

# Pandemic cut earnings of 82pc apparel workers in April-May

*Finds a study by Brac University*

STAR BUSINESS REPORT

Eighty-two per cent of garment workers in Bangladesh earned less in April and May compared to that in February because of the coronavirus pandemic – a finding that highlights the effect the crisis had on the incomes of the working class, according to a new study by Brac University.

The university's Centre for Entrepreneurship Development and James P Grant School of Public Health, in association with the Subir and Malini Chowdhury Center for Bangladesh Studies at the University of California, Berkeley recently carried out the rapid survey titled "The Impacts of Covid-19 on the Lives of Workers in the Garment Industry".

Co-author Sanchita Banerjee Saxena, also the executive director of the Institute for South Asia Studies and director of the Subir and Malini Chowdhury Center for Bangladesh Studies at the University of California at Berkeley, presented the findings at a webinar.

The survey was conducted between June 30 and July 13, and 1,057 garment workers participated through phone calls. The study focuses on workers from the garment sector who are particularly vulnerable to even a transitory shock to the sector, according to a press release.

According to the survey, 52 per cent of the respondents said they saved less in April and May compared to what they did in February.

Some 77 per cent of respondents said it was difficult to feed everyone in their household.

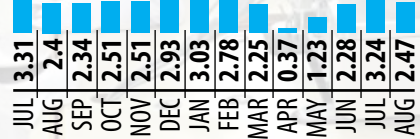
Some 69 per cent of the workers ate less meat, fish and eggs in May compared to that in February and 40 per cent consumed more pulses. Some 74 per cent took about the same amount of rice and wheat in the same period.

When asked how they coped during the period, 60 per cent of



**GARMENT EXPORTS**

(in billions of \$)



the workers said they did not keep any savings. Rather, they used their savings to buy food. Some 92 per cent said they reduced other expenses.

Of the 906 workers who were still employed in February 2020, 140 reported that their current employers had been laying off workers since March after the pandemic broke out in Bangladesh.

The average number of laid-off workers was 232. Seventy per cent of the workers said they were very worried or somewhat worried about the workers in their factory who lost jobs or might lose their

jobs because of the pandemic.

Eighty-seven per cent of the respondents said their factories introduced new precautionary measures against the coronavirus, including giving workers new protective equipment (91 per cent), encouraging more hygiene measures (77 per cent), sending workers with symptoms home (66 per cent), and encouraging social distancing between workers (75 per cent).

Three in five workers still feel that they are likely or very likely to get infected by the virus at their workplaces and 29 per cent think that they will contract it from

their homes.

Fifty-four per cent of the women and 45 per cent of the men would not be able to isolate at home if they catch the virus.

Ninety per cent said they did not receive any support from the government during the pandemic.

Expectations from the government include cash support (70 per cent), health care facilities (58 per cent), job security (53 per cent) and food rations (45 per cent).

The study recommended addressing the needs of creating more opportunity for mobility between various positions in the factory, particularly for women.

Based on the export earnings data, \$4.6 billion was lost during the March to May period. But the gap had almost vanished by June, reviving hopes for a recovery of the sector, the press release said.

Noted economist Prof Wahiduddin Mahmud, a former caretaker government adviser, said garment factories in Bangladesh

were born to export, making the situation in the country very unique.

Thus, the way the shocks have been absorbed by the garment sector is different compared to other parts of the world, he said in the press release.

Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association, said brands have to be made responsible for the adversities that Bangladesh faced due to the Covid-19 outbreak.

She said the sector took necessary initiatives to reopen factories gradually as per the demand of the economy.

Begum Monnujan Sufian, state minister for labour and employment, said the government has taken steps to resume operations at garment factories keeping the welfare of the workers in mind.

The steps include implementing the stimulus package for the garment sector, forming crisis committees, providing telemedicine services to workers and formulating health safety guidelines for workers in cooperation with International Labour Organization, she said.

Atonu Rabbani, a co-author of the study and an associate professor of economics at the University of Dhaka, said it was trickier to collect layoff data from workers. Rather, factories would be a more appropriate source.

Taslima Akhter, an activist, said workers were the most vulnerable during the pandemic.

"They are in constant fear of being laid off," she said, requesting the government and factory owners to take up the responsibility of ensuring welfare of the workers.

Prof Rahim B Talukdar, adviser of the CED-BRACU, and Syed Hasibuddin Hussain, project manager of the Mapped in Bangladesh project at the CED, also spoke.

## Covid-19 to help strengthen garment sector: study

REFAYET ULLAH MIRDHA

The ongoing coronavirus pandemic will strengthen the garment sector in Asia well into 2021 and beyond as companies will accelerate adoption of technology to ensure faster and more efficient production amid the economic fallouts, according to a new study by the International Labour Organisation (ILO).

The ILO conducted the study styled, 'What next for Asian garment production after Covid-19', in a bid to explore the nature of changes to production practices in Asia due to the Covid-19 outbreak.

Asia is an international hub for garment products as it houses seven of the world's top 10 garment exporting countries, including Bangladesh, the second largest exporter globally.

In 2018, garment items worth \$341 billion were shipped from Asia, accounting for approximately 64.7 per cent of global exports for that year, as per data from the UNCTAD.

China, Korea and Sri Lanka have upgraded their garment sectors in order to meet growing international demand. These countries now have the capacity to produce more advanced items and to undertake further value-added activities across the garment value chain.

Other countries though, such as Bangladesh, Cambodia and Pakistan, continue to primarily focus on producing low-cost garments. This has proven to be a successful export strategy if the total value of exports is any indication.

Between 2012 and 2017 for example, Cambodia and Bangladesh increased their garment exports on an average annual basis of 18 per cent and 13 per cent respectively.

The ILO conducted its qualitative study in July this year with a group of 16 industry experts.

The study also provides an important outlook for a constituency that knows the industry well and will be front and centre of decisions shaping its future in the post-Covid era, the ILO said in its executive summary of the report.



Garment manufacturers in Asia, the industry's largest global hub for production, have been severely impacted by the Covid-19 pandemic.

Many have been forced to shut down their operations either temporarily or permanently, and this has left millions of garment workers, the majority of whom are women, unemployed, furloughed or facing reduced hours and income.

Although longstanding to the sector, the pandemic gave acute exposure to the fragility and structural inequities of the garment supply chain, something that has led those in the industry to once again question its future viability.

Already, debates are emerging about how production dynamics and practices will have to transform for the industry to survive in the post-pandemic era, ILO said in its findings, which were released midway through September.

Asia will continue to dominate global garment production, it said.

Since buyers are looking to mitigate risks and adjust sourcing strategies as a result of the pandemic, some of them will prioritise working with more professionalised manufacturers with more advanced operations while others may double down on cost prerogatives.

Both these types of manufacturers can be found in Asia, where they are highly competitive. The study also indicates that Covid-19 may precipitate a growing divide between Asian garment manufacturers.

On the one hand, larger and more professionalised manufacturers will sustain or scale up factory upgrading and technological investments, allowing them to be more selective when picking customers.

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# Bangabandhu Shilpa Nagar to come under digital security system

*Will pave way for 'smart industrial city'*

JAGARAN CHAKMA

The Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN) will be brought under a digital security system as a part of the government's plans to build it up as a 'smart industrial city'.

"We want to monitor the ongoing development work from Dhaka and ensure tight security to avoid any kind of untoward incident inside the zone," said Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority (Beza).

"For this reason, we will establish a digital security system in the zone," he added.

An information and technology communication solutions provider, aamra networks, will set up internet protocol cameras that focus on a select portion of the BSMSN which is currently undergoing development and houses Beza's site office free of charge.

Beza signed a memorandum of understanding with aamra networks in this regard yesterday and according to Chowdhury, the company is keen to start

their work as soon as possible.

The 'smart city' concept basically combines the Internet of Things, cloud computing and big data analytics. In this system, devices collect data which is stored and analysed for real time application and solutions.

Beza plans to build up the BSMSN as a 'smart industrial city', complete with digital security systems to detect untoward incidents and illegal entry and high-speed telecommunications enabling remote monitoring from Dhaka, Chowdhury said. To achieve this, Beza will appoint a

competent consultant, he added.

"Initially, aamra will provide complimentary internet connectivity and video surveillance solutions that focus on a portion of the BSMSN," Sinha Humayun, senior manager for brand and product development at aamra networks, told The Daily Star.

It will enable Beza officials to remotely monitor and follow-up on the ongoing construction and development, he said, adding that in the future, they aim to provide IT solutions to investors of the BSMSN.

# Liner promises boost to sea tourism

MOHAMMAD SUMAN, Chattogram

Saint Martin's island is on the verge of witnessing a new chapter in tourist transport as a vessel formerly engaged in ferrying people in Japan is due to pioneer a route connecting the coral isle to Chattogram via Cox's Bazar.

The 393-feet long, 55-feet wide MV One Bay was built by Mitsubishi Heavy Industries in 1992 according to websites on marine traffic and offers 2,000 cabin accommodations including presidential suites, bunk beds and twin bed cabins.

It has been taken on a 10-year lease from a Singapore-based company by Karnafuly Ship Builders, which plans to eventually use it for a diverse range of sea tourism in Bangladesh, subject to government clearance.

All plans will have to wait till December for repairs to be carried out, said the company officials.

Arriving at the Chattogram port on September 19, MV One Bay is now anchored at Chattogram Marine Fisheries Academy Jetty.

Once repairs were complete, permission would be sought from the government to begin operations, Abdur Rashid, managing director of the privately-owned shipbuilding company, told The Daily Star.



MV One Bay, now anchored at Chattogram Marine Fisheries Academy Jetty, offers 2,000 cabin accommodations including presidential suites, bunk beds and twin bed cabins.

RAJIB RAIHAN

"For the first time in Bangladesh, we have brought a cruise ship of international standard, which will help the country's tourism sector enter a new era," he said.

It could cost anywhere between Tk 200 crore and Tk 250 crore to build such a vessel from scratch but since the service was the first of its kind, the company decided running it on lease.

The company plans to outright buy the vessel if there is good response from tourists, he added.

Apart from Karnafuly Ship Builders, there are several local companies ferrying people to Saint Martin's island, but only from Cox's Bazar, from where one trip is run daily, and Teknaf, from where three trips are run a day.

With its 18-feet draft, MV One Bay has an average speed of 16.1 nautical miles per hour and a maximum speed of 24 nautical miles per hour.

It is registered with International Maritime Organization and capable of deep sea travel even when cautionary signal 5 is in place for inclement weather, according to the company's officials. Cautionary signal 4 usually calls a stop to vessel movement.

The ship previously bore the name MV Salvia Maru and ferried people between Tokyo and Tokyo Islands.