

These workers who have made the garment industry the highest earner deserve a better working environment. PHOTO: STAR FILE

Although the GSP facility covers only 0.54 percent ($26million) of the total export at more than $5 billion to the US, still its significance is higher as Bangladesh will have to face an image crisis if the GSP is scrapped.

The labour and employment ministry has also conducted drives in different factories to inspect the fire safety standard and other compliances in the factories. The garment makers' platform Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has also formed some committees to improve the working environment.

US Ambassador in Bangladesh Dan W Mozena has already said that the disaster will have impact on the verdict of GSP to the US market.

All the initiatives for improving the safety standards in the garment factories crumbled with the Rana Plaza collapse. This time it will be really difficult to convince the US government for a continuation of the GSP, as the tragedy has again exposed poor factory compliance. The country had been expecting a positive verdict from the USTR in first week of June.

After the Tazreen fire incident, not only the US government, but also the European parliament in January adopted three separate resolutions although the MPs of the EU did not bring any negative clause for the country's garment industry. Nevertheless this is a cautionary note for the country.

This time the EU, where the country's 60 percent garment items are exported annually, has given a statement for taking trade action against Bangladesh, through GSP. Bangladesh enjoys duty-free and quota-free facility to the EU under the GSP.

Having enjoyed such benefits, Bangladesh does not have to pay 12.50 percent duty on export of garment items to the EU market, giving the country a competitive edge compared to other countries. If the EU takes any trade action, the garment exporters will have to pay this duty.

Not only the EU, but also two senators of the US government and some international retailers and Pope Francis have also condemned the negligence of the factory owners after the incident.

More than 95 percent garment items are exported from Bangladesh to the EU and the US.

When a country loses its competitiveness, international buyers are reluctant to place work orders and this could very well be the fate of our RMG industry. With manufacturers out of business, the domino effect is inevitable: A large number of garment workers out of 3.6 million will lose their jobs.

Bangladesh has become the second largest apparel supplying country worldwide after China. China has been losing its business to Bangladesh for higher cost of production and shortage of workers. Bangladesh's pie to the global $412 billion global garment business is a little above 5 percent. Work orders are pouring into Bangladesh for its competitiveness.

Garment manufacturers, therefore, have to take these warning signs seriously and get their act together by making sure such horrible incidents never occur again. If the country fails to improve compliance standards religiously, the dream of becoming the number one garment exporter worldwide will face a premature death, as international buyers will shy away from Bangladesh and take their business elsewhere.