

# Star BUSINESS

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## Punish culprits behind factory tragedies

Labour leaders and legal experts suggest at roundtable on workplace safety, organised by The Daily Star and BILS

**STAR BUSINESS REPORT**  
Top labour leaders and legal experts yesterday called for increased manpower and clout for the labour department so that those responsible for factory tragedies do not go unpunished. "The weakness of the labour department is well-known -- the department is not accountable. The country has witnessed frequent industrial accidents due to failure of the labour directorate," Abdur Razaque Khan, a senior

advocate of Supreme Court, said. Roy Ramesh Chandra, general secretary of the local arm of IndustriALL, an international advocacy group, said the country's garment sector has been struck with 56 incidents since 1990. "But no exemplary punishment was handed out." The comments came at a roundtable on safe workplace, organised by The Daily Star and Bangladesh Institute of Labour Studies (BILS) at The Daily Star Centre in Dhaka.

Shaheen Anam, executive director of Manusher Jonno Foundation, said the requisite regulatory institutions did not develop in the country to keep pace with the garment sector's phenomenal growth. "The lack of exemplary punishment for offenders in the garment sector is very unfortunate. Merely arresting the culpable party wouldn't do -- they have to be sent to jail. But nobody was convicted -- ever." **READ MORE ON B3**

## Trade fair in Malaysia to showcase garments

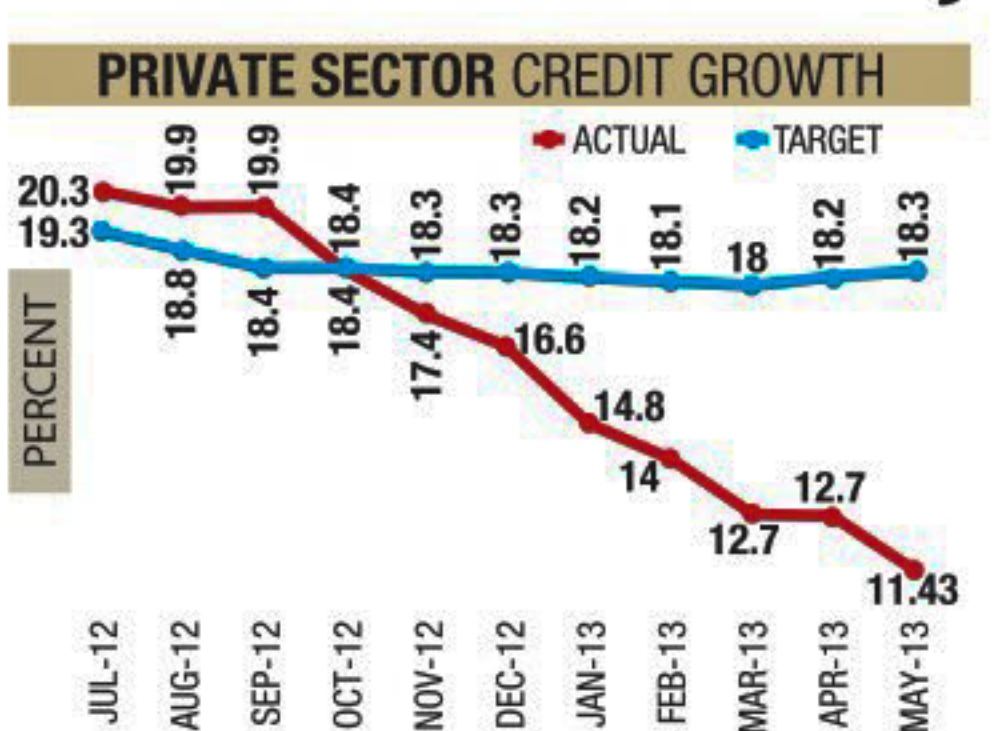
**STAR BUSINESS REPORT**  
Bangladesh is set to hold a three-day fair in Malaysia next month to further promote the country's garment sector. "Malaysia might become one of the biggest markets for Bangladeshi garment items if it is properly explored," SM Mannan Kochi, vice-president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), told reporters yesterday. "Almost all globally renowned garment retailers and brands have operations in Malaysia -- Bangladesh has a good opportunity to grab the Malaysian market via the fair." BGMEA, together with Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) and Headmaster Events, is organising the event to take place between August 14 and August 16 at Malaysian Putra World Trade Centre. The fair will also showcase products from the country's real estate, tourism, handicrafts, jute and jute goods, banks and insurance companies, in a bid to narrow the trade gap between the two countries, organisers said. **READ MORE ON B3**

## Foreign aid disbursement curves upward

**REJAUL KARIM BYRON**  
Foreign aid disbursement in the first 11 months of the just concluded fiscal year increased by 36 percent to \$2.31 billion, pushing the country's foreign exchange reserves to a record high. The disbursement target was \$2.68 billion for the entire year, while the total amount disbursed in the previous fiscal year was \$1.69 billion, according to Economic Relations Division. The commitment for aid also rose to \$5.91 billion in the July-May period of 2012-13 against \$4.407 billion in the same period a year ago. The reserves rose to \$15.29 billion as of June 26, the amount being enough to pay five months' import bill of the country. In his budget speech last month, Finance Minister AMA Muhith said the government has a target to disburse \$3.37 billion in the current fiscal year and the commitment could rise as high as \$6 billion. The commitment and disbursement of funds from the World Bank grew despite its long dispute with the government over corruption charges in the much-hyped Padma bridge project. In 2009-10, the WB, which accounts for more than 50 percent of aid flowing into Bangladesh, disbursed \$375 million against its commitment of \$843 million. The global lender disbursed \$421 million in the last fiscal year, and as of May last year, it had already paid out \$631.60 million. **READ MORE ON B3**

## Credit growth hits 5-year low

**REJAUL KARIM BYRON**  
Private sector credit growth hit a five-year low in May due to a sluggish investment trend, political instability and energy crisis. The growth stood at 11.43 percent against the central bank's target of 18.3 percent, according to data from Bangladesh Bank. Even inclusion of foreign borrowings by local firms failed to take the private sector growth figure (13.6 percent) anywhere close to the central bank's target. Foreign borrowing by local firms during the July-May period of fiscal 2012-13 stood at \$2.26 billion. "Private credit growth from the domestic banking system has slowed due to investor uncertainty in the lead-up to the parliamentary election and greater scope for borrowing at lower interest rates from overseas financial institutions," said Hassan Zaman, chief economist of the BB.



businesspeople could not go for new investment due to gas and electricity shortages. "Although energy production improved significantly during this government's tenure, demand, too, increased, and at a much higher pace. As a result, the entrepreneurs did not get electricity or gas connection despite repeated appeal." Private investment came down to a six-year low at 19 percent of GDP (gross domestic product), according to Bangladesh Bureau of Statistics. Khaled said the central bank should exercise caution when allowing local firms to borrow from abroad. Over the past year, the central bank introduced two new facilities, in addition to the existing term borrowing, allowing firms to borrow from overseas for working capital purposes in a way to put downward pressure on borrowing costs, Zaman said. **READ MORE ON B3**

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\*Source: HSBC Global Connections Report Bangladesh, February 2013



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