

# Rana Plaza tragedy exposes complete disregard for rules

## BGMEA unveils findings of a probe into the nation's worst industrial disaster today

REFAYET ULLAH MIRDHA

The Rana Plaza collapsed due to rules being flouted at every step of the way, the BGMEA found in its study.

"The authorities concerned gave nod to construction of six floors on the swampy land, but the building's owner, Sohel Rana, constructed it right up to the ninth," a senior official of the garment sector's apex trade body said.

The official was involved in the investigation commissioned by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) following the collapse of the building on April 24, killing more than 1,100 people and injuring thousands.

BGMEA Vice-President SA Mannan Kochi led the investigation, whose findings would be made public today via a media briefing.

Not only that, the building was constructed using substandard materials, which were unable to bear the load of the six heavy-weight generators placed on the rooftop, according to the report. The layout that the authorities consented to involved installation of only two generators at the top of the building.

The owners of the five garment factories housed in the building are also culpable as they knowingly breached the rules set by the BGMEA.

"The factory owners did not follow the BGMEA rules. Rather, they followed the rules set by the building owner. As a result,

they did not come to the BGMEA, although they are members of this trade body."

Even when a big crack surfaced on one of the walls on the eve of the collapse, Rana tricked everyone into believing all was fine with the building, the report said.

Rana acquired a false certificate from a local engineer which assured stakeholders that the building would stand for long despite the crack.

Now, Rana, together with his father and some of the factory owners are in police custody to be tried for their gross negligence.

### Australians will pay more for workers safety: survey

STAR BUSINESS REPORT

Almost 70 percent of Australians agreed to pay more for their clothes if they are sure that the workers in overseas countries are paid a decent wage and that garment factories had safe working conditions, a new Oxfam Australia survey found.

The survey examined attitudes to Australian clothing retailers after the death of 1,131 garment workers in Bangladesh in Rana Plaza collapse on April 24.

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## Govt set to pass new law to pin down food adulterers

SOHEL PARVEZ

The government is about to pass a new law to combat food adulteration in all stages of the supply chain in the interest of public health.

The draft -- Safe Food Act 2013 -- proposes establishing an agency, Bangladesh Food Safety Authority, to act as a watchdog to ensure food safety, beginning from production, processing, imports, stocking to sales of both fresh and processed foods.

It recommends punishment in the form of imprisonment for as many as seven years or Tk 10 lakh in fines or both for food adulteration by using health hazardous chemicals such as formalin, calcium carbide or poisonous pesticides (DTT, PCB oil).

In the case of a second time offence in food adulteration, the draft suggests imprisonment of 14 years or a fine of Tk 20 lakh. The food ministry has prepared the draft that is awaiting approval from the cabinet.

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## Plights of insurance claimants

GAZI TOWHID AHMED

It was on March 10 last year that an errant electric short circuit set off a fire at the premises of Ravino Ltd.

Thankfully, the Chittagong-based garment accessories and packaging manufacturer had fire insurance, with Pragati Insurance Ltd. Accordingly, Alok Das, managing director of Ravino Ltd, claimed compensation worth Tk 47.71 lakh against the policy.

Upon inspection, Atlantic Surveyor, the insurer's surveyor, however, found the damages to be not worthy of the amount claimed by Ravino. In fact, Atlantic Surveyor deemed the damages merited no compensation at all.

Aggrieved, Das went on to file a complaint with the regulator, Insurance Development and Regulatory Authority (IDRA), which

duly organised meeting early this month. The meeting was attended by high officials of Pragati Insurance, Atlantic Surveyor and the IDRA.

At the end, it was decided by the regulator that Pragati would pay claims of Tk 15.28 lakh to Ravino and that the surveyor's licence would be barred for three months.

Mostaque Ahmed, deputy vice-president and head of claims of Pragati Insurance, however, disagreed with the regulator's verdict.

"Our surveyor team found no signs of electric short circuit inside Ravino's factory building -- they even took pictures as proof. All they found were some burnt cables, that too outside the building."

He, therefore, feels hard-done by the regulator's instruction to pay Tk 15.28 lakh as compensation.

Meanwhile in February, the

IDRA has suspended the licences of two surveyor companies -- People Reliance Surveyors till March 31 and Favourite Surveyors till August 31 -- and fined Northern General Insurance Tk 1.04 lakh, for reluctance to meet the clients' full claims.

Sahana Hossain, a client of Northern General Insurance Ltd, claimed Tk 4.5 lakh against a car policy. But its evaluator, Favourite Surveyors, reported a loss of Tk 1.4 lakh, some Tk 3.1 lakh below the amount claimed.

It was only after lodging a complaint with the IDRA that Northern Insurance gave her all of Tk 4.5 lakh.

GFM Shawkat Ali, managing director of Northern General Insurance, said: "We settle clients' claims based on our surveyor's valuation."

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## Surplus revenue on the rise for BRAC

STAR BUSINESS REPORT

Higher income from microfinance and donor grants boosted BRAC's net surplus revenue last year.

The net surplus revenue of the world's largest nongovernmental organisation rose over 42 percent to Tk 546.58 crore in 2012 from 2011, according to its annual report.

BRAC earned Tk 1,477 crore in service charges on micro-loans last year, up from Tk 1,185 crore in 2011.

It received Tk 1,511 crore in grants from the multiple donor agencies in 2012, up 4.3 percent from the previous year.

"This year marks another formidable stride towards attaining self-sufficiency for BRAC," said Sir Fazle Hasan Abed, founder and chairperson of the organisation, in the report's chairperson statement.

The revenue generated by the enterprises, micro-investment and financial services reached Tk 2,880 crore in 2012. The amount covered 74 percent of the total budget expenditure, with donor grants accounting for the rest, Abed said.

He said Bangladesh is making steady progress towards reaching its millennium development goals relating to maternal and child health.

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## BTCL goes all out to award a Tk 400cr deal, violating rules

ABDULLAH MAMUN

State-run telecom operator BTCL prepares to go for a final agreement to award a Tk 400-crore contract to a company, bypassing rules and a court order.

The board of Bangladesh Telecommunication Company Ltd did not give a go-ahead to the award either.

An important condition of the bid was to quote the prices in both the Japanese yen and the taka for the project (Lot-A) funded by Japan International Cooperation Agency (JICA).

But the company -- Marubeni KT Joint Venture, which won the bid -- quoted the prices in the dollar and the taka.

The BTCL did not take the matter into consideration, for what the state-run company may lose Tk 50 crore due to currency fluctuations, a former BTCL director mentioned in a note of dissent.

Neither the telecom ministry nor the BTCL board has given any decision on the currency-related complexities.

As a result, the convenor of a committee, which was assigned to prepare the agreement, has resigned recently.

The BTCL board has asked the management to get a clarification from the law ministry whether a Supreme Court verdict will be applicable for the bidding, Shahedul Alam, the convenor of the committee, said in his resignation letter.

The committee is yet to get the clarification, said Alam, who was asked by the BTCL management to complete the agreement-related formalities by June 20 or as soon as possible.

The international bidding was invited in March last year from two companies -- NEC Corporation of Japan and the joint venture of Marubeni Corporation of

Japan and KT Corporation of Korea.

However, Abdul Baten, a deputy general manager at Marubeni's Dhaka office, had earlier said they did not commit any irregularities in the bidding process.

The court verdict issue arose anew as the BTCL seems to deem the court verdicts applicable to only the second of the two parts of the project, even though it applies to both parts of the job known as Lot-A and Lot-B.

The court verdicts came against two separate writ petitions regarding the same job filed concurrently at an earlier time.

One of the writs was filed by BTCL, challenging the applicability of Public Procurement Act (PPA) and Public Procurement Rules (PPR) on the project considering that it was funded by foreign loans.

The other writ was filed by an aggrieved bidder -- Istanbul-based Netas Telekomunikasyon AS (Netas). Netas sought court directives to implement a review panel's decision as per the PPR.

However, the Supreme Court said both PPA and PPR are applicable for the JICA-funded project and there should be at least three pre-qualified bidders. But only two bidders were pre-qualified by the BTCL.

An inquiry committee of the BTCL said: "The writ was preferred before the High Court Division for the project, not for Lot-B. So, any decision on the projects may bind upon Lot-A also... Being part of the same project, Lot-A cannot move in a different direction from the decision of the highest court."

"The board is yet to give any final approval to the agreement for Lot-A," SOM Kalim Ullah, managing director of BTCL, told The Daily Star by phone yesterday.

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## HSBC considers quitting Iraq

REUTERS, Dubai

HSBC Holdings said on Tuesday it is considering selling its majority stake in Dar Es Salaam Investment Bank, which has made it the main international lender in Iraq.

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