

Once a \$10m exporter, Ctg's suit-maker Thianis now battles lawsuits, shipment delays

INDUSTRY - CHATTOGRAM

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Company insists rent dues far lower

Thianis Apparels Limited, once a promising suit maker with annual exports of \$10 million, is now mired in unpaid rent, lawsuits, a factory shutdown, and suspended exports.

The company owes the Chattogram Export Processing Zone (CEPZ) more than \$1 million in rent arrears, workers their jobs, and overseas buyers shipments already booked.

Its downfall began with a devastating fire in 2017 that destroyed the factory and machinery. Owner Anisur Rahman, leading a UK joint venture, invested more than \$4,00,000 in renovations and restarted production.

Then came the Covid-19 pandemic, which

TROUBLE AFTER TROUBLE AT SUIT-MAKER THIANIS

Factory fire in 2017 destroys Thianis plant in CEPZ

- Owner invests \$400k, resumes production

Nearly two years of Covid-19 shutdown

- Debts mount, no orders

Operations resume in 2022, finances worsen

- Rent arrears rise \$1m to \$1.34m by Apr 2025
- Waiver request rejected

LEGAL BATTLES START

- HC orders \$55,000 monthly payments in Oct 2024
- Payments stop in Mar 2025
- Bepza seals factory, cancels lease in Jun 2025
- 700 workers unpaid, stage protests
- HC reinstates exports Jul 2025
- Appellate Division overturns ruling on 29 Jul
- Bepza pays workers, plans auction
- HC stays auction for two months on 12 Aug

CLIENTS STEP IN

- Nordic Textile, Groupe Trium raised alarms
- Groupe Trium says fabric worth \$250,000 stuck in factory
- Gets HC stay order still in effect
- Groupe Trium warned contempt of court

forced the factory to remain idle for nearly two years, abruptly halting its recovery and leaving it with mounting debts and no orders.

By the time operations resumed in 2022, the company's finances had worsened further. Rent arrears with the Bangladesh Export Processing Zones Authority (Bepza) ballooned from \$1 million in late 2023 to \$1.34 million by April 2025, including accumulated interest.

Thianis' request for a partial waiver was rejected, and Bepza initiated legal action, sparking a series of court battles that continue today.

Legal battles

In October 2024, the High Court ordered Thianis to pay \$55,000 monthly towards rent and arrears – an arrangement the company could not maintain beyond March this year. In June, Bepza sealed the factory, cancelled its lease, and suspended its export permit.

The closure left around 700 workers unpaid, who staged protests at the CEPZ gates demanding wages.

On 15 July, Thianis secured a High Court ruling staying the lease

and an Appellate Division bench stayed that ruling on 29 July.

The following day, Bepza paid the due wages from its own funds. It then announced plans to auction Thianis' machinery, finished products, raw materials, and other assets – a move that alarmed global buyers awaiting shipments ahead of the next sales season.

The auction, scheduled for 16 September, blocked several shipments of export-ready apparel.

One such shipment of suits, vests, and trousers worth over \$132,891 was fully packed and sealed in a container with an export permission number, but could not be sent to the port, claimed AHC Bangla Fashion Proprietor, a local buying house who supplies to global brands, in a writ petition.

On 12 August, the High Court stayed the auction for two months and ordered that the petitioner's goods be protected.

Other buyers also voiced concern. Norway-based Nordic Textile, one of Thianis' key clients, wrote to the Bepza chairman urging immediate intervention. It said the factory held about 3,300 metres of fabric – already paid for – along with development samples

Trium alleges contempt of court
Canada-based Groupe Trium also raised alarm, saying Thianis retained more than 15,000 metres of its proprietary fabric worth \$250,000.

On 4 September, a High Court bench issued a stay order suspending the auction. The order also covered Groupe Trium's imported goods under two commercial invoices, said Senior Supreme Court lawyer Shamsuddin Babul, who represented the firm.

In a certificate dated 18 September, he confirmed that the stay order remained in effect while the certified copy was being processed.

Babul told The Business Standard on Tuesday: "Buyers have filed petitions with the High Court. Responding to those petitions, the benches issued stay orders. Bepza appealed against two orders in the Supreme Court and had them vacated. However, the third order, issued in favour of Groupe Trium, is still in effect. Any attempt to proceed with the auction will be contempt of court."

CEPZ Executive Director Abdus Sobhan acknowledged receiving Groupe Trium's letter by email. "Our panel lawyers are working on the letter. I can't comment on the issue," he said

immediately so a shipment scheduled for early next week could proceed.

In a letter dated 15 September to Bepza and CEPZ top executives, Groupe Trium Vice President Alain Gauthier noted that Bepza "proceeded with the auction process" by publicly displaying its materials on 8 and 9 September, calling it "a clear violation" of the stay order.

"We will be left with no alternative but to immediately instruct our legal counsel to file formal contempt of court proceedings," the letter warned.

Advocate Babul also cited the Bepza Private Investors Protection Act, 1980, which he said prevents investors' property from being auctioned without court intervention. "This will tarnish Bangladesh's image as a safe investment destination," he cautioned.

Dispute over unpaid rent

Thianis Managing Director Anisur Rahman disputed Bepza's claim, insisting the dues were far lower.

"The real outstanding rent is about one-fourth of Bepza's figure," he said. "I am ready to pay whatever amount arbitration determines."

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Other buyers also voiced concern. Norway-based Nordic Textile, one of Thianis' key clients, wrote to the Bepza chairman urging immediate intervention. It said the factory held about 3,300 metres of fabric – already paid for – along with development samples and SMS items vital for upcoming fashion cycles.

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Meanwhile, Groupe Trium urged Bepza to issue its Export Permit (EP)

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01 OCT 2025

Staying put in Vietnam, furniture exporters bet US consumers will absorb tariff blow

HANOI, Sept 30 (Reuters): Trayton Group signed a deal to relocate most of its furniture production to Vietnam from China the day after Donald Trump was re-elected as US President. New US tariffs would not change the strategy, its head told Reuters.

The mid-sized manufacturer, which declined to disclose its revenues, ships 70 per cent of its furniture to the US, where its sofas and armchairs are sold either under top retailers' names or with its own Simon Li brand in major chains, including Costco.

Trump signed on Monday, opens new tab a document imposing 25 per cent tariffs on wooden furniture from October 14, which could rise next year to 50 per cent for vanities and kitchen cabinets and to 30 per cent for upholstery. He had earlier said the new duties would take effect on October 1. Trayton is exposed to the levy on upholstery, said the company's founder and CEO Simon Lichtenberg, noting that may narrow margins but

was likely to be largely absorbed by US consumers who will pay more.

The relocation to Vietnam, from where Trayton currently sends to America 50 containers per week, "remains the right strategy," he told Reuters, noting US duties are higher for exports from China, where the company still has most of its international workforce of more than 1,000.

China remains the company's hub for research and development, and spare capacity there could allow it to resume production if Beijing managed to lower tariffs on its exports to the US, Lichtenberg said. In a posting on Monday on Truth Social, Trump said: "I will be imposing substantial Tariffs on any Country that does not make its furniture in the United States."

"It would be next to impossible to produce in the United States" because costs are too high and skilled workers would be hard to find, Lichtenberg said, noting that was out of the question. Jonathan Sowter, head of Jonathan Charles Fine

Furniture, a maker of high-quality wood furniture, which employs 2,500 skilled staff in Vietnam and ships about 60 containers a month to the United States, said he would seek to export more to alternative markets. US tariffs would potentially narrow margins, and higher prices were inevitable, he said.

However, "we would have zero intention to manufacture in the United States," Sowter added, noting his company's workforce could not be replicated in America.

Trayton's relocation of a large share of its export-bound production to Vietnam followed similar moves by its main Chinese competitors, including Man Wah Furniture and KUKA Home, which have all transferred capacity from China to its southern neighbour in recent years to avoid US tariffs.

As a result, Vietnam may be on track this year to surpass China as the main supplier of furniture to the United States, US data show.



02 OCT 2025

South Korea posts record semiconductor exports in September

SEOUL, Oct 1 (AFP): South Korea recorded its highest ever semiconductor exports in September, official data showed Wednesday, despite growing pressure from US tariffs and other restrictions on the crucial sector. Seoul logged more than \$16.6 billion in exports of semiconductors last month, up by more than a fifth from September 2024, according to data from the country's industry ministry.

The surge was driven by high demand for high-value memory such as HBM chips used in AI servers, the industry ministry said. Cars, the country's other key export, also performed strongly, with auto shipments climbing to \$6.4 billion, the highest ever recorded for the month of September. Driven by these strong figures, overall exports reached \$65.9 billion, -- the highest in more than 42 months.

Exports rose to all major regions except the United States, which fell 1.4 percent from a year earlier to \$10.27 billion, weighed down by tariffs on steel, automobiles and machinery.

Asia's fourth-largest economy was initially hit with a 25 percent across-the-board tariff by the United States but managed to secure a last-minute agreement for a reduced 15 percent rate.

South Korea is one of Washington's biggest



trade partners, with automobiles leading the pack in exports.

The country has yet to secure a deal, with auto tariffs reduced from 25 to 15 percent but not yet in effect, unlike in neighbouring Japan. Tariffs of 50 percent also remain in place on some key exports such as steel and aluminium.

The new record is a "valuable achievement made by our companies, who swiftly diversified their export markets despite the unfavourable conditions of weakened exports to the US caused by tariff measures," industry minister Kim Jung-kwan said in a statement.

"Uncertainty surrounding our exports remains high due to ongoing US tariff negotiations, and we must remain vigilant and respond swiftly," said Kim.

He added that "the government will strengthen policy support to ensure that our companies can maintain export competitiveness."

