

From cartons to RFID tags: How garment accessories making goes next level

INDUSTRY - BANGLADESH

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Starting off with corrugated cartons in the mid-1980s, the garment accessories sector has now evolved into the manufacture of smart contemporary components like radio frequency identification (RFID) for supply chain tracking and biodegradable packaging.

The backward linkage industry, which supplies 90% of vital accessories needed for exportable apparels, now aspires to grow as a global hub of industrial accessories.

Apart from supplying the \$43 billion apparel export market, the accessories and packaging industry has roughly \$500 million as direct export to its credit.

China's prospect of gradually moving out of the sector makes the industry people more hopeful of a growth in the future.

While new investment enters the sector, existing companies are going for expansion to focus more on specialised items such as ornamental laces, hooks, specialised laces for branded garment and special lingerie boxes.

Md Moazzem Hossain Moti, presi-



dent of Bangladesh Garment Accessories Manufacturers and Exporters Association, told The Business Standard that a number of existing

companies are now increasing investments for making such items.

A company named RSS Thread and Accessories has already im-

ported necessary machinery for manufacturing specialised components, said its Chairman Md Abdun Noor.

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target to take its exports to \$1.00 billion by 2030.

Basically, the cartons of different imported goods were made reusable by customising them manually to carry export-oriented apparel goods.

In 1986, Khan Enterprise, now Khan Accessories & Packaging Company, and a few other companies would re-

make cartons and supply them to RMG factories. But the supplies were too lit-

tle to meet the demand at that time.

Later, Panorama Printers, Rupsha Packaging, Habib Box, MAC pack-

aging, Modern Packaging, Saimon Packaging, Kulshi Packaging, Khan Enterprise, Mohammadi Packaging, and Industrial Printing and Packaging

entered into remaking of cartons

Shafiqul Choudhury, owner of Kulshi Packaging, told TBS that Pan-

orama Printers and MAC Packaging first started making cartons with semi-auto

machines at the beginning of 1988. They also used to export a portion.

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growing strength

Bangladesh's garment accessories industry has big potential to grow further as China is not much interested in making such low-cost items. Rather, the country is more focused on sophisticated items, he pointed out.

Dr MA Razaque, international trade specialist and chairman at Research and Policy Integration for Development (Rapid), also holds the same view.

China will gradually move away from the accessories sector as it is now focusing more on sophisticated products. So, Bangladesh can grab the opportunity, he told TBS.

Apart from developing the skill to make RFID, a smart tracking system alternative to a security tag, the accessories industry has got barcode stickers and poly stickers in its product list.

In five years ago, Bangladesh used

to import such tech-based accessories from China and other countries.

Over the last three decades, the accessories and packaging industry has evolved into a forex earner

mainly in the form of deemed exports. Currently, the sector accounts for around \$5 billion out of around

\$4.3 billion in apparel exports.

With the local supply capacity now reaching to more than 90%, lead time has improved a lot as garment exporters now can source accessories and packaging locally.

The number of accessories factories now is 1,400. The industry's investments amount to \$7 billion with five lakh people employed, according to Bangladesh Garment Accessories Manufacturers and Exporters Association.

There are at least 30 companies in the sector with an investment of Tk500 crore each, the association said.

The apparel industry has set a

target to take its exports to \$1.00 billion by 2030.

This will take the stake of the accessories and packaging sector to \$15 billion, say industry people.

Moazzem Hossain feels, "We have the potential to become a hub for the exports of accessories. Bangladesh also has capability to export packaging of other products to different countries, apart from apparels."

For this, he said they need support from the Export Promotion Bureau for highlighting the country's competitiveness abroad and a positive attitude of the Customs, Intelligence and Investigation Directorate of the National Board of Revenue.

Moazzem Hossain Moti said the accessories and packaging industry got a boost with large investments coming in after 2000.

Local companies started making accessories of different styles and designs, such as button, elastic, interlining, motif, pocketing fabric, lin-

ing, interlining elastic, cord, ribbon, rivet, and toggle. Such items used to be procured from China, Hong Kong and Korea, he also said.

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