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Korean official sees strong prospect of upgrading Bangladesh's RMG industry

South Korean companies see significant investment opportunities in upgrading Bangladesh's ready-made garment (RMG) industry.

Bangladesh's RMG may enhance value addition and strengthen the country's global competitiveness by expanding the use of man-made fibres (MMF), functional textiles, automated sewing equipment and garment accessories

Talking to BSS, Deputy Director of the Korea Trade-Investment Promotion Agency (KOTRA) in Dhaka Lee Sung-hoon (Daniel Lee) said Korea's advanced expertise in man-made fibres, technical textiles and industrial automation aligns closely with Bangladesh's strategy to transform its apparel sector from a volume-driven industry into a higher-value manufacturing hub, reports BSS.

"Bangladesh's RMG sector, accounts for around 84 percent of the country's exports and about 10 percent of GDP, but the industry remains largely dependent on natural fibres with a value-added ratio of approximately 30 percent," he added.

There is considerable scope for Bangladesh to move up the value chain. Korea is globally competitive in man-made fibres and functional and technical textiles, which aligns precisely with Bangladesh's policy of increasing the share of MMF in garment production, he said.

Lee said cooperation could also expand significantly in automated sewing equipment, garment and footwear accessories, enabling Bangladeshi manufacturers to improve productivity, diversify products and meet changing global demand.

He noted that Korean companies are particularly interested in supporting Bangladesh's transition toward higher-value apparel as international buyers increasingly demand functional fabrics, performance wear and sustainable textile products.

Lee said KOTRA is promoting cooperation in three key areas- product upgrading, process automation and compliance with emerging environmental and regulatory standards.

He said shifting production from natural fibres to man-made fibres and functional materials remains the most effective way to increase value addition. Korean companies possess extensive expertise in both yarn and fabric production, creating opportunities for joint ventures and technology partnerships, he said.

Lee said Bangladesh's textile machinery market is around US$2.1 billion, and investment in modern equipment is gradually recovering as foreign exchange reserves improve.

He said Korean manufacturers see growing demand for automated cutting and sewing systems, automated inspection technologies and energy-efficient factory management solutions. Bangladeshi buyers consistently rate Korean machinery highly for its balance of quality and price, he added.

The KOTRA official said regulatory compliance and environmental sustainability have become increasingly important for Bangladesh's export-oriented garment industry as European market tightens supply chain on the issues of due diligence, eco-design and carbon emission requirements.

He said Korean legal, AI and ICT firms are working with KOTRA to help Bangladeshi garment manufacturers prepare for the European Union's Digital Product Passport (DPP) requirements, which are expected to become a key compliance standard for exporters.

Bangladesh already has the world's highest number of LEED-certified green garment factories, he said, adding that the next challenge is converting those environmental achievements into internationally recognized regulatory compliance.

Lee also said KOTRA is supporting Bangladeshi manufacturers in improving energy efficiency, rooftop solar and wastewater treatment as productivity and environmental performance increasingly go hand in hand.

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RMG exports to US fall 5.58pc as regional rivals gain

MONIRA MUNNI

BANGLADESH VS RIVALS IN US CLOTHING MARKET

H1'26 US apparel imports

$35.08b

(7.71% down YoY)

TOP RMG SUPPLIERS TO US

Country	H1'26 exports (Billion $)	YoY change (%)
Vietnam	7.85	1.33 ↑
Bangladesh	4.01	5.58 ↓
China	3.57	37.65 ↓
Indonesia	2.33	3.67 ↑
Cambodia	2.13	12.61 ↑
India	2.12	25.19 ↓

Why BD losing ground

- Higher energy costs
- Gas, power crunch
- Rising lending rates
- Higher labour costs
- Longer lead times
- Limited value-added products

Bangladesh's readymade garment (RMG) shipments are struggling to keep pace with Vietnam, Cambodia, and Indonesia, with the trio recording growth in the US market during the first half of the 2026 calendar year.

Data analysis shows amid China's steep drop, Vietnam's gain of the top market share, as well as the steady growth of Cambodia and Indonesia, are a clear pivot by American brands toward Southeast Asia.

Bangladesh, being the second largest apparel exporter to the US, fetched $4.01 billion in the first half of 2026, down 5.58 per cent from $4.24 billion in the corresponding period of 2025, according to data released by the Office of Textiles and Apparel (OTEXA) on August 4.

Exporters attribute this decline to rising geopolitical tensions, US-Iran conflicts, and economic uncertainties

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weakening demand, which forced American consumers to prioritise essential spending and reduce apparel purchases.

Besides, Bangladesh is losing its competitiveness because of several domestic challenges, including higher energy costs, inadequate gas and electricity supply, rising bank lending rates, and increasing labour costs, all of which have pushed up overall production expenses, they note.

US apparel imports stood at $35.08 billion during January-June of 2026, marking a 7.71 per cent decline from $38.02 billion in the corresponding period of 2025.

The contraction in US retail demand has triggered major shifts across key Asian sourcing destinations.

Vietnam dethroned China as the top US apparel supplier, shipping goods worth $7.85 billion between January and June 2026, marking a modest year-on-year growth of 1.33 per cent.

Cambodia led all major supplying nations in percentage growth, with year-on-year exports expanding 12.61 per cent to $2.13 billion in this period.

Indonesia also posted gains, growing 3.67 per cent to $2.33 billion and moving ahead of India.

India registered a sharp decline in apparel shipments to the US, which dropped 25.19 per cent to $2.12 billion from $2.83 billion in the first half of last year.

China experienced a big decline, with shipments plummeting 37.65 per cent to $3.57 billion from $5.72 billion in the corresponding first six months of 2025.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) President Mahmud Hasan Khan tells The Financial Express that Vietnam and Cambodia are ahead of Bangladesh in terms of lead time and value-added products.

Though they depend on imported raw materials, they get those within the shortest possible time from China because of their geographical proximity, he notes.

Besides, Vietnam has Chinese investments, which Bangladesh failed to attract due to infrastructure bottlenecks, frequent changes in policies, and political instabilities after the 2024 uprising, the BGMEA leader explains.

Indonesia is doing better because of its manmade fibre-based garment production, Khan says.

According to a recent study by the US Fashion Industry Association (USFIA), American buyers are aggressively consolidating their supplier bases to combat compounding global supply chain disruptions and navigate rising protectionist tariffs, regulatory demands, and fluctuating transpacific freight costs.

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New Ctg Customs House ICD takes charge of export, off-dock cargo to ease bottlenecks

PORT OPERATIONS – CHATTOGRAM

MIZANUR RAHMAN YOUSUF

A major overhaul of customs administration in Chattogram has come into effect, with the newly established Customs House ICD assuming responsibility for export cargo, private inland container depot (ICD) imports and airport consignments.

The specialised commissionerate began full-scale operations on 1 August. It now handles customs assessment for all export consignments shipped through private off-docks and Chattogram Port, imports of 65 categories of goods processed through ICDs, and all import and export cargo passing through Shah Amanat International Airport.

Officials say the move will speed up cargo clearance I SEE PAGE 4 COL 1

- Ctg Customs House ICD operating under new office code **306**
- New commissionerate handles exports, off-dock imports, airport cargo
- Ctg Custom House will focus mainly on seaport imports

Biggest obstacle to faster clearance: manpower

- 664 approved posts, only 135 filled
- Only 35 assistant revenue officers available

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by easing pressure on the country's busiest customs station. Exporters, however, remain sceptical that the new arrangement will streamline trade, citing administrative friction over new office codes and persistent labor shortages.

The restructuring shifts a significant share of customs assessment work away from the century-old Chattogram Custom House, allowing it to focus on seaport imports while the new commissionerate specialises in export and off-dock operations.

"Previously, all the activities were handled by one customs house. Now export, ICD imports and airport cargo are under a dedicated commissionerate, which should make processing faster and more efficient," Chattogram Custom House spokesperson Sharif Al Amin told TBS.

The National Board of Revenue established Customs House ICD on 18 January this year as part of its customs modernisation programme. Abul Basar Md Shafiqur Rahman was appointed its first commissioner on 30 December 2025.

The new system

Aug-8 TBS

Under the new arrangement, importers bringing designated goods through private off-docks must submit bills of entry using office code 306 instead of the previous code 301 used by Chattogram Custom House.

The new commissionerate is also solely responsible for customs assessment of export consignments shipped through Chattogram Port via private ICDs.

Officials said the cargo release process at the port remains unchanged. After assessment by Customs House ICD, release documents are processed through the new commissionerate, while scanning, gate verification and physical inspections continue under existing procedures.

Separate assistant revenue officers have also been assigned to conduct mandatory physical examinations and container unstuffing where required.

Staff shortages cloud expectations

Rakibul Alam Chowdhury, former vice-president of BGMEA, said export processing would have been more effective under the Bond Commissionerate.

"There was no necessity for creating a separate commissionerate for ICDs," he said. "RMG exporters import raw materials under the bond system. If exports were processed by the same authority, accountability would improve because imports and exports could be matched more easily. I think the new commissionerate will complicate things."

Meanwhile, the commissionerate has begun operations with only 135 officials against an approved workforce of 664. Around 60 officers have been temporarily transferred from Chattogram Custom House to keep the new office functioning.

The shortage is most acute among assistant revenue officers (AROs), who carry out customs assessment and clearance.

Mohammad Mahbub Hasan, additional commissioner of Chattogram Customs House ICD, said only 35 AROs are currently available.

"About 20 AROs have to be stationed at Shah Amanat International Airport in three shifts to handle air cargo. That leaves very limited manpower to assess export cargo and imports handled through the off-docks," he said.

Mahbub said consultations with stakeholders had resolved most initial operational issues before full implementation. He acknowledged that staffing remained the biggest obstacle to achieving faster customs assessment and cargo clearance.

The transition has also created temporary difficulties, with some traders continuing to submit declarations using the previous office code 301. Mahbub said an automated system was being introduced to convert declarations submitted under the old code to the new one.

Business representatives welcomed the creation of a dedicated commissionerate but said its success would depend on filling vacant posts.

Obaidul Hoque Alamgir, joint secretary of the Chattogram Customs Agents Association, said separating export and ICD operations should reduce pressure on Chattogram Custom House.

"The objective of establishing a separate commissionerate is positive because it will distribute the workload and make customs assessment and cargo clearance faster. However, unless the approved manpower is posted quickly, the commissionerate may struggle to deliver the expected improvements," he said.