

48 global retailers to meet in Dhaka

Compensation packages for Rana Plaza and Tazreen victims will be fixed

REFAYET ULLAH MIRDHA

Forty-eight international clothing retailers and brands will hold meetings in Dhaka next month to fix compensation packages for the victims of Rana Plaza collapse and Tazreen fire incident.

Sixteen retailers and brands will fix such packages for the Tazreen victims on August 11, and 32 will sit for Rana Plaza victims on the following day.

Initiated by IndustriALL Global Union, the meetings will take place in the city's Sonargaon Hotel.

As per the charter of demand, every victim of the two tragedies will receive Tk 5 lakh, Roy Ramesh Chandra, general secretary of IndustriALL Bangladesh Council, told The Daily Star yesterday.

According to Section 121 of the International Labour Organisation, relatives of a dead worker will receive 50 percent of the salaries, which the worker was drawing at the time of his/her death, for the next 25 years with an annual inflation of 7 percent, Chandra said.

The relatives will also receive 10

percent of the dead worker's salaries for their children's education cost, he said.

Brands and retailers, who used to outsource clothing items from the factories housed in the two buildings, will bear 45 percent of the compensation packages, factory owners will bear 28 percent, BGMEA 18 percent and the government 9 percent.

"This is the set rule now for paying compensation. The permanent disabled workers will receive a little bit higher compensation than the injured ones," he said.

In the packages, loss of earnings, pain and suffering, medical costs, funeral costs and other important family expenses were taken into account, IndustriALL said in a statement.

The estimated long-term compensation for Rana Plaza will be more than 54 million euros (\$71 million) and for Tazreen this is 4.3 million euros (\$5.7 million), according to the statement.

IndustriALL Global Union General Secretary Jyrki Raina urged all the related outsourcing firms to take part

in the discussions.

"IndustriALL looks forward to working with the committed companies to bring some justice to the dead and injured and their families. Those brands ignoring this opportunity will face criticism in the strongest terms," Raina said.

"The work around the compensation issue is not part of the Bangladesh Accord on Fire and Building Safety, but the strong spirit of cooperation built by the accord feeds into the process," he said.

"It is a clear priority for IndustriALL that international standards are respected on this important issue of compensation in the case of Rana Plaza and Tazreen."

"We should together concretise the precedent of this formula which has already been used in Bangladesh and Cambodia."

"What we all want is to make the mechanisms agreed in the Bangladesh Accord quickly a reality so that compensating dead and injured garment workers in Bangladesh becomes a thing of the past," said Raina.

Labour leaders urge factory owners to pay wages before Eid

STAR BUSINESS REPORT

Labour leaders yesterday urged garment factory owners to pay out worker salaries and festival bonuses well ahead of the Eid festival to avert any untoward incident.

They also requested the owners not to sack any worker before the Eid because such a step would cause unrest in the sector, Mantu Ghosh, a member of Bangladesh Trade Union Centre, said during a demonstration in front of the National Press Club.

The police intercepted the demonstration.

The labour leaders launched protests against the amended labour law, saying many provision in the law go against workers' interests, Ghosh said.

The government should raise the minimum monthly pay for garment workers to Tk 8,000 considering the rising prices of essentials, he said.

The government also

asked the readymade garment factory owners on July 21 to clear payment of wages along with festival bonuses by August 6.

"Garment owners must clear the salary for the month of July and festival bonus within August 6," said Home Minister MK Alamgir, emerging from a meeting with the garment owners at his office.

The minister also informed reporters that no garment factory owner would be allowed to declare a layoff before the Eid.

The government will not permit the garment owners to terminate their workers before the festival, he added.

"The industry is passing through a bad time due to some unexpected accidents," Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, said on Thursday. "We will try our best to clear their dues."



Dilip Barua, industries minister, presents the ISO 17025 accreditation certificate from Bangladesh Accreditation Board to Md Amanur Rahman, director of Dysin Group, for the textile testing laboratory of the group recently.

GM fires employees over Indian recall

AFP, New Delhi

General Motors said Saturday it has fired "several employees" after violations of company policy led to the recall of 114,000 of its Chevrolet Tavera sport-utility vehicles in India.

The recall of the popular models, announced Wednesday, came after GM employees reportedly swapped engines in new Tavera models for lower-emission engines to meet standards.

It is one of the largest ever vehicle recalls in India. "Several employees" were dismissed after an internal investigation "identified violations of company policy", the company said in an email to AFP.

The Detroit-based automaker did not disclose the nature of the violations or specify the number of employees dismissed but said GM takes "these matters very seriously and hold our leaders and employees to high standards".

New-age trade clubs: A guide for the perplexed

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It's probably not that bad. Global supply chains started to disintermediate multinational accords long before the proliferation of trade deals. Besides, there is still a place for the WTO, which includes more than ten times as many countries as the TPP. Despite its bureaucracy and tardiness, it's the only trade body that can help countries too poor to join a regional bloc.

The TPP's main appeal is that with a smaller membership, it might actually get something done, or at least set the trade agenda. With sensible rules and an open-door policy, that might provide a useful template for getting the WTO working after all.

CONTEXT NEWS

- Japan joined the 18th round of Trans-Pacific Partnership talks in the Malaysian resort of Kota Kinabalu on July 23. After the addition of Japan, twelve nations have vowed to conclude an accord by the end of the year.
- The other partners in the TPP are Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam.
- Separately, the United States and the European Union have launched negotiations for Transatlantic Trade and Investment Partnership.
- The World Trade Organisation's Doha round of multilateral trade liberalisation began in 2001. The talks are yet to conclude.

The author is a Reuters Breakingviews columnist.

Fuel imports to rise, pushed by power plants

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Accordingly, the government recently conducted an audit on state-run Bangladesh Petroleum Corporation, the sole oil importer, where it identified loopholes in management, supply and distribution of petroleum products.

The irregularities cost the country a huge sum by way of revenue loss, damage and wastage of subsidies.

A finance ministry official said the total fuel import was around 32-36 lakh tonnes about five years ago. "As the oil-based power plants increased, petroleum imports increased -- and so did the subsidies."

Power generation from oil-based power plants doubled in the last three years to about 1,800-2,000 megawatts, according to data from the Power Development Board. Last fiscal year, the fuel subsidies amounted to Tk 15,230 crore.

Although the government has cut the subsidy amount by half in the current budget to Tk 8,000 crore approximately, officials say it would not be possible to keep the amount within the target.

At present, Bangladesh produces at least 27 percent of its 6,600 megawatt of electricity from import-based petroleum sources, according to Power Development Board.

Bids for private submarine cable in Sept

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"We are also aiming to capture a big chunk of the BPO [business process outsourcing] business, for which a dedicated submarine cable is needed. Perhaps, this private-run cable would suffice," Bose said earlier.

The process to find a suitable private party to install, maintain and run the undersea cable, however, started back in 2011. At that time, the regulator's call for expressions of interest brought only one response, from a consortium of five local telecom companies.

The consortium -- Mir Holdings, BanglaTrac Communication, HRC Technologies, Advanced Data Networks Systems and Agni Systems -- offered to install the submarine cable at \$70 million, but the bid was turned down due to "lack of competition".



Bank Asia Chairman A Rouf Chowdhury speaks at the half yearly business conference 2013 of the bank for the branches under cluster 2 and 4, at its corporate office in Dhaka yesterday. President and Managing Director Md Mehmood Husain was also present.



AKM Salim Osman, president of Bangladesh Knitwear Manufacturers and Exporters Association, opens its own office at Banglamotor in Dhaka yesterday.

Stocks see highest weekly fall in three months

STAR BUSINESS REPORT

Stocks plunged 5.79 percent last week, the highest single week fall in three months, as panic-driven selling spree due to shattered confidence took a heavy toll on the bourses.

The free float-based index, DSEX, went down by 244.42 points, to close at 3,979.20.

Panic sales and a fall in confidence dominated the bourses over the week, said IDLC Investments in its weekly market analysis.

Volatility prevailed in the market over frequent scrip-wise movements, the merchant bank said.

Besides, the investors remained 'watchful' over the latest monetary policy statement of Bangladesh Bank rather than injecting fresh funds, it said.

"The entire week belonged to the sellers. Four out of five days were red due to constant sales pressure

from the investors," said LankaBangla Securities in its analysis.

Due to a big fall on the first day of the week panic started to grip the investors, the stockbroker said.

The losers took a strong lead over the gainers as out of 295 issues that traded during the week on the DSE, 235 declined, 52 advanced and eight remained unchanged. Daily average turnover of the week declined 45.15 percent to Tk 469 crore, compared to its previous week.

None of the sectors ended in green in the week, apart from food and allied and mutual funds sectors which gained 4.73 percent and 0.78 percent.

All the major sectors ended in the red with the fuel and power sector losing the most with a 10.12 percent drop followed by non-bank financial institutions and telecoms that fell 7.85 percent and 7.60 percent.

Ctg boutiques expect sales bonanza from Eid rush

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Not very far from Pinon is Meah Bibi, right at the corner of Prabartak intersection having a shop covering an area of 1,600 square feet. Its owner Sultana Nurjahan said she had made the normal preparation for Eid business with big stocks in panjabis, salwar kameez, skirts and long futuas.

Nurjahan forayed into the boutique business in 1994 as Tajnur Boutiques and later expanded it into Meah Bibi in 2007.

Meah Bibi has stocked muslin, georgette, andy silk and Tangail saris and keeping in mind the current monsoon season, Nurjahan has opted mainly for blue, violet and feroza colours, pricing them up to Tk 12,000.

Ivy Hasan, a designer of repute in print clothing and owner of Doll's House, said that because of the slump in sales during Pahela Baishakh, she had been preparing for Eid sales well in advance and had some orders from individuals which has helped her to a great extent.

She also said she has tried to stock muslin, silk and tashar saris in her stores and designed them with some jute stripes keeping the tradition alive. Her saris have a maximum price of Tk

15,000. Doll's House has panjabis for men at a maximum price of Tk 3,000 and salwar kameez with the highest price tag of Tk 7,000.

Kazi Shahtaz Perveen, a partner of Sreya Munmun's, told The Daily Star that like previous years they have concentrated on salwar kameez, saris and home décor items, and have kept a small stock of children's panjabis. The salwar kameez they have put up for sale also have long kameez with 'koli' design on the arms selling at a price range of Tk 2,000 to Tk 8,000.

Children's panjabis have been priced between Tk 500 and Tk 1,500, Perveen said.

Monideepa Das, the other partner, said, they have decided to go more into wholesale business in saris and home décor items. They sell muslin, andy cotton and half silk saris with a maximum price of Tk 8,000.

Monideepa also said they had some encouraging responses to their home décor items which come both in block print, screen print and appliqué and designed by themselves.

Their curtains sell at between Tk 3,000 and Tk 6,000 for a set of four while a set of one bed cover, two pillow cases and a cushion cover would fetch between Tk 1,000 and Tk 2,500.

However, the owners of the boutiques said sales at this time of Ramadan last year were much better.

"So far, so good but it could be better," said Ivy Hasan of Doll's House.

Sultana Nurjahan of Meah Bibi said, "Cheap imports from India and Pakistan are badly affecting our business."

"Just a few minutes of rain makes the area water-logged at Prabartak and hits our business," Mohassana Qurashy of Pinon said.

Kazi Shahtaz Perveen and Monideepa Das expressed satisfaction at going into wholesale business this year in addition to their retail sales.

Mohammed Elias of Shoilpik blamed the slump in sales on continuous shutdowns at the beginning of Ramadan this year.

However, the owners of the boutiques also sounded quite optimistic about a surge in sales in the coming days. They said people would soon get their pay packets together with Eid bonus. Although they would not have many days left to do their shopping, last minute rush to buy the appropriate attires for Eid day would result in a bonanza for the boutiques



Zahid Ibne Hai, general manager and head of SME of IDLC Finance Ltd, and Akhlaqur Rahman, chief operating officer of MetLife Alico Bangladesh, sign a partnership deal to launch "Credit life insurance" for IDLC SME customers at a programme recently. Selim RF Hussain, CEO of IDLC Finance, was also present.



Fahad Rahman, world's youngest chess master, poses with his parents and officials of Computer Source Ltd after being appointed as the brand ambassador of the company at a programme recently.



Sheltech Managing Director Toufiq M Seraj and Director Tanvir Ahmed attend a press meet to announce its special event -- Sheltech Eid Bonanza Fair 2013 -- in the capital recently. Starting from July 19, the fair will continue till Eid-ul-Fitr from 10 am to 7.30pm at its corporate office in the city's