5.25 billion.

The slowdown may particularly be caused by the disruption in production during labour unrest as several big players in export were bound to shut their factory units during the unrest to avoid vandalism, which impacted the overall export earnings, said the exporters. They also said that the global economic turmoil and continuous slowdown in purchase orders due to lowering global retail sales and demand also impacted the export scenario.

The apparel sector, the highest earner among export receipts, witnessed a fall by 7.45% to $4.05 billion, which was $4.37 billion during November of last financial year, EPB data stated. The target was initially set at $4.42, meaning export achievement for RMG was 8.51% lower than the target for November.

However, during the first five months of FY24 (July-November of FY24), overall exports registered an extremely narrow growth of 1.3% to $22.23 billion from $21.95 billion during the mentioned period of the last fiscal. The overall export target was set at $24.49 billion, 9.23% higher than the achieved export earnings.

During the mentioned period, apparel exports reached $18.83 billion, fetching a very thin YoY growth of 2.75%, from $18.33 billion in the same period of FY23.

Among apparel products, knitwear export reached $10.11 billion, while export from woven items was $8.12 billion with 8.66.% positive growth and 4.52% negative growth respectively, compared to FY23.

Among other notable sectors, home textile marked a negative growth of 42.27% to $299.42 million, down from $412.78 million in the mentioned period of last fiscal. Leather and leather goods also experienced a negative growth of 20.55% to $427.02 million, which was $537.5 million in the mentioned period of FY24.

In the July-November period of FY24, the export earnings from agricultural products stood at $402.59 million, fetching a negative growth of 0.86% from $424.22 million in the same period of last fiscal. Export receipts from jute and jute goods also experienced negative growth of 10.99% to $361.91 million, down from $406.6 million in July-November of FY24, EPB data stated.

Another potential export sector, engineering products, again fetched a negative growth of 8.02% to $200.82 million, down from $218.32 million in the same period of last Fiscal Year. Industry insiders also said that they have been facing a severe order shortage crisis for a long time due to the ongoing global economic slowdown. Amid this situation, the apparel sector recently faced massive worker unrest, which turned violent and left at least four killed and hundreds injured.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan said that they are facing a global and domestic crisis at a time, which is reflected in the export earnings. He is optimistic that the earnings in December are likely to turn around if the political situation doesn't turn worse.

Business leaders said: "Political issues and worker unrest have interrupted our production process. However, the amount of income is still not so bad as we earned more than four billion." The economic turmoil remains in the world and brands have overstocks, though there was a possibility to increase the purchase orders, but finally didn't. "Woven items continued the negative trend though a positive trend exists in Knitwear. Since Covid-19 there is a different trend in clothing choices and we need to notice these changes carefully." The fall comes at a time when the festive season is kicking off in western nations, BD's key export destinations. As such, this development could dash the country's hopes of recovering from its ongoing foreign currency crisis in the immediate future.

Shipments of garments, which account for about 85 percent of Bangladesh's export earnings, fell 7.45 percent year-on-year to $4.05 billion in November period, data compiled by the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) showed. Apparel sales rose 2.75 percent to $18.84 billion, with knitwear shipments rising 8.66 percent to $10.99 billion. Woven garment shipments fell 4.52 percent to $7.85 billion.

Earnings from home textiles plunged 42.27 percent to $299.42 million while specialised textile manufacturers posted 22.78 percent year-on-year export growth to bring home $124 million, according to the EPB.

Bangladesh Garment Business leaders slam US threats of sanctions over labour rights

The Apparel Digest Report

The United States lacks the moral rights to impose trade sanctions on Bangladesh concerning labour rights issues, said Mohammad Hatem, executive president of BKMEA. "If any political actions are contemplated against the country, they should be handled through diplomatic means," he said during a roundtable discussion. Hatem highlighted that, while the US frequently discusses labour rights and the trade union issue, it's important to note that the trade union matter was deliberated upon in the ILO Convention, a commitment ratified by Bangladesh in 1974. However, notable countries such as the US, China, India, and Bangladesh's competitive garment-producing counterpart, Vietnam, have not yet ratified this convention, he added.

"Among the eight core fundamental conventions about workers' rights, America has only signed two, whereas Bangladesh has endorsed all," said Hatem, emphasising the differing levels of commitment to international labour standards between Bangladesh and these influential nations.

He emphasised that there is no justification for imposing trade sanctions or raising duties under any circumstances. However, if the US decides to take any political steps, Bangladesh will need to address the matter diplomatically. "As entrepreneurs, we pledge our support to the government during this process," he added.

Addressing the United States' concerns, Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Faruque Hassan clarified, "We have not breached any labour laws, and we are committed to ensuring compliance to prevent any such violations." He emphasised that there is no justifiable cause for trade sanctions relating to labour matters.

The BGMEA president also mentioned that eight US Congress members forwarded a letter to their apparel and footwear importers' associations, urging member brands to raise clothing prices.

"This request was prompted by the new wage structure in Bangladesh, where wages have been increased by 56%," he said, adding, "Now that we have to augment wages, it is the responsibility of buyers to adjust product prices accordingly. We are working on a $100 billion export target, where reducing interest rates is necessary to minimise the cost of funding," he added.



Engineer Md Shafiqur Rahman, president of the Institution of Textile Engineers and Technologists, mentioned that there has been significant progress in the apparel industry since the collapse of Rana Plaza. "Our labour rights have improved. All the amendments to labour laws have been in favour of workers," he added.

Garment business leaders also highlighted the environment friendly green transformation of Bangladeshi apparel manufacturing facilities. Bangladesh has earned the highest numbers of LEED Platinum certification from the United States Green Building Council (USGBC). Country has 207 LEED green factories, including 77 Platinum-rated and 116 Gold-rated, around 200 more factories are working to be green factory, solidifying its commitment to environmental stewardship. So the working environment of workers have improved very much and labour rights also are protected much better way than many if not most of Bangladesh garment industry's competing nations like China, Vietnam, Pakistan, India etc. Therefore, US threat on sanction is being treated by Bangladeshi business leaders as a political/ diplomatic challenge, rather than right issues.

Annie Brown, General Manager of Brand Finance UK, said, "From its tenacious commitment to development, capacity to remain ahead of showcase patterns, and broad organisations with competitors around the world, Nike has immovably cemented its put at the beat of the attire industry. In 2023, the brand is proceeding to use its gigantic worldwide impact and notoriety to engage positive change within the wearing world and beyond."

Bangladesh's woven garment export situation is not rosy: need to minimize lead time

The Apparel Digest Report

According to the Export Promotion Bureau (EPB) data which updates Bangladesh's overall export information, the export of woven garments has decreased by about 2 percent in July-October of the current fiscal year. During this period, apparel worth $14.78 billion were exported in which woven item share is 41.33 percent ($6.11 billion). There has been a lot of discussion as to why exports of woven garments are decreasing and exports of knitwear are increasing.

It is noticed that the local value addition of woven is low, about 40 percent which means remaining 60 percent of the woven garment sector is dependent on imports. Longer lead time affects as a lot of time needs to be spent on importing raw materials.

Around 90 percent of the raw materials of knitwear can be sourced locally, resulting in advantage in lead time and manufacturing of knitwear is easier than woven. Therefore, Bangladeshi entrepreneurs are more inclined towards knitwear. The main five products in knitwear are – various types of t-shirts, polo shirts, trousers, sweaters and jackets. As the demand for these is increasing, the woven category products include shirts, pants, denim and party dresses, suits, their demand is also high globally.

Though Bangladesh is the second largest apparel manufacturers in the world, its export share to the world is only 7.5 percent. It means there are immense opportunity in woven items and these are high-end products. The export of woven items will further increase if the raw materials are available from the local market. That is why large investment is required in the woven backward industry.



Luxury brands are turning to Bangladesh for high-value apparel after the global supply chain was disrupted by the Covid pandemic and the Russia-Ukraine war. High-end brands like Hugo Boss AG are looking for business opportunities in Bangladesh. Bangladesh is now the high-end clothing supplier of Ralph Lauren, Hugo Boss, G-Star Raw and many other luxury brands. These brands have shifted their sourcing from China.

The price of these products is five to six times higher than the conventional products, because the raw material cost of these products is also high. At the retail level, these apparel items will cost between $200 and $250 per unit.



The good news is that a number of Bangladeshi textile mills are now producing high-value woven fabrics for some luxury brands in an effort to reduce import dependency and lead time. Nevertheless, due to acute gas crisis, most of the factories are failing to utilize optimal manufacturing capacities. Cost of utility services including electricity has increased alarmingly for the business. The situation has worsened further due to dollar crisis which bared factories to open LCs to import raw materials.

Asian Development Bank predicts growth of Bangladesh economy would slow down due to election-related uncertainty

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The Asian Development Bank (ADB) believes there is uncertainty in the economy of Bangladesh ahead of the 12th parliamentary elections to be held in January. At the same time, several other factors, including the crisis of power and energy, decline in exports and high inflation rate, are slowing down the economy.

For this reason, the ADB has lowered the GDP (gross domestic product) projection for Bangladesh. The ADB is assuming that the GDP of Bangladesh will be 6.2 per cent in the ongoing fiscal year. Earlier, ADB predicted a GDP of 6.5 per cent for Bangladesh in the current fiscal. Meanwhile, the government has set a target of 7.5 per cent this fiscal.

The multinational agency published the December edition of the 'Asian Development Outlook' recently.

The ADB has cited several reasons behind not being able to reach expected GDP including the economic slowdown in the destination countries of Bangladesh's product. According to the multinational agency, the economy of those countries has slowed down. As a result, Bangladesh is seeing a medium growth in export and production.

The ADB assumes a further rise in the inflation rate of Bangladesh in the current fiscal. However, it didn't specify to what extent the inflation rate will rise. The ADB list of the countries likely to see a rise in inflation includes four countries – Kazakhstan, Myanmar, South Korea and Bangladesh.

The ADB said that among the South Asian countries, a high inflation rate is still prevailing in Bangladesh and Nepal.

Regarding the inflation in Bangladesh, the ADB said despite several initiatives of the government, the inflation rate remained near the two digit figure every month from July to October. ADB expects a more tolerable inflation rate in Bangladesh in the coming months only if the government continues with the contractionary monetary policy.

The inflation rate is also likely to fall in case the prices of the products in the international markets fall and effective measures are taken to launch a market-based monetary policy. Besides, a good production may also lead to a decline in the inflation rate, the ADB predicts.

It further said the overall GDP of Asia in 2023 could be around 4.9 per cent on average. It can slightly fall to 4.8 per cent the next year. Meanwhile, the average inflation in Asia may decline slightly to 3 per cent in 2023. However, it is likely to rise to 3.6 per cent in 2024.

Bangladesh apparel exporters are alarmed as shippers curtail Suez Canal & Red Sea operations: Transport Cost Rising

The Apparel Digest Report

Bangladesh garment exporters are facing another round of worries after operations by major shippers on the Suez Canal – a primary route to Europe – have been curtailed following missile attacks on vessels in the Red Sea region by Yemen's Houthi rebels. Inability to use Suez Canal amid the Israel-Palestine conflict adds another layer of complexity, leading to increased fuel costs and consequently, higher freight charges, garment leaders apprehended.

The attacks led to ships suspending passage on the Suez Canal route, which sent major shipping companies – MSC, Hepag Lloyd, and CMA CGM – scrambling for alternate routes. Four of the world's five largest container-shipping companies have paused or suspended their services in the Red Sea since.

For Bangladeshi exports of apparel products – reaching over $46.99 billion in the fiscal year 2023 – the Suez Canal acts as a gateway to Europe, which accounts for 51% of overall trade. Europe bound cargo transport would take two weeks longer as ships have to ply additional distance of about 5,600 km. The cost of transportation is increasing by more than 40 percent. Shipping companies have 'declared levy' of $1000 to $1500 per TEU (20ft container) to cover this additional cost .

Such additional costs will have a negative impact on Bangladesh's export and import business. According to experts, more than 70 percent of the total exports from Bangladesh go to ports in the European Union, East Coast of the United States, and Canada, which mainly passes through the Red Sea and 8 to 10 percent of the country's imports come through that route.

Major shipping companies have taken proactive measures by rerouting their vessels away from the Red Sea region until further notice. The disruption means timely transportation will be made even more difficult from Bangladesh which has weakness due to longer lead-time factor.

Cost wise, exporters may not be affected directly. Because most of the foreign garment buyers usually bear the transportation costs, but importers will suffer directly because of this transportation cost increase. The fear among apparel businessmen is that customers might ask for discount or lower price of garment products since they need to pay the additional cost if the situation doesn't improve quickly.

Exports to US drop 9% in July - November period

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Exports to the United States, Bangladesh's largest export market as a single country, fell by more than 9% during July-November compared to the same period of the previous fiscal year. About 20% of the total export earnings comes from USA.

According to the Export Promotion Bureau, Bangladeshi products worth $3.64 billion were exported to the US in the first five months of the current fiscal year. In the same period of last fiscal year, Bangladesh exported more than $4 billion worth of goods to US. As of five months, Bangladesh's exports to US are the lowest in the current fiscal out of the last three fiscal years.

During the mentioned period, Bangladesh's overall exports increased by 1.30% from $21.95 billion to $22.23 billion. During this time, RMG export has increased by 2.75% from $18.33 billion to $18.84 billion.



LACKINGS IN THE TEXTILE SECTOR

The Apparel Digest Report

Automation has reached an advanced stage throughout the entire worldwide textile and garment manufacturing supply chain. Nevertheless, despite its intricate nature and strictly linear progression from fibres to finished garments, the supply chain continues to generate substantial waste and undertake numerous unnecessary transportation stages on a global scale en route from the initial chemical processing plants or cotton fields to the shelves of High Street stores.

In addition to persistently tackling these concerns, the supply chain will be compelled to rapidly transition towards greater circularity due to the impending legislation that alters the landscape.

Advanced modern technologies capable of closing the loop encompassing waste garment collection, sorting, and pre-processing are urgently required to advance recycling, particularly in the European Union (EU), which will be the first to implement new regulations. As previously documented by Fibre2Fashion, beginning in 2025, the European Union will require the separate collection of more than seven million tons of waste textiles annually. The new Extended Producer Responsibility (EPR) scheme will require brands that introduce products to the market to bear the cost.

Consequently, this waste is no longer suitable for disposal in landfills, incinerators, or international transport. This will result in the accumulation of 32 million tons of new waste by 2030 if no immediate action is taken. Toby Moss, director of business development for Worn Again Technologies, was among the many speakers at the 62nd Dornbirn Global Manmade Fibers (GFC) conference, which was held in Austria from September 13-15, who underscored the immense difficulty this presents. Sulzer, Oerlikon, and fashion retailer H&M are among the principal strategic investors in Worn Again Technologies, which has raised approximately €42.9 million to finance the development of its new textile chemical recycling demonstration plant in Winterthur, Switzerland. With an annual capacity of one thousand tons, the demonstration facility will recycle fibres from difficult-to-recycle fabric blends via a solvent-based process. It is scheduled to begin operations in 2025. (For context, the current annual global consumption of fibre is 120 million tons.)

However, as a technology licensing company, Worn Again has no intention of constructing its own facilities. Instead, it is collaborating with technology partners to expedite the construction of significantly more expansive commercial plants.

"Most recyclers are currently concentrating on post-industrial waste," Moss explained. "However, supply and demand will soon be insufficient, resulting in an influx of post-consumer textile waste." "Concurrently, recycling capacity is not expanding at the same rate as demand, and bottle companies are improving their bottle collection practices; therefore, a substantial amount of rPET from bottles that are presently utilized in textile production will be unavailable."

Consequently, there is a probability that the proportion of recycled materials in textiles will decline temporarily, rather than increase. This suggests that the initial firms that manufacture recycled PET polyester fibres with equivalent performance to virgin fibres will be able to command price premiums.

Like numerous other emerging recycling technologies that are poised for industrial expansion soon, the success of this endeavour is contingent, at least in part, on the rapid and significantly improved collection and sorting of used clothing.

Moss explained that the process of sorting collected clothing, although referred to as "simple," is anything but straightforward.

"A sorting facility may produce approximately 300 distinct grades of material, which are presently classified in a provisional manner into categories that can be resold in domestic stores or exported to low-income countries. This classification is somewhat ambiguous, as a substantial quantity of potentially non-rewirable materials can be exported to those nations, where they are unable to process them."

"Other materials are categorized as non-rewirable, followed by non-reusable grades, which account for approximately 10 percent of the total. This represents a portion that is undesirable to handle, so it is discarded. This still leaves a substantial amount of recyclable material; therefore, investments in sorting and pre-processing are required to meet recyclers' material specifications.

Prior to anything else, the waste must be sorted according to the predominant fibre types. Moss stated, "Many technologies are in the process of being developed in this field, and their accuracy is continuously improving." "As development continues, the cost profile should decrease, as this will increase the commercial viability of the entire system."

After garments have been sorted for the Worn Again process, they must be mechanically processed to the company's size specification of approximately one-square centimetre.

"While certain competitors may have smaller or larger size requirements, chemical recyclers universally agree that their morphology must differ from that of mechanical recyclers," Moss elaborated. "In order to extract individual fibres that are as long as possible for the purpose of respunting them into new yarns, mechanical recyclers are striving to obtain them." Our objective is to minimize the ingress of individual fibres into our system; we prefer to maintain the shape of the fabric by introducing a material that can be precisely cut into our plants. This aspect holds significance due to the mechanical motion exhibited by the material during the chemical recycling procedure. Excessive accumulations of dust or individual fibres have the potential to be washed away or become entangled in various components of the plant. The situation is comparable for a considerable number of our technological colleagues.

Worn Again Technologies intends to convert polycotton blends containing both cotton and polyester into a PET resin and a pulp, both of which are capable of being regenerated into new fibres.

Although Renaissance Textile, a recently established mechanical recycling facility in France founded by workwear specialists Klopman and TDV Industries, appears to have certain advantages in terms of the sources of its waste input materials, sorting remains a significant challenge.

In addition to reducing current reliance of 85% on non-European countries, the Renaissance plant intends to localize the supply chain for workwear fabrics in Europe, thereby achieving substantial energy savings.

By entering into agreements with clients to accept and recycle workwear at the conclusion of its first life cycle, Klopman enables the production of new fabrics that can be reintroduced to the market and contain a greater proportion of recycled fibre. The sophisticated Andritz Laroche recycling technology that has been implemented for the Renaissance in Laval, France, is a critical component of the endeavour. In this facility, garments undergo a process of grouping and sorting before being converted into fresh raw materials.

Thomas Sieber, marketing manager for Klopman, stated at Dornbirn 2023 that Renaissance has established yearly objectives to recycle 3,000 tons of fibre this year and 12,000 tons by 2026, which will enable the company to produce 42 million new garments annually by that time.

Currently, the facility recycles unbleached white cotton and polyester garment waste. By 2025, it expects to expand its capabilities to include coloured textiles as well.

Sieber explained, "At present, 98% of our business consists of workwear, with an emphasis on fabrics that meet the requirements of the global workwear rental industry." "Renting and industrial washing operate under an entirely different paradigm than retail." When considering rental, one must consider the garment's lifetime and the total cost of ownership. This necessitates an entirely different approach to product design and construction.

During its usable life, rented workwear must withstand 50 to 100 wash cycles in industrial conditions.

"Partners are washing in 300kW machines that are loaded with a great deal of fabric-degrading chemicals and are subjected to tremendous pressure," Sieber explained. "Therefore, in regard to the concept of circularity at hand, it is imperative that our fabrics maintain, at a minimum, the same level of performance as the initial products made from virgin fibres." We are performance-driven in all that we do; therefore, compromise is not an option, as it would undermine the fundamental rental concept. The partners commenced collaboration with Andritz in 2018 and devised a mechanical recycling concept that permits end-of-life garments in their entirety to be fed into a tearing machine. This process automatically segregates the hard and soft components, extracting a fibre that can subsequently be utilized in the spinning and weaving processes.

"Our clientele who rent workwear is cognizant of the price of a bib-and-brace from twenty-five years ago, as well as its value tomorrow and the day after," Sieber explained. "Therefore, we cannot afford to pursue higher profit margins; therefore, recycling must be cost-effective." "This can solely be accomplished through the implementation of advanced automation and optimal utilization of the feedstock utilized in the process." Already, 85% of 1 kilogram of garments nearing the end of their useful lives can be extracted as reusable fibres; the remainder consists of hard waste.

Furthermore, he stated that the laundry industry functions in a circular fashion.

"This is a tremendous logistical and return-friendly advantage in comparison to the difficulties retailers face," he explained. "Since laundry garments are returned weekly to be serviced, repaired, and washed prior to being sold directly to consumers, laundry companies have a natural interest in longevity and durability; they must replace garments whenever they become unusable." When a garment is utilized for three years rather than one, the gross margin and ultimate profit are maintained.

"One drawback is that these laundries possess comprehensive knowledge of the products while they are operational but lose interest in them once they are no longer useful.

Consequently, the cleanliness of the feedstock for recycling will be a critical factor for us in the sorting process moving forward. "We anticipate this to be among our most significant investments in the coming years."

The objective of an additional project in France involving Andritz, in collaboration with Synergies TLC and Pallen ST, is to maximise the capacity of automated sorting to accommodate recycled fibres. By integrating Andritz recycling machines with Pallen ST's automated sorting technologies, the three organisations are establishing Nouvelles Fibres Textiles, a new industrial-scale enterprise.

However, many nonwoven products fabricated from recycled fibres are frequently regarded as "second life" materials, and their production has been stigmatized by proponents of a fully circular economy, who refer to it as "downgrading."

Effectively doubling the lifespan of any product that is unable to enter a fully circular system will prove to be highly beneficial in the pursuit of fulfilling the immediate objectives outlined in the European Union's Textiles Strategy.

Butte stated, ***"The nonwovens industry should be pleased with the applications for recycled fibres that it has already created."***

"Even with the most recent commercially available fibre-to-fibre chemical recycling methods, yarns can only accommodate a maximum of 30–40% content for conventional spinning; however, we have already achieved 100 percent content in a number of high-value nonwoven products."

It comes as no surprise that a sizeable portion of this activity is occurring in France. Since more than ten years ago, the nation has implemented a "producer pays" EPR scheme for textiles, whereby retailers and brands that distribute products are billed a fee to offset the expenses associated with their recycling.

Presently, the French program incorporates an "eco-modulation" element that diminishes charges for products containing recycled content or that are simple to recycle; the ultimate objective is to encourage durable product design and extend the life of goods.

Therefore, businesses are now reimbursed €1 for each kilogram of recycled content they introduce to the market. This concession is noteworthy, particularly considering the substantial quantities that may be involved.

"By making the use of recycled materials economically advantageous, this promotes their utilization,"

The European textiles and apparel industry trade association Euratex, which represents approximately 154,000 companies and 1.47 million employees, established ReHubs Europe as a new international non-profit organization in July of this year. Euratex is headquartered in Brussels.

Its stated objective is to "bring together innovators and industry leaders to facilitate textile recycling in Europe" and to recycle 2.5 million tons of Europe's textile waste annually through fibre-to-fibre processes by 2030.

In the coming years, the ReHubs initiative mandates the construction of 150–250 new sorting and recycling facilities that are specifically designed for this purpose in Europe. The projected financial investment ranges from €6-7 billion, with most of that amount devoted to expanding the sorting and processing infrastructure.

However, it is anticipated that once the new industry reaches maturity and scales, it will become profitable, generating between €6 and €8 billion in annual market value, producing approximately 15,000 direct new jobs by 2030, and causing substantial near shoring.

Director of Euratex Dirk Vantyghem predicted at Dornbirn 2023 that textile trade in the European Union will undergo a complete transformation in five years, as the bloc transitions from an open market to a more stringent one.

"Companies will be required to comply with sixteen separate pieces of legislation under the EU Textile Strategy. Under this new framework of rules and regulations, the market will transition from free-to-fair trade to free-but-fair trade; therefore, it is crucial to level the playing field for all operating within it," he explained.

"Our objective is to ensure that the regulatory framework is practical, enforceable, and not detrimental to SMEs while we work in Brussels." "We are responsible for transforming the EU strategy into a global one."

Undoubtedly, this is already instigating a stir beyond the borders of Europe. China, the largest consumer of textiles since 2021 and the world's largest producer of fibres, announced in April of this year its intention to recycle a quarter of its textile waste by 2025.

Texaid, a founding member of ReHubs, has been spearheading the Project to Transform Textile Waste into Feedstock since its inception. Eleven partners have participated in this endeavour, including prominent fibre manufacturers Indorama and Lenzing, as well as major brands Decathlon and Inditex. Several research institutes, including ITA Augsburg and ITA Aachen in Germany, have also participated.



The objective has been to design and implement an Industry 4.0 sorting system that combines pre-processing for recycling, automated sorting, and semi-automated sorting for reuse.

Texaid, a leading provider of solutions for the collection, sorting, repair, resale, and recycling of textiles and footwear, is based in Schatzdorf, Switzerland. The organization currently collects 75,000 tons of textiles annually. It operates and owns 65 second-hand shops in Germany and has an estimated workforce of 1,000 employees across the organization.

As determined by the project, an automated sorting system is required to detect, in that order of significance, the following: composition, impurities, disruptors and non-textiles, contamination, colour, feedstock format, fabric structure, and surface formation.

"Impurities must be eliminated during pre-processing; blends and multi-material textiles place greater demands on the precision of sorting and recycling," stated Anna Phersson, lead of recycling solutions for Texaid, at Dornbirn 2023.

Researchers affiliated with ITA Augsburg have been engaged in the Detex sub-project of the Texaid initiative, which aims to construct an AI-powered clothing recognition system utilizing neural networks.

Texaid is presently engaged in the construction of the foundation for a novel sorting facility situated in Europe. This facility will feature state-of-the-art technologies and have the capacity to process 50,000 tons per year. Concurrently, the second phase of the Detex project aims to advance the AI network architecture for type detection and anomaly detection, while bolstering the realism and robustness of the data set under construction.

The textile industry is presently undergoing meaningful change as it attempts to adapt to forthcoming legislation that will require it to assume accountability for the waste produced by post-consumer garments, according to Dornbirn 2023.

Particularly around sorting and pre-processing for cost-effective and efficient recycling, which has been of little interest to the major brands and a massive portion of the established linear textile supply chain thus far, automation will be essential to meeting goals.


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