

EIGHT YEARS AFTER TAZREEN FIRE

Task now to take forward safety progresses

REFAYET ULLAH MIRDHA

Bangladesh should continue to take forward the progress achieved in ensuring workplace safety following the two deadliest back-to-back industrial incidents to prevent a recurrence and save the lives of workers.

On this day exactly eight years ago, 113 workers were killed and 90 severely injured when a devastating fire broke out at an eight-storey building housing garment factory at Ashulia, some 35 kilometres east of capital Dhaka.

Tazreen Fashions' owner, Delwar Hossain, had constructed the building flouting rules.

International retailers and brands which used to source apparel items from the factories failed to notice not only the violations but also subcontracting operations being run by Hossain in the building.

Moreover, some government officials gave approval to the factory's construction sitting in the comfort of their air-conditioned offices without making a physical inspection of the site.

And all these happened because of profit-mongering, actions driven by greed and laxity in duties by some people, such as the factory owner, retailers and brands and government officials who allowed business in such a non-compliant factory building for years.

The way the workers ended up losing their lives is truly appalling.

Some guards had kept a number of exits locked in an apparent attempt at preventing the theft of different goods by the workers, effectively trapping the victims on different floors of the building and robbing them of any chance to escape the deadly smoke and flames.

The screaming workers kept running from one to end to another to get as far away as possible from the fiery blaze. Some tried to break the walls but could not.

A few who did manage to escape by jumping off a window suffered severe injuries from the impact of the fall. The next day revealed a queue of charred bodies, hapless victims who had been trying to get to the window.

Firefighters could not reach the spot on time as the roads leading to the building were narrow. They faced difficulties in dousing the fire because of a scarcity of water and lack of water bodies nearby.

"I can hardly describe the sad incident of the Tazreen Fashions fire as it was so severe for us," said Nazma Akter, president of Sammito Garment Sramik Federation, a platform for workers' rights.



The family members of the victims of Tazreen Fashions fire incident are seen in a sit-in protest in front of Dhaka Press Club in the capital on last Friday.

PHOTO: PRABIR DAS

Many of the survivors are still traumatised, unable to return to a normal life. "So, their rehabilitation is needed both psychologically and financially," she said.

"Most of the families of the victims are still passing their days in dire straits because of financial hardship," Akter told The Daily Star over the phone while recounting the incident on the eve of its eighth anniversary.

"We have learnt a lot of lessons in workplace safety at the cost of many lives," she said.

"Workplace safety has progressed a lot in Bangladesh because of factory remediation with the recommendations of the Accord and the Alliance, but we need to maintain this progress so that no such incident occurs and claims more lives," Akter also said.

The Tazreen fire and the Rana Plaza building collapse shook up the country's garment industry and tarnished its image.

The buyers' European platform of Accord and North American platform of Alliance, formed by nearly 250 retailers and

brands like H&M, Walmart, JC Penney and Primark, inspected nearly 3,000 garment supplying factories.

Together the platforms recommended electrical, fire and structural remediation for factory buildings to strengthen workplace safety.

The local garment factories have already implemented the recommendations spending more than \$3 billion.

The Bangladesh government has twice provided a report on the progress in workplace safety to the office of the US Trade Representative for the reinstatement of the US Generalised System of Preferences.

The facility was withdrawn in June 2013 citing poor workplace safety and labour rights.

Both the Accord and the Alliance have been dissolved transferring the responsibility of continuing safety progress monitoring to a newly formed RMG Sustainability Council (RSC), a body formed with the representation of the

owners, International Labour Organisation, union leaders and the retailers and brands.

"We want the RSC to uphold the inspection and monitoring of the safety progresses like the Accord," said Akter, urging for Hossain to be tried so that others do not even think about flouting compliance rules in the future.

"The workplace safety has progressed a lot in Bangladesh after the Tazreen Fashion fire and Rana Plaza building collapse," said Amirul Haque Amin, president of the National Garment Workers' Federation, another platform working to protect garment workers' rights.

"We need to maintain the progress and our achievements," he said.

The RSC should be allowed to work neutrally and independently so that the body can carry on the safety progresses in the workplaces, he said.

Delwar could not be reached for comments despite repeated attempts over the phone.

Tazreen victims in the street: let their voices be heard



KHONDAKER GOLAM MOAZZEM

The tragic accident of Tazreen Fashions—a garment factory in Bangladesh—that took place on November 24 in 2012 was a major industrial accident in the global apparel value chain.

The accident caused deaths to 117 workers and injury to over 200 workers - a major governance failure of the apparel value chain.

Even such a tragic accident was overshadowed when a much bigger accident took place five months later on April 24, 2013 at the Rana Plaza. Both the incidences have shaken the global apparel value chain system and forced the key stakeholders to undertake necessary reform, restructuring and remediation measures primarily targeting Bangladesh.

After eight years of extensive initiatives by major stakeholders, the apparels sector of Bangladesh has become better compliant in terms of workplace safety and security.

Despite those achievements, the victims of the Tazreen accident and their family members are still found in the street. Since September 2020, these workers have stayed in front of the Dhaka Press Club and have demanded medical treatment facilities for injured workers, financial support for victims' families and assurance of decent living for unemployed injured workers.

Those demand had been raised over the years, but did not get adequate attention from concerned stakeholders. The question is - why the victims and their families have raised these issues now which were supposed to be met few years back when the victims of Rana Plaza tragedy had received financial support and treatment facilities for their injured workers.

Overall, the demands raised by Tazreen victims in such a way that it is important to take due attention to their demands. Most importantly, their demands and voices need to be heard by the key stakeholders in the value chain, including the government, the associations (i.e. BGMEA), the brands and the sourcing countries.

In November 2015, after three years of Tazreen accident, the Tazreen Claims Administration Trust was established under an agreement between major brands and global trade unions. A total of \$2.5 million was paid to the victims and their families. Apart from the financial support, the Trust has been providing necessary treatment facilities for the injured workers.

According to the Tazreen Trust, a total of 172 injured workers have been registered to the Trust, of which two died. Some 114 workers who required treatment have been provided necessary medical support.

The trust has arranged a total of 8,613 sessions/appointments with specialised doctors, made arrangement to get admitted to hospitals and to do necessary diagnosis, surgery and physiotherapy. Those who needed support equipment, spectacles and medicine have been arranged by the Trust. All workers who treated received transport costs for commuting for treatment.

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Stocks maintain downward trend

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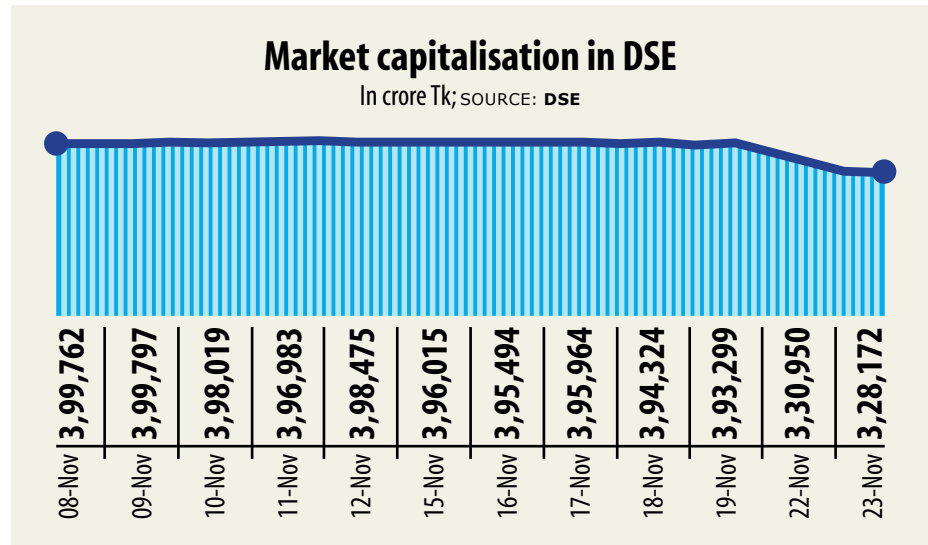
Stocks fell for the fourth consecutive day yesterday due to thin investor participation amid the just-concluded subscription for the country's biggest-ever initial public offering (IPO).

Robi Axiata, a mobile network operator, aims to raise Tk 523 crore from the market by issuing 52.37 crore ordinary shares at face value, eclipsing Grameenphone's Tk 486.1 crore flotation in 2009.

process for their IPOs. Dominage Steel Building Systems and Crystal Insurance completed their IPO subscriptions.

As a result, around Tk 894 crore was withdrawn from the market through issuing shares.

The IPOs of the companies that perform well are necessary but the subscription schedule should have certain gaps so that investors have the time to collect the funds without harming the market, the merchant banker said.



The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), dropped 23.26 points, or 0.48 per cent, to 4,817.70 yesterday.

Over the last four days, the index fell 88 points altogether, or 1.79 per cent. During the period, the stock value at the country's premier bourse plunged 17 per cent, or Tk 67,792 crore, to Tk 328,172 crore, DSE data showed.

Aside from Robi, several other IPOs also kicked off in the last few weeks, causing a shortage of funds among investors, according to a senior official of a merchant bank.

In the last two months, Mir Akhter Hossain, Lub-ref Bangladesh and Index Agro Industries completed the bidding

Turnover, another key indicator of the stock market, rose 25 per cent to Tk 621 crore at the DSE yesterday.

Meanwhile, insurance stocks started to rise again. The sector witnessed a major rise in share prices for the last few months due to speculations.

To stop the unusual price hike, the Bangladesh Securities and Exchange Commission took actions against certain rogue players to bring the sector under control.

Nitol Insurance topped the gainers' list yesterday, increasing by 10 per cent, followed by Provat Insurance, Express Insurance, Phoenix Insurance and Continental Insurance.

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BD Finance to raise Tk 200cr through zero-coupon bond

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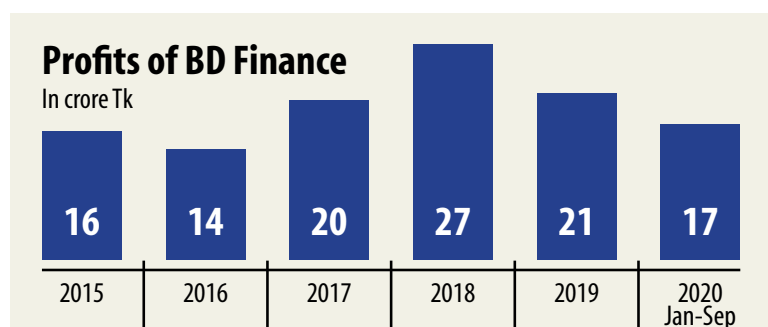
The Bangladesh Finance and Investment Company is going to issue its first zero-coupon bond worth Tk 200 crore to expand its business and ensure diversification of funding sources.

The listed non-bank financial institution decided to launch the bond after taking approval from the authorities concerned.

A zero-coupon bond is a debt security that does not pay interest but instead trades at a deep discount, rendering a profit at maturity, when the bond is redeemed for its full face value.

The bond would be non-convertible, fully redeemable and unsecured, each with a denomination of Tk 10 lakh.

The tenure of the bond is three years, with a discontinuing rate of 7 to 7.5 per cent per annum. The



bond's lead arranger is City Bank Capital Resources while Sandhani Life Insurance as the trustee.

"We want to see higher growth in our business, so we need more funds," said Munshi Abu Naim, company secretary of BD Finance.

"Our main target is corporates, but high net worth people are also allowed to buy the bonds. The bond proceeds will give us a variation in

our funding mix because the tenure of the bond proceeds is longer," he said.

"If we can launch the bond successfully, it will enhance our credibility."

When a lender gives out loans for the long run based on short-term funds, it creates a mismatch, which the bond can solve.

The company's consolidated

earnings per share were Tk 0.55 in the July-September quarter as against Tk 0.09 in the negative a year ago.

The EPS increased due to the realisation of capital gains from investment in the stock market as against capital loss compared to the same period in the previous year.

About the performance, Naim said the industry as a whole was suffering from many problems. "We are trying to perform well among them."

BD Finance started its journey in 1999 and has two subsidiaries for operating brokerage activities in the stock market and merchant banking.

Its loan and advances were Tk 1,314 crore in 2019, while the return on equity was 8.72 per cent. The NBF's classified loan ratio was 4.84 per cent.

Learn from Germany, focus on SMEs for economic growth

Experts say at the launch of a study conducted by SME Foundation, German Embassy

STAR BUSINESS REPORT

The small and medium enterprises (SMEs) should be considered as the driver of the economy like Germany has done as they add 22 per cent to the country's gross domestic product, a study suggests.

More than 98 per cent of the enterprises are SMEs in Bangladesh. Over 84 per cent of rural non-farm employments were generated through cottage and micro enterprises, according to the study titled "Development of SMEs in Bangladesh: lessons from German experiences".

The SME Foundation and the Embassy of Germany conducted the study and released its findings through a virtual programme yesterday.

MA Baqui Khalily, a professor of the business administration department of the University of Asia Pacific and the team leader of the study,

Obstacles SMEs face

- » Limited access to bank finance
- » Limited availability of skilled and semi-skilled workers
- » Reluctance to recruit apprentices because of their high mobility
- » No institutional linkage with technical education
- » Lack of information on how to raise production and do better marketing
- » Lack of coordination among different government agencies

made a presentation on the study.

The contribution of various categories of SMEs together is between 80 and 85 per cent of industrial employment and around 25 per cent of total employment, according to the study.

In Bangladesh, small enterprises contribute only a little over 3 per cent and SMEs together around 22 per cent to GDP, Khalily said.

In Bangladesh, manufacturing enterprises with employees between 16 and 30 are termed as micro while the ones with employees between 31 and 120 are classified as small enterprises.

The medium enterprises constitute employees between 121 and 300 under the new National Industrial Policy 2016.

Despite the policy changes, development and growth of SMEs in Bangladesh is subject to some serious constraints.

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