



Main Learnings from the Closed Door Chattogram Circularity Talks Bangladesh 2025



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Introduction

On 20 February 2025, the Chattogram Circularity Talks brought together key stakeholders in the textile supply chain. Participants included industries (textile/garment; local sorters/waste handlers and recyclers), circularity experts and Government officers.

The active projects supporting this topic in Bangladesh, mainly with BGMEA and for the Ministry of Commerce, are Switch to Circular Economy (UNIDO, commissioned by EU/Finland), Sustainability in the Textile Industry - STILE II (GIZ, on behalf of German Cooperation) and Bangladesh Apparel Exchange.

Circularity = closed-loop resource-saving production and consumer systems that eliminate waste and guarantee the longest possible life of the product in its highest value.



Main findings

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→ **Circularity does not exist yet... but Bangladesh has a vast tradition of recycling.**

While circularity remains absent globally (with industries at just 7% circularity and textiles at a stark 0.3%, per Circle Economy Foundation), Bangladesh's long-standing informal practices of recycling, downcycling, and reuse present an opportunity. The country's deeply ingrained tradition of resource recovery, though unstructured, offers a vital foundation to leapfrog into formal, scalable circular models.

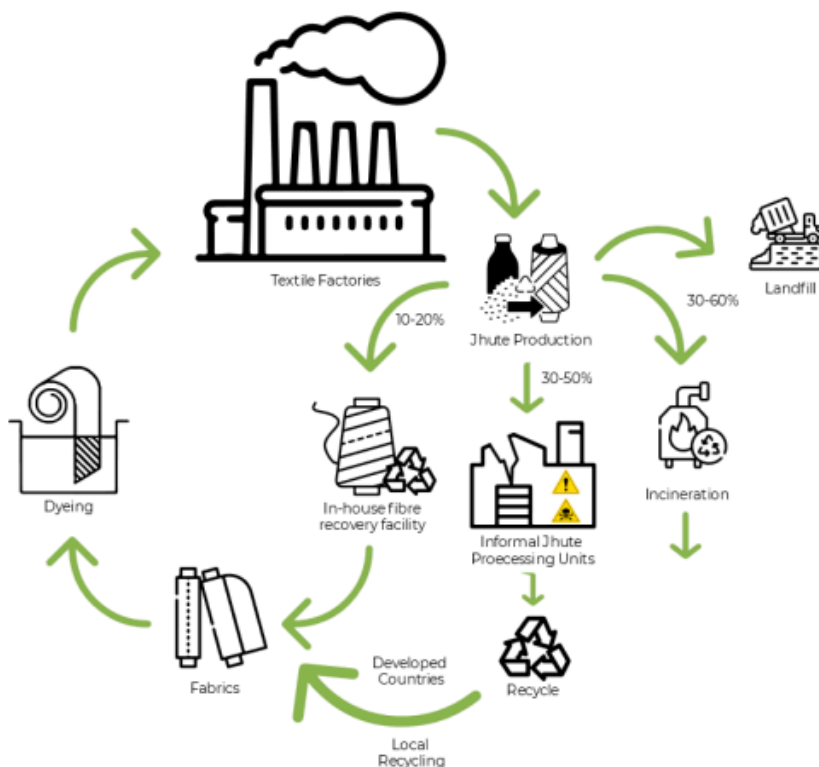
→ **Designing potential for circularity – recycling textile cutting scraps (jhut) as a small piece of the puzzle.**

Circular models for the textile and garments industry focusses on closing loops around fiber-to-fiber recycling. This refers mainly to cotton and mostly not to man-made-fibers. Customers are not yet demanding or paying higher prices for circular garment production and brands are not designing circular products.



It is possible that in the future somewhere someone will invent/create a circular fiber and all currently used fibers - cotton, polymer/polyester, elastane etc - may be replaced. Which would be harmful for some parts of the industry but make the textile world circular. As at today, that is only a scenario.

- The mechanical recycling is mainly based on clean and uniform cotton scraps. The problem is that such white, off-white or black cotton is only a little part of the production. For most of the other blends and fibers, mechanically recycled material presents limited to none RMG applications. It is important to regulate 'greenwashing' practices (e.g., bleaching scraps) by enforcing standards for 'recycled' claims. DoE/MoEFCC is to monitor this and incentivize clean and low-impact methods.
- For chemical or other mixed forms of innovative recycling, for now, the energy intensity and the high costs hinder scaling. Bangladesh should be alert and active in attracting technologies. The environmental trade-offs associated with recycling, particularly chemical recycling is not well understood or documented, considering the chemicals used in the recycling process. Less than 10 companies can do this worldwide – and not on a commercial scale.



→ **Unearthing (cotton, oil, water) as little as possible.**

The aim is to guarantee the longest possible life of the product in its highest value by promoting repair & reuse and scaling industrial symbiosis. Also, to use as little virgin resources as possible to enable reduction of GHG emissions. There are relevant voices that ask brands to not add to the problem by using recyclable materials for new one-time use products!

→ **Jhut**

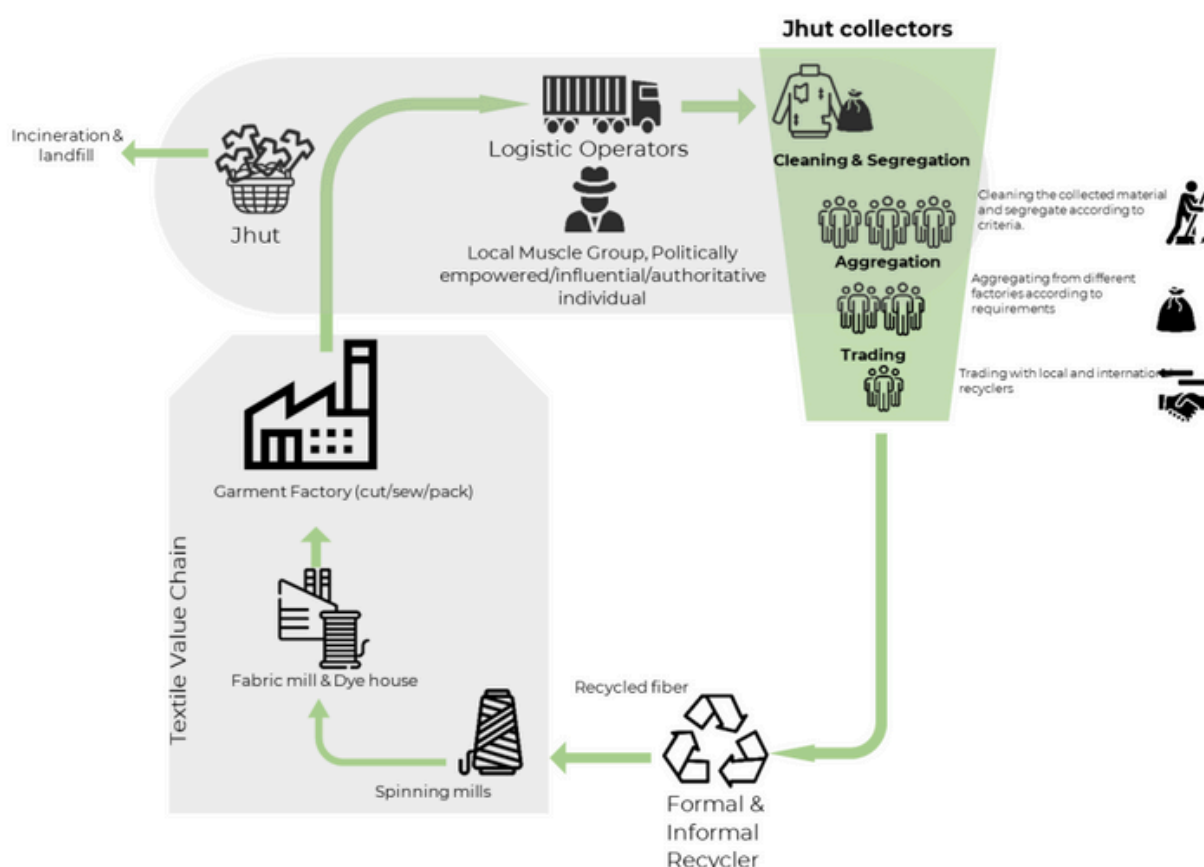
Almost inevitably, considering the relevance of RMG in Bangladesh, the entry point of the circularity conversation is the recycling of post-industrial or pre-consumer waste, mainly cutting scraps (jhut). In any case, advocacy efforts are needed to leverage Bangladesh's 500,000+ tons of annual jhut, predominated by cotton and cotton -rich blends, as a global cotton resource.

→ **Who owns the jhut and how to tax it?**

In the jhut space, the main obstacle for more visible actions seems to be the regulatory and contractual nature of the import of the fibre/yarn/textile. When used under a bonded warehouse system /EPZ, how to sell the scraps? Do they get taxed twice or thrice? Regulations in this space are as necessary as threatening for brands and suppliers, as it would shed light on some elements of subcontracting, of selling of excess production and of the local political muscle men that provide safe passage of lorries, help in solving land or workers issues, etc. This is where associations like BGMEA, BKMEA, BTMA and the Government need to engage in a conversation. A conversation that would need to include the capacity-building programs for sustainable waste management (training for waste sorting, segregation in RMG and textile factories, and compliance at sorting and recycling facilities)

➔ Modernizing and incorporating waste handlers, sorters and recyclers.

Both, big composite textile factories with own spinning mills, and also companies who specialize on spinning recycled materials into yarn, are in need to collect waste from sorters and waste handlers. Those sorters and recyclers must be part of the conversation – and existing institutions like BTGWPEA (registered in 2008) or Chattogram Cotton and Jhut Business Welfare Association (registered in 1995), need to be able to document their membership base and their organizational setup to be an interlocutor. *The beginning of the processors and sorters of garment scraps (jhut) was driven by informality, because in the 1980s the scraps by law had to be burnt. Some was disposed of in rivers and people collected them, dried them and used them for bedding. They designed machines with local engineers to crush the jhut and turn it into fiber.*



➔ Just “transition” and existing SME clusters:

Changes driven by the global supply chain will need to consider the impacts on existing 177 clusters, in which jhut is used for manifold locally or regionally sold products. There is a need to protect these SME clusters by integrating them into the formal supply chain and provide training and access to financial instruments to upgrade their operations sustainably.

Participants represented BGMEA, Envoy Textile, Circle Economy, Recycle Raw, GIZ, BTGWPEA, BAE, BIDA, EPB, CYCLO/Simco, SME Foundation, Reverse Resources, Global Fashion Agenda.



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Government needs to identify a lead Ministry and some basic initial measures.

Whether Environment, Industry, Commerce or Investment, the GoB will have to steer the *jhut* and recycling space – especially when and if brands put more pressure on the suppliers for recycled yarn. The competitiveness, environmental leverage of recycling and circularity, but also the protection of small and medium enterprises and the jobs they are offering, can trigger more formal employment and more fiscal income. This could drive Bangladesh towards being a global leader in a smart use of recyclable resources. Steps on the way include mapping and establishing a *jhut* database, or supporting a model sorting center to explore whether decent working conditions and fair salaries are possible.

Any Questions? Reach out to

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Additional links: <https://bangladeshapparelexchange.com/resources/> Bangladesh Apparel Exchange;
<https://asiagarmenthub.net/resources/2024/internal-stile-jhut-sector-project-preliminary-doc-06-june-24-1final-3-pdf.pdf> view
<https://www.switchtocircular.eu/publication/policy-packages-bangladeshs-circular-garment-and-textile-transition>



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