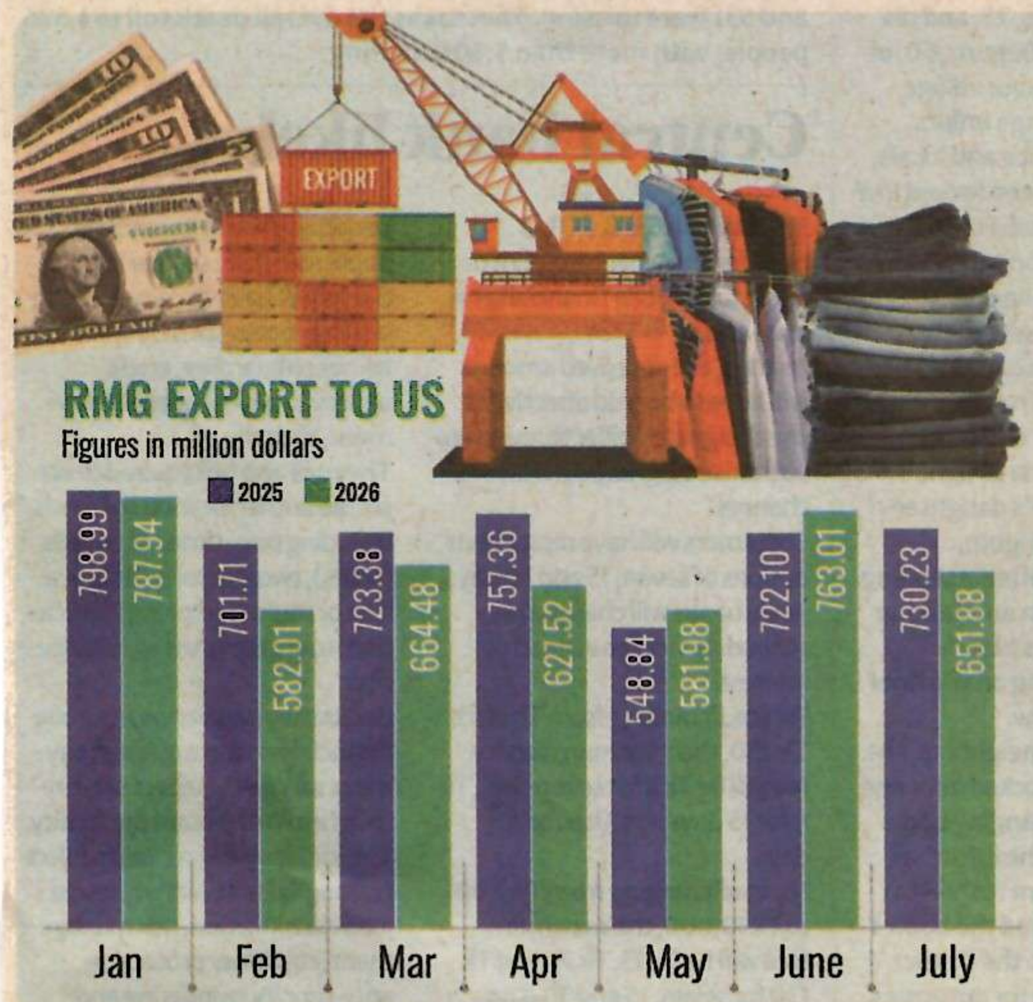
The Financial Express
06 SEP 2026

Apparel exports to US fall 6.25pc in first seven months

China's sharp decline fails to translate into major gains for Bangladesh



COMPETITOR-WISE EXPORT PERFORMANCE

In billion US dollar

Country	Jan-Jul'26	YoY
Vietnam	9.37	-0.68%
Bangladesh	4.65	-6.25%
China	4.55	-34.11%
Indonesia	2.74	+3.10%
Cambodia	2.62	+10.89%
India	2.45	-25.65%
Pakistan	1.27	-5.44%

WHY BANGLADESH IS LOSING GROUND

- Limited synthetic and technical apparel capacity
- Heavy reliance on basic cotton knitwear
- Longer shipping routes and feeder-port bottlenecks
- Domestic energy shortages and buyer uncertainty

MONIRA MUNNI

Bangladesh's ready-made garment exports to the United States fell 6.25 per cent year-on-year in the first seven months of 2026, as the country struggled to benefit from shifting orders away from China.

While Cambodia and Indonesia recorded growth, Bangladesh's shipments declined amid competition from regional suppliers, supply chain constraints and domestic energy shortages, according to US apparel import data.

The country fetched US$4.65 billion during the January-July period of 2026, compared with US$4.96 billion in the same period of 2025, according to data released by the Office of Textiles and Apparel (OTEXA) on September 3.

Despite brief growth spurts in May (6.03 per cent) and June (5.66 per cent), double-digit contractions of 17.05 per cent, 17.14 per cent and 10.72 per cent in February, April and July respectively severely pulled down total export receipts.

Industry insiders said Bangladesh had failed to capture China's diverted market share, while regional competitors Cambodia and Indonesia capitalised on the shift.

US apparel imports from key Asian supplying nations displayed a stark divergence through July 2026, with traditional manufacturing giants China and India experiencing steep pullbacks, OTEXA data analysis showed.

China recorded the most dramatic downturn among major suppliers, with its year-on-year apparel exports to the United States plummeting 34.11 per cent to US$4.55 billion in the first seven months of 2026, compared with US$6.91 billion during the same period in 2025.

India similarly faced a significant pullback, with its shipments declining 25.65 per cent to US$2.45 billion from US$3.30 billion in 2025.

In contrast, Cambodia emerged as the standout performer in the region. The nation posted a 10.89 per cent expansion in year-to-date export values, reaching US$2.62 billion compared with US$2.36 billion in the previous year.

Indonesia also sustained positive momentum, recording a 3.10 per cent increase in apparel shipments to US$2.74 billion during the first seven months of 2026.

Market giant Vietnam, however, demonstrated relative stability, recording a minor year-on-year value contraction of 0.68 per cent to US$9.37 billion, compared with US$9.43 billion in 2025.

Pakistan recorded a 5.44 per cent decrease to US$1.27 billion during the January-July period of 2026.

The pronounced divergence reflects ongoing supply chain realignments among American brands and buyers seeking to diversify risk, manage tariff exposure and reallocate orders across Southeast and South Asian hubs, industry people opined.

Talking to the FE, a good number of exporters said Vietnam remained the primary alternative to China for higher-value and complex garment categories.

Cambodia emerged as the relative winner, leveraging a double-digit surge to absorb displaced low-to-mid-tier orders, particularly in basic wovens and activewear, they noted, adding that Indonesia maintained positive momentum, presenting US buyers with a reliable alternative hub for mid-market apparel.

Explaining the key structural factors holding Bangladesh back, they said China's exit had left a vacuum primarily in synthetic and technical apparel, or man-made fibres (MMF). Vietnam and Cambodia possess mature MMF supply chains, whereas Bangladesh remains heavily reliant

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Apparel exports to US fall

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on basic cotton knitwear, limiting its ability to pick up China's former product lines, they said.

Besides, US buyers are prioritising supply chain agility and favouring Southeast Asian ports, which offer shorter transit times to the US compared with Bangladesh's longer shipping routes and domestic feeder-port bottlenecks.

Domestic energy shortages, wage restructuring debates and political transition pressures in Bangladesh during recent cycles created buyer hesitancy, prompting American brands to hedge their sourcing allocations towards Vietnam, Cambodia and Indonesia, they noted.

Talking to the FE, BGMEA Senior Vice President Inamul Haq Khan said Bangladesh was marginally doing better than other countries, but Cambodia, Vietnam and Indonesia had taken the lead in recent months.

Buyers depend on Bangladesh for large work orders because of its capacity, while they prefer those nations mostly for small-sized orders, he said, describing Egypt as the next performer as buyers find it possible to receive goods from there within the shortest possible time, mostly for the EU market.

Talking about gas supply, he lamented that, despite being one of the major stakeholders, they were still in the dark, as no concrete information on gas supply was being conveyed by the concerned authorities.

"Members are worried and we have no information on when the existing situation will improve," he noted.

Mohiuddin Rubel, a former BGMEA director, said Bangladesh's performance, compared with the 8.28 per cent fall in overall US apparel imports during the period, was not that poor.

"Bangladesh can grab more Chinese and Indian orders if it sustains its competitiveness, which has been eroding for various reasons, including internal factors such as the energy crisis," he said. He, however, said that although Indonesia and Cambodia had recorded positive growth, their earnings were far below those of Bangladesh.

The new generation of American consumers are choosing more sustainable and used apparel, which lowers imports but raises domestic sales, Mr Rubel noted.

The Financial Express
06 SEP 2026

Nearly 50pc industrial plots ready at Jashore EPZ

Nearly half of the industrial plots planned for the Jashore Export Processing Zone (EPZ) have already been prepared for allocation to investors, as the development of the new industrial hub in the country's southwestern region is progressing rapidly, reports BSS.

Of the 415 industrial plots planned under the project, 200 have already been made ready for allocation to investors, said Abu Syeed Md. Anwar Parvez, executive director (Public Relations) of Bangladesh Export Processing Zones Authority (BEPZA).

"Jashore EPZ is not merely an initiative to establish an industrial zone; rather, it is opening a new window of opportunity to transform the overall economic scenario of the southwestern region of the country," he told BSS.

He said the construction of the EPZ is progressing rapidly under BEPZA's supervision while infrastructure development and the plot allocation process are being carried out simultaneously to enable investors to establish factories and start commercial operations at the earliest possible time.

"Several local and foreign investors have already visited the Jashore EPZ," he said, adding that BEPZA is taking steps so that investors can move ahead with factory construction and other preparatory activities without waiting for the completion of all infrastructure works.

According to BEPZA, the Jashore EPZ is being established on 510 acres of land at Prembagh Union under Abhaynagar upazila of Jashore district with the objective of attracting investment, increasing export earnings and creating large-scale employment in the southwestern region.

The project was approved by the Executive Committee of the National Economic Council (ECNEC) on November 9, 2023, at a cost of taka 16.78 billion.

The land was handed over to BEPZA by the Jashore district administration on March 23, 2024.

The project aims to attract around US$2 billion in investment and generate annual exports worth US$2.4 billion when fully operational. It is expected to create direct employment for 150,000 people and indirect employment for another 300,000 Bangladeshis.

Anwar Parvez said the simultaneous progress of plot allocation and infrastructure development would allow investors to complete factory construction and other preparations while the EPZ's internal facilities are being developed.

"By the time investors complete their preparations for setting up factories, the necessary infrastructure of the EPZ will also be completed," he said.

According to the project update, around 70 percent of land development work has been completed while construction of RCC canals is about 95 percent complete. Roads, drains, culverts, boundary walls and footpaths are under construction.

Construction is also underway on an office building, four six-storey factory buildings, three 10-storey residential buildings, two six-storey dormitories and two six-storey Ansar and security barracks.

The tender process for establishing a gas network by Sundarban Gas Company Limited is underway.

An initiative has also been taken to construct a 33/11 kV GIS substation under the financing and management of Bangladesh Rural Electrification Board, while the 11 kV electrical line and substation have already been commissioned.

Tenders have been invited for solar street lights and a water distribution network. Designs and estimates for the Central Effluent Treatment Plant (CETP), Sewerage Treatment Plant (STP) network and internet network are also being prepared. Two deep tube wells have already been installed.

The Financial Express
06 SEP 2026

Lift ban on knit fabric import

BKMEA urges govt

FE REPORT

The Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) has urged the government to immediately withdraw a provision in the new import policy for 2026-29 that prohibits the import of knit fabrics.

In a letter to the commerce minister on September 2, BKMEA President Mohammad Hatem expressed concern over sub-clause 12 of provision 25 of the policy, which states that "knit fabrics shall not be importable."

According to the letter, authorities had acknowledged during previous consultations with industry stakeholders that the restrictive provision was included inadvertently and assured the industry that it would be removed.

However, the restriction remained in the official gazette published by the commerce ministry on August 24, 2026.

The BKMEA chief highlighted that the ongoing gas crisis has severely disrupted domestic textile mills and fabric production. As such, local manufacturers are unable to meet the volume, specialised technical standards and design variations required by international buyers, making raw materials import unavoidable.

The association also noted that several garment exporters had opened letters of credit for raw knit fabrics before the gazette was published. Many of those shipments have already arrived at Chittagong Port or are in transit, according to the letter.

BKMEA warned that enforcing the ban would prevent customs clearance, causing shipment delays, financial losses and potential cancellation of export orders.

It urged the government to immediately suspend or repeal the provision to ensure uninterrupted production and fulfillment of buyers' commitments.

munni_fe@yahoo.com

The Financial Express
06 SEP 2026

Bicycle exports rebound, $151.4m earned in FY26

SAIF UDDIN

Following a major setback in FY2024, Bangladesh's bicycle export sector has returned to a growth trajectory on the back of local capacity enhancement and growing demand in major destinations.

Industry people attributed this turnaround to easing global freight rates, accelerated domestic backward linkage investments, and a renewed surge in demand for affordable, eco-friendly mobility across destination countries.

According to data available with the Export Promotion Bureau (EPB), from a peak of US $167.95 million in FY 2021-22 and $142.22 million in FY 2022-23 export earnings declined to a low of $82.50 million in FY 2023-24.

Later the receipts of foreign currency climbed to $116.44 million in FY 2024-25 and $151.40 million in the last FY 2025-26.

In the first two months of the running FY 2026-27, the sector earned $29.39 million which is higher than $24.19 million recorded in the last FY.

After navigating persistent inflationary pressure and oversupply in major European distribution channels, the sector is witnessing a solid revival in export orders, particularly for mid-range performance models and urban commuters, said an industry official.

"If the government maintains supportive trade policies, expedites customs clearance, and provides specialized incentives for high-value components, local manufacturers can significantly scale up export turnover and expand their international footprint," he said.

The sustained rebound demonstrates the strategic importance of the bicycle industry within the country's light engineering sector.

Over the past two decades, Bangladesh has emerged as an established sourcing hub, with locally assembled two-wheelers now exported to more than 40 countries worldwide.

According to the sources, the European Union remains the principal destination, led by

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buyers in Germany, the United Kingdom, the Netherlands, Austria, Denmark, and Poland who leverage preferential tariff facilities. In addition, exporters are actively widening their outreach to non-traditional markets across North America and parts of Asia.

The export portfolio comprises a versatile mix of models to meet the needs of varied consumer segments. Key products include conventional city commuter bicycles, mountain bikes (MTBs), road cruisers, children's cycles, and an expanding selection of electric-assist bicycles (e-bikes).

Sources said local companies are widening their capacities to produce structural components like alloy frames, forks, rims, spokes, inner tubes, tires, and saddles, thereby curbing external supply chain vulnerabilities and increasing local value addition.

Meghna Group dominates Bangladesh's bicycle export sector, while other top players include Rangpur Metal Industries, Panam Group and Alita (BD) Limited.

To sustain this upward momentum beyond FY 2026, stakeholders emphasise the necessity of overcoming lingering infrastructural constraints, port congestion, and specialised testing limitations.

Setting up internationally certified testing laboratories and facilitating low-interest capital for technological upgrades will be pivotal in maintaining cost competitiveness and advancing national export diversification goals.

saif.febd@gmail.com

The Daily Star
06 SEP 2026

Bangladesh retains No 2 spot in US apparel exports

US APPAREL IMPORT

	Jan-Jul 2026 value (m/$)	Growth
World	41,834	↓ 8.65%
Vietnam	9,365	↓ 1.03%
Bangladesh	4,658	↓ 6.50%
China	4,555	↓ 34.21%
Indonesia	2,743	↑ 2.76%
Cambodia	2,621	↑ 10.48%

SOURCE: OTEXA

REFAYET ULLAH MIRDHA

Bangladesh retained the second position in garment exports to the US in the January-July period as China's apparel shipments to the American market recorded their steepest decline.

Bangladesh first overtook China in January-February as the Trump administration imposed higher tariffs on Chinese garment imports.

It retained the position in January-July despite a 6.50 percent year-on-year decline in garment exports to the US to $4.66 billion, mainly due to weaker demand for locally made apparel, according to data from the Office of Textiles and Apparel (OTEXA), the US provider of global apparel import data.

In July alone, Bangladesh's garment exports to the US fell 10.73 percent.

Overall, US apparel imports declined 8.65 percent year-on-year to $41.83 billion in January-July.

China's apparel shipments to the US fell 34.21 percent to $4.55 billion, while India's declined 25.77 percent to $2.45 billion and Pakistan's 5.60 percent to $1.26 billion.

Vietnam's shipments fell 1.03 percent to $9.36 billion, while Indonesia and Cambodia posted growth of 2.76 percent and 10.48 percent to $2.74 billion and $2.62 billion, respectively.

Vietnam remained the largest apparel exporter to the US, followed by Bangladesh and China.

Bangladesh is in a relatively better position than some other apparel-exporting countries in terms of tariffs, which is helping boost shipments to the US market, said Shovon Islam, managing director of Sparrow Group.

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Bangladesh retains No 2 spot in US apparel exports

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"Although exports are in a good position, prices declined in January-July as local exporters had to bear part of the reciprocal tariff," he said.

If the energy crisis is resolved, Bangladesh could perform even better in the US market, Shovon added.

"China is losing market share, and Bangladesh may be able to perform better in the future. In fact, Vietnam is taking more of China's market in the US, while Bangladesh is taking a smaller share," said Anwar Ul Alam Chowdhury Parvez, chairman and managing director of Evince Group, which ships a significant portion of its garments to the US.

However, Bangladesh's ability to retain the position could be challenged by the ongoing energy crisis, he said.

"We are concerned whether Bangladesh can retain this position in the US market as the energy crisis persists in industrial units. Buyers are also well aware of the energy situation," Anwar said. If the country can ensure adequate energy supplies, Bangladesh may sustain the positive trend, he added.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said Bangladesh could benefit further as China loses market share in the US, but sustaining growth will require lower production costs and reliable gas and power supplies.

Mahmud Hasan Khan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the outlook for garment exports to the US was positive as work orders were rebounding following the finalisation of effective tariff rates for individual countries by the US government.

However, the industry's focus should [illegible] on how much value local manufacturers retain, he said.

"Obtaining letters of credit from international buyers should not be the main target, as many exporters cannot make even a minimum profit because of high import costs for raw materials such as fabrics and chemicals," Mahmud said.

Many exporters are also shipping goods below production cost in the hope of making profits later, he said. The BGMEA wants the industry to achieve a retention value of $20 billion if Bangladesh exports $50 billion worth of garments a year, Mahmud added.

The US is Bangladesh's single largest garment export destination.

In February, Bangladesh and the US signed the Agreement on Reciprocal Trade (ART), which includes a textile clause. Under the clause, garments made in Bangladesh using US-sourced cotton and man-made fibres could qualify for duty-free access to the US market.

The provision could further strengthen Bangladesh's competitiveness in the US

The Business Standard
06 SEP 2026

US tariffs push down Bangladesh apparel prices 2.26% in seven months

EXPORTS – BANGLADESH

REYAD HOSSAIN

Exporters expect prices to rise in coming days

The average price of Bangladesh's apparel exports to the United States fell 2.26% year-on-year in the first seven months of 2026, as exporters faced part of the additional tariff burden imposed by the Trump administration.

The decline in unit prices came alongside a 6.50% fall in Bangladesh's apparel export value to the US during the same period (January-July), while shipment volume dropped 4.34%, according to data from the US Office of Textiles and Apparel, cited by Bangladesh Apparel Voice (BAV), an independent intelligence hub for Bangladesh apparel, delivers data-driven reporting and advisory on trade, ESG and innovation to global brands, media and policymakers.

The figures indicate that export prices declined faster than shipment volumes during the period, putting further pressure on manufacturers already facing rising production costs.

Exporters attributed the price decline mainly to the US reciprocal tariff regime.

"Exporters had to face part of the reciprocal tariff burden. As a result, we had to reduce apparel prices to some extent, which affected unit prices," Shovon Islam, managing director of Sparrow Group, told TBS yesterday.

US Apparel Import by Unit Price in Jan-Jul

Country	2025	2026	Growth
Mexico	$4.01	$4.57	↑13.86%
Indonesia	$4.11	$3.86	6.10%
Honduras	$3.45	$3.67	↑6.37%
Vietnam	$3.55	$3.50	1.44%
India	$3.56	$3.48	2.30%
Bangladesh	$3.12	$3.05	2.26%
Cambodia	$3.07	$3.02	1.40%
Pakistan	$2.86	$2.72	5.12%
China	$1.67	$1.45	13.24%
World	$3.14	$3.17	↑0.84%

Before the reciprocal tariffs were introduced, Bangladeshi apparel products entering the US market faced a most-favoured-nation tariff of more than 15%.

The US administration imposed an additional 10% reciprocal tariff in April 2025, which was later raised to 20%. Although a US court subsequently struck down the reciprocal tariffs, the Trump administration imposed a 10% tariff.

During the period covered by the latest data, Bangladeshi exporters faced a 20% reciprocal tariff from January to March and a 10% tariff from April to June.

Exporters said they did not all bear the additional tariff burden equally. In some cases, buyers and exporters shared the cost, with exporters absorbing roughly one-third of the additional tariff and, in some cases, up to half.

As a result, many exporters were forced to offer lower prices to retain orders, further squeezing their margins.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association, said the situation has become increasingly difficult as production costs continue rising while export prices fall.

"Production costs are rising continuously, but instead of increasing, product prices have declined," he said, adding that some entrepreneurs have accepted orders at a loss simply to keep their businesses running.

He said factories are also struggling with electricity and gas shortages and have had to use diesel at three to four times the normal cost to maintain production, while buyers are offering lower prices.

Hatem warned that more factories could shut down unless the situation improves.

However, exporters are now seeing signs of improvement.

Shovon Islam said the pressure to face the tariff burden has eased, while US buyers are no longer demanding discounts in the same way.

"We are no longer being asked by US buyers to provide discounts," he said, expressing hope that exporters will receive better prices in the coming months.

The Business Standard
06 SEP 2026

Govt halts knit fabric import for RMG; exporters fear blow

IMPORT – BANGLADESH

REYAD HOSSAIN

Meeting on the issue is scheduled to be held at the commerce ministry today

> *"We have more capacity than the amount of raw materials required for knitwear production. Bangladesh is now the king of knitwear.*
>
> SHOWKAT AZIZ RUSSELL
> PRESIDENT, BTMA

The government has stopped the import of knit fabrics used by knitwear exporters under its new Import Policy Order, raising concerns among apparel exporters in the sector. They say the move, if implemented, could hurt knitwear exports.

Seeking the withdrawal of the provision, the two organisations representing apparel exporters – the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) – sent a letter to the commerce minister on 1 September.

An emergency meeting on the issue is scheduled to be held at the commerce ministry today.

The ministry has not explained exactly why the decision to stop knit-fabric imports was taken. However, Commerce Minister Khandakar Abdul Muktadir told The Business Standard that local industries have developed the capacity to meet most of the demand for knitwear raw materials. However, some specialised imports are still necessary.

"We will understand the issue better once we hold the meeting," he said.

Industry stakeholders, however, believe the government has moved to restrict imports as a measure to protect heavily invested local textile mills, which they say are capable of supplying the entire demand for knitwear.

The Import I SEE PAGE 4 COL 5

CONTINUED FROM PAGE 3

Policy Order recently issued by the commerce ministry states that knit fabrics will not be eligible for import.

However, it allows specialised knit fabrics based on specific buyer requirements – such as man-made fibre fabrics, sportswear fabrics, and functional or technical textiles that are not produced locally – to be imported subject to recommendations from the relevant exporters' association and certification from the lien bank.

Exporters fear orders could shift

Apparel industry owners say the restriction could hurt exports. They fear buyers may shift orders to other countries if they are unable to have their preferred yarn or fabric supplied.

Mohammad Hatem, president of BKMEA, told TBS, "We do not produce every type of knit fabric here. Some high-value-added knit fabrics need to be imported. In some cases, buyers also supply raw materials on a free-of-cost (FOC) basis. That is why these fabrics need to be imported."

He said imports are also necessary ... had protested and explained why imports were necessary.

"Based on our arguments, the then acting secretary of the Commerce Ministry assured us at that meeting that the issue would not be included in the Import Policy Order. We need to know how it eventually made its way into the order," he said.

Industry stakeholders said around 80% of the yarn and fabric required by the country's knitwear sector is sourced from local mills, while the remainder is imported. In contrast, local textile mills can supply around half of the raw materials required by the woven garment sector.

Textile millers say local capacity is sufficient

Textile sector entrepreneurs, however, claim they are capable of meeting 100% of the knitwear sector's demand.

Showkat Aziz Russell, president of the Bangladesh Textile Mills Association (BTMA), told TBS, "We have more capacity than the amount of raw materials required for knitwear production. Bangladesh is

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He said imports are also necessary when imported materials are significantly cheaper than locally produced ones in order to remain competitive.

"Even if we can get the same raw material at a lower price from abroad than in the local market, we will not be able to import it. Then why would buyers place orders here?" he said.

Describing the decision as part of a "deep conspiracy" to put the country's export-oriented apparel sector in trouble, the Narayanganj-based knitwear exporter said it was urgent to identify those behind the decision.

He said the issue had previously been raised at the ministry, when exporters had protested and explained why imports were necessary.

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Textile millers say local capacity is sufficient

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He said buyers have traditionally dictated sourcing decisions, meaning that even when materials are imported, the benefits go to buyers rather than garment exporters.

"But buyers dictate the sourcing here. So even if imports take place, the benefits do not go to garment exporters; rather, the buyers get the benefit," he said. "As a result of the government's decision, buyers will no longer have the opportunity to dictate where raw materials are sourced."

Bangladesh exports around $39 billion worth of apparel products annually, with more than half coming from knitwear.