

84 RMG units lose right to duty-free import of fabrics

REFAYET ULLAH MIRDHA

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday cut the right of 84 garment factories to duty-free import of fabrics due to poor compliance and safety standards.

The BGMEA suspended the units' Utilisation Declaration (UD), which is a certification determining how much inputs and packaging materials will be used by a factory in manufacturing exportable products.

The garment makers' platform issues the certification, which is vital for duty-free import of fabrics.

Another 54 member factories have been given time to show progress so that they can continue availing their certification as their business record is better than that of the 84, said Rubana Huq, president of BGMEA.

The managements of the 54 were asked to attend a BGMEA meeting this month

did not pay heed to our concerns."

Now, if any accident takes place in those factories, the DIFE will not be held responsible, said Roy.

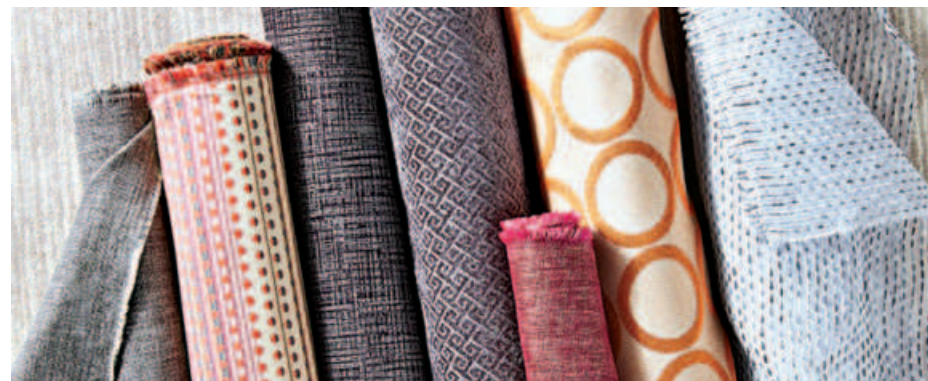
The DIFE also recommended cancelling UD of over 40 garment factories which were members of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), he also said.

Financial problems were not barring the factories from upgrading the compliance and safety standards, he said.

"Rather, I noticed that they lack interest. They like to operate their factories without upgrading the compliance and safety standards."

Only when the BGMEA, BKMEA and the DIFE are satisfied with improvements in compliance and safety standards will the UD certification be issued anew, he said.

The suspended factories are not members of the Accord and Alliance, two foreign factory inspection agencies.



to inform of their current compliance and safety standards before taking any upgradation measures, Huq said.

There are another 35 factories which closed on failing to generate business, for which they need not face the suspension, she said.

The BGMEA took the decisions on the 173 as per a January 5 recommendation of the Department of Inspection for Factories and Establishments (DIFE).

"Factories, which haven't been able to comply with the basic requirements even after six years of Rana Plaza tragedy, don't qualify to be reconsidered. Suspension of the UD is the first step," Huq told The Daily Star.

The DIFE had recommended cancelling the UD of the factories as their conditions were very vulnerable, said Shibnath Roy, inspector general of the department.

"Although we have asked those units several times to remediate their safety measures, they

This is why the DIFE engineers under a national initiative monitored and inspected those factories to ensure electrical, fire and structural safety at workplaces.

Talking to The Daily Star, owner of one of the 35 factories said he had closed down his unit one year ago for being unable to make profits.

He used to export \$2 million-worth sweaters employing 350 workers in the city's Demra.

"So, I do not have any problem whether the UD of my factory has been suspended or not," the owner said asking not to be named.

The cost of production increased a lot over the years for different reasons, but at the same time the prices of the garment items have been squeezing every year, he said.

"However, I have a plan to set up a new factory in future if the prices of garment items rebound again."

Regent Airways confident of turnaround

The airline marks 10 years of operation

STAR BUSINESS REPORT

Regent Airways, which is now operating with just two aircraft, yesterday vowed to bounce back from its current predicament by adding four more aircraft to its fleet, repairing two and improving service quality.

The Chattogram-based Habib Group-owned airline flies on two domestic and five international routes. It is hoping to get delivery of four Boeing 737-800 within a few months.

Regent Airways has been going through serious financial woes since 2018, which forced it to shave off four aircraft from its fleet last year.

"We are currently going through a temporary distressing situation," Imran Asif, CEO of the airline, told reporters at a press conference held at the Pan Pacific Sonargaon hotel in Dhaka yesterday.

Fearing that the airline might be shut down, state-run Biman Bangladesh Airlines has recently sent a letter to foreign stations alerting them not to take flight interruption

manifest (FIM) from Regent.

An FIM is a document issued by an airline as a substitute ticket coupon when passengers' original travel is disrupted by

schedule change, overbooking or cancellation.

Asif called the letter inappropriate, saying: "We pay FIM bills through IATA Clearing House.

We never delay such payment. It is an unfortunate matter that after Biman's letter, airlines have stopped taking FIM from us."

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Imran Asif, CEO of Regent Airways, speaks at a press conference at Pan Pacific Sonargaon Dhaka yesterday.

India asks refiners to stop buying Malaysian palm oil after political row

REUTERS, Mumbai

India has informally asked palm oil refiners and traders to avoid buying Malaysian palm oil, government and industry sources said on Tuesday, following Malaysian criticism of India's actions in the Kashmir region and its new citizenship law.

India is the world's biggest buyer of the oil and palm oil inventories could spike in Malaysia, putting prices under pressure if Indian refiners reduce purchases from the country. Malaysian prices are the global benchmark for palm oil prices.

A senior official in India's vegetable oil industry, who did not wish to be named, said the government had asked refiners at a meeting attended by two dozen vegetable oil industry officials in New Delhi on Monday to boycott Malaysia.

"In Monday's meeting we have been verbally told to avoid buying

Malaysian palm oil," the official said.

"We've had various rounds of meetings within the government

and industry to see how we could reduce imports from Malaysia," one Indian government official said, adding India has yet to firm

up a plan of action and is exploring various options.

Malaysia Prime Minister Mahathir Mohamad has angered India over his comments on India's actions in Kashmir and over a new Indian citizenship law, which critics say chips away at India's secular foundations and could be used by to discriminate against Muslims.

In October, Indian traders stopped signing new contracts with Malaysia for a brief period fearing India will raise import tax on Malaysian palm oil after Mahathir told the U.N. General Assembly that India had "invaded and occupied" Kashmir, a disputed Muslim-majority region also claimed by Pakistan.

Last month, Mahathir, prime minister of a predominantly Muslim nation, also waded into the debate about India's new citizenship law, which has led to violent protests in India and at least 25 deaths in clashes with police.



A worker unloads palm oil fruits from a lorry inside a palm oil factory in Salak Tinggi, outside Kuala Lumpur, Malaysia.

Don't be put off by fires, Australia tells tourists

REUTERS, Sydney

Australian Prime Minister Scott Morrison urged foreign tourists not to be deterred by deadly wildfires that have razed large swathes of the country and sent smoke palls as far as South America, even as authorities warned of revitalised blazes.

Morrison made the plea for international visitor support on Wednesday as he visited Kangaroo Island, a usually wildlife-rich tourist drawcard off Australia's south coast that has been hit twice in recent weeks by fierce fires.

"Australia is open, Australia is still a wonderful place to come and bring your family and enjoy your holidays," Morrison told reporters after meeting local tourism operators and farmers.

"Even here on Kangaroo Island, where a third of the island has obviously been decimated, two-thirds of it is open and ready for business," he said. "It's important to keep the local economies vibrant at these times." Australia-wide, the cost of the fires is mounting daily. Shortly after Morrison spoke, officials confirmed another firefighter had died in a vehicle crash last Friday while on duty, bringing the national death toll to 26.

In Victoria state, authorities urged people in fire-risk areas to consider evacuating on Thursday, ahead of a temperature spike on Friday that is expected to bring renewed danger.

"These fires remain dangerous, they remain dynamic, remain volatile, and the conditions we are going to see can give significant life to these fires," Victoria Emergency Services Minister Lisa Neville said.

Thousands of people have already been left homeless by the fires that have scorched through more than 10.3 million hectares (25.5 million acres) of land - an area the size of South Korea. In rural areas, many towns were without



Volunteers of the Rural Fire Service and officers of the Fire and Rescue NSW contain a small bushfire which closed the Princes Highway south of Ulladulla, Australia.

power and telecommunications and some were running low on drinking water supplies, while smoke has blanketed cities including Sydney, Melbourne and Canberra.

The bushfires crisis follows a three-year drought that experts have linked to climate change and that has left much of the country's bushland tinder-dry and vulnerable to fires.

Following are some highlights of what is happening in the Australian bushfires crisis:

* Prime Minister Scott Morrison announced an A\$11 million relief package while visiting Kangaroo Island.

* The three major cities in

Australia's southeast, Sydney, Melbourne and the capital Canberra, were all blanketed in thick smoke, putting them among the most polluted cities in the world.

* Sixty-seven firefighters from the United States and Canada landed in Australia on Wednesday, joining 40 of their compatriots already on the ground. Australian authorities have requested another 140 personnel, who are expected to arrive in the next two weeks.

* Ecologists at the University of Sydney on Wednesday doubled their estimate of the number of animals killed or injured in the fires to 1 billion.

* Community leaders asked people to donate money instead of food and clothing because small communities are being overwhelmed by goods that they do not need. Authorities warned people to check the bona fides of people collecting donations amid a growing number of online scams.

* Smoke from wildfires has drifted across the Pacific and affected cities in South America, and may have reached the Antarctic, the UN World Meteorological Organisation said.

* The fires have already emitted 400 megatonnes of carbon dioxide into the atmosphere and produced harmful pollutants, the EU's Copernicus monitoring programme said.

* Moody's Analytics said the cost of the fires could easily surpass that of the deadly 2009 Black Saturday fires that destroyed 450,000 hectares of land, which cost an estimated A\$4.4 billion.

* There are 128 fires ablaze across NSW, with around 50 uncontained. All the fires were at the "advice" level, the lowest alert rating. Victoria state had 40 fires with 13 "watch and act" alerts.

* Prime Minister Morrison has pledged A\$2 billion (\$1.37 billion) to a newly created National Bushfire Recovery Agency.

* More than 100 military personnel were being deployed to help with clean-up efforts across the state.

* Emergency services have dismissed claims the fires are caused by environmentalists stopping controlled burn-offs. Rural Fire Services Commissioner Fitzsimmons: "Hazard reduction burning is really challenging and the single biggest impediment to completing hazard reduction burning is the weather."

* Prince Charles joined list of global figures to send a message of support, referring to the "appalling horror unfolding in Australia" in a video sent overnight.

Samsung Electronics flags drop in Q4 operating profit

AFP, Seoul

Samsung Electronics' operating profits fell by more than a third in the fourth quarter, the world's biggest manufacturer of smartphones and memory chips estimated Wednesday.

Samsung was hit by a series of difficulties in 2019, with chip stockpiles bloating and prices falling, in contrast to the booming market of previous years.

The premium smartphone market has also grown fiercely competitive with buyers waiting longer before upgrading to new models.

But the figures beat expectations, analysts said, with chip demand starting to improve and strong smartphone sales.

The forecast represented a relative improvement -- in each of the first three quarters of 2019 net profits fell by more than half year-on-year.

Samsung Electronics is crucial to South Korea's economic health. It is the flagship subsidiary of the giant Samsung Group, by far the largest of the family-controlled conglomerates, known as chaebols, that dominate business in the world's 11th-largest economy.

In an earnings guidance statement, Samsung Electronics projected operating profits in the October to December period at 7.1 trillion won (\$6.1 billion), down 34.2 percent year-on-year.

Sales were forecast to be flat at 59 trillion won, it added.

For full-year 2019, it predicted operating profits of 27.7 trillion won, down 52.9 percent, on sales down 5.8 percent to 229.5 trillion won.

The company has been strained by a protracted trade dispute between China and the US, and been caught up in a diplomatic row between Seoul and Tokyo over historical disputes, with Japan imposing tough restrictions on exports crucial to South Korean tech giants in July.

In another shadow hanging over the firm, its vice chairman and de-facto leader Lee Jae-yong is on trial for the second time over the sprawling corruption scandal that led to the impeachment of South Korea's former president Park Geun-hye.

A guilty verdict and long prison sentence would deprive the firm of its top decision maker.

Lee was initially jailed for five years in 2017 on multiple convictions including bribery, then released after several of his convictions were quashed, only for the Supreme Court in August to order a retrial.

Its board chairman Lee Sang-hoon was also jailed last month for sabotaging union activities, prompting a rare apology from the firm.



The Sera, a television that can be viewed horizontally or vertically, is displayed in the Samsung booth during the 2020 CES in Las Vegas, US on January 7.