

Star BUSINESS

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More clout for workers

New law passed in parliament to give workers greater freedom to form trade unions, improve their living standards

STAR BUSINESS REPORT

An amended labour law got passage in parliament yesterday to boost worker rights and ensure freedom to form trade unions, a breakthrough that is expected to help Bangladesh regain the GSP status in the US market.

The law puts in place provisions including a central fund to improve living standards of workers, and a requirement for 5 percent of annual profits of a company to be deposited in employee welfare funds.

Labour and Employment Minister Rajiuddin Ahmed Raju placed in parliament the Labour Law (amendment)-2013 bill, which was passed by voice votes by the treasury bench lawmakers in absence of the opposition MPs.

The parliament also accepted 26 new amendments proposed by two treasury bench lawmakers Mujibul Haque and Zunaid Ahmed Palak.

The amendments were made to appease the Obama administration to regain the duty benefits suspended by the US last month on grounds of poor labour rights and unsafe working conditions in Bangladeshi factories.

The changes in the law also ensure freedom to associate, one of the sticking issues for Western countries and advocacy groups.

Employees would no longer need approval from factory owners to form trade unions. They will only need to apply to the labour directorate to collect registration of trade unions.

An owner can sack a worker if he/she remains absent in the work-

LABOUR LAW 2013	LABOUR LAW 2006
Allows up to five trade unions in each factory	Allows only two unions
Owners can't interfere in how trade unions will be formed	Owners used to decide who would be the trade union leaders
If 20 percent of workers are women, there should be a woman union leader in the factory	It was optional
Owners can't change factory layout plan without the permission of factory inspectors	The layout plan was approved automatically two months after application
No exit can be locked	The rule was not specific about it

place for 10 consecutive days without prior notice, according to the amendments.

The owners will have to introduce an insurance scheme if a factory employs at least 10 workers.

If a worker is injured in an accident, he/she will get assistance for treatment from the insurance scheme.

There should be a woman union leader in the factory if 20 percent of the total workforce are women, the amended law says.

No member of a trade union's executive committee can be transferred to another factory of the same owner after a labour unrest.

Moreover, up to five trade unions can now be formed in one factory instead of just two permitted in the previous law.

The amendments also allow trade

unions in the different administrative wings of a factory, which was restricted in the previous law.

To improve the living standards of workers, the government, buyers and owners will have to form a 'central fund' for the beneficiaries of 100 percent export-oriented industries and wholly foreign-owned companies.

The law also requires a company to deposit 5 percent of its annual profit in provident and welfare funds.

No change can be made in the factory layout plan without an approval from factory inspectors, according to the amended law.

If a worker dies after two years in service, the management of the factory will pay compensation equivalent to his/her one month's salary.

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Cabinet okays law to protect indigenous products

SUMAN SAHA

The cabinet yesterday approved in principle the draft of the Geographical Indication Law 2013 to protect the patent rights of traditional products.

"Historically, we produce some unique items naturally that others can't do. The law will safeguard the patent rights of the products," Industries Minister Dilip Barua said.

"We may get the GI law passed in the next parliamentary session," he said, adding that the draft will now be sent to the law ministry for vetting.

The GI is a name or sign used on certain products to certify that they possess certain qualities because they are made as per traditional methods or enjoy a certain reputation due to its geographical origin.

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Regulator opens probe into JMI's abnormal price hike

GAZI TOWHID AHMED

Shares of JMI Syringe and Medical Devices, listed on Dhaka Stock Exchange, accelerated 276 percent over 15 days, prompting the market regulator to bring the pharma company under its scanner.

In its debut trading on the DSE on June 19, the company's share price closed at Tk 35.5, which rose to Tk 133.5 on Thursday.

"We have noticed the abnormal price movement," Saifur Rahman, executive director of Bangladesh Securities and Exchange Commission, told The Daily Star. "It is now under investigation."

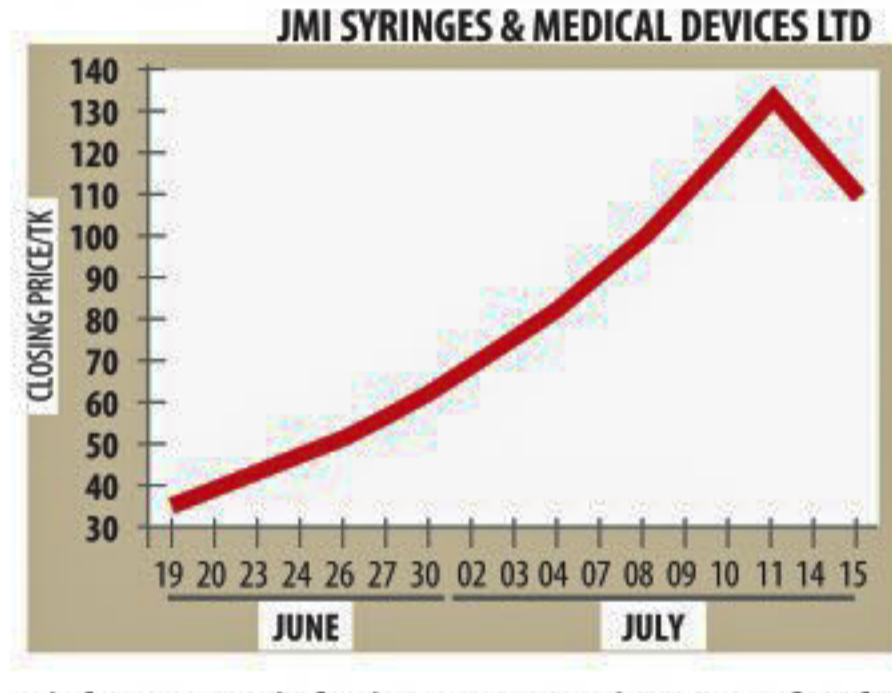
The price hike of the company without having any fundamental issue led the regulator to form an investigation panel, Rahman said.

Mohammad Rakibur Rahman, assistant director of BSEC, leads the two-member committee that faces a deadline to submit its investigation report in seven working days.

The company was listed on the Chittagong Stock Exchange on January 12, 2004. The port city bourse also opened an investigation into the company's price hike, said Syed Sajid Hossain, chief executive officer of CSE.

The CSE is checking whether there is any manipulation in price movement, Hossain said.

The company inflated its earnings per share in its first quarter's un-audited finan-



cial report violating accounting standards, said Swapna Kumar Bala, chief executive officer of DSE.

The corporate governance and financial reporting compliance department of DSE asked the company to revise its financial statement in line with international accounting standards, he said.

Earlier, the company had submitted its financial report mentioning EPS 0.27 and profit of Tk 29.43 lakh, which was revised to 0.08 and Tk 9.19 lakh for the first quarter of this year ended on March 30.

None of the company officials was available for comment.

The company was established in April 1999 in Bangladesh in collaboration with South Korea to produce syringes and other medical devices, according to its website.

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Import duty on green chillies may go

STAR BUSINESS REPORT

The National Board of Revenue (NBR) mulls withdrawal of all import duties on green chillies in a bid to increase their supply in the domestic market and control prices.

The revenue authority has already sent a proposal to Finance Minister AMA Muhith to waive the duties, said a senior official of NBR.

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HSBC Export Excellence Awards will be given in five categories:

- **Exporter of the year – RMG and Textiles:**
 - Group A: Annual export turnover US\$50 Million or more
 - Group B: Annual export turnover less than US\$50 Million
- **Exporter of the year – EPZ Enterprises:** Companies in the Export Processing Zones of Bangladesh
- **Exporter of the year – Traditional and Emerging Sectors:** Annual export turnover (Non RMG/Textiles) US\$3 Million or more
- **Exporter of the year – SMEs:** Annual export turnover (Non RMG/Textiles) less than US\$3 Million

The last date to submit nominations is 30 July 2013. Please send completed forms to Bangladesh Brand Forum, House 20/B, Road 79/82, Gulshan 2, Dhaka 1212, Bangladesh.

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