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BUSINESS

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Garment wage hike won't erode competitiveness

Economists say the raise will create a positive work environment

REFAYET ULLAH MIRDHA

Economists said the final recommendation of Tk 5,300 as entry level wage for garment workers would not affect the country's global competitiveness. With a hike of nearly 77 percent from the existing Tk 3,000 a month, workers will be able to cope with the pressures of inflation, economists said. "Obviously the hike is a positive sign, although the amount is below workers' demands for Tk 8,114 a month," said Mustafizur Rahman, executive director of private think-tank Centre for Policy Dialogue. "I hope Bangladesh's competitiveness in the international market will not erode from the hike. The garment makers will have to enhance productivity, focus on value added items and strengthen the backward linkage industry," Rahman told The Daily Star. A positive working environment will be created due to the salary hike, he said, adding that the entrepreneurs should also pressurise international retailers for a price hike to source apparel items from Bangladesh. Overall, both the wage hike and amendments to the labour law will help paint a positive image of the country worldwide, as Bangladesh's image was tarnished after the Tazreen Fashions fire and Rana Plaza building collapse, he said.

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Export-import, supply chain come to a halt

Impact of hartal already being felt as prices of essentials rise

DWAIPAYAN BARUA and ARUN BIKASH DEY, Chittagong

The supply chain and export-import activities virtually came to a standstill yesterday with the start of yet another three-day shutdown as transport contractors of Chittagong, the country's main transit for goods, refused to ply the highways for fear of vandalism. The 16 inland container depots (ICDs) in Chittagong, where all outbound cargo must be deposited for packaging as per the requirements of shipping vessels, failed to transport a single export container to the port. At the same time, no goods-laden vehicles from factories across the country entered the ICDs, according to Bangladesh Inland Container Depots Association (BICDA). The next outbound vessel, Christa Rickmers, is scheduled to leave the port today but 66 TEUs (twenty feet equivalent units) still remain stranded at the ICDs, BICDA officials said. It was the same story for importers as well. Many of the clearing and forwarding (C&F) agents who had already completed all procedures to get delivery of their imported goods from the port were found worriedly waiting at Chittagong Customs House yesterday for transport to carry the goods. "There were many hartals in the nineties but never have we seen goods-laden trucks on the highways being attacked, as it is happening nowadays," said Syed Sagir Ahmed, general secretary of Khatunganj Trade and Industry Association. As a result, the transport contractors now refuse to carry goods on the highway on hartal days, thereby cutting off the supply chain and export-import activities, he added. "We need three container carriers to get delivery of three import containers and 36 trucks for carrying goods of 12 other containers. But, we couldn't manage a single truck or carrier," said Khurram Naieem of Asian Trading, a C&F firm. The goods were mostly raw materials bound for different chemical and textile factories in Dhaka and Gazipur. "We now have to wait till the hartal ends on Wednesday evening." As of yesterday afternoon, only 100 TEUs of import containers could be delivered from the port, whereas on a normal day the volume stands at around 2,000 TEUs, according to Chittagong Port Authority.

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SK ENAMUL HAQ

Hiron Chandra Dash, a roadside cobbler at Shukrabad, is open for business during hartal yesterday disregarding the risks to his life. The shutdown has hit him and his fellow streetside vendors who live off their daily takings hard.

Hartal or not, the show must go on

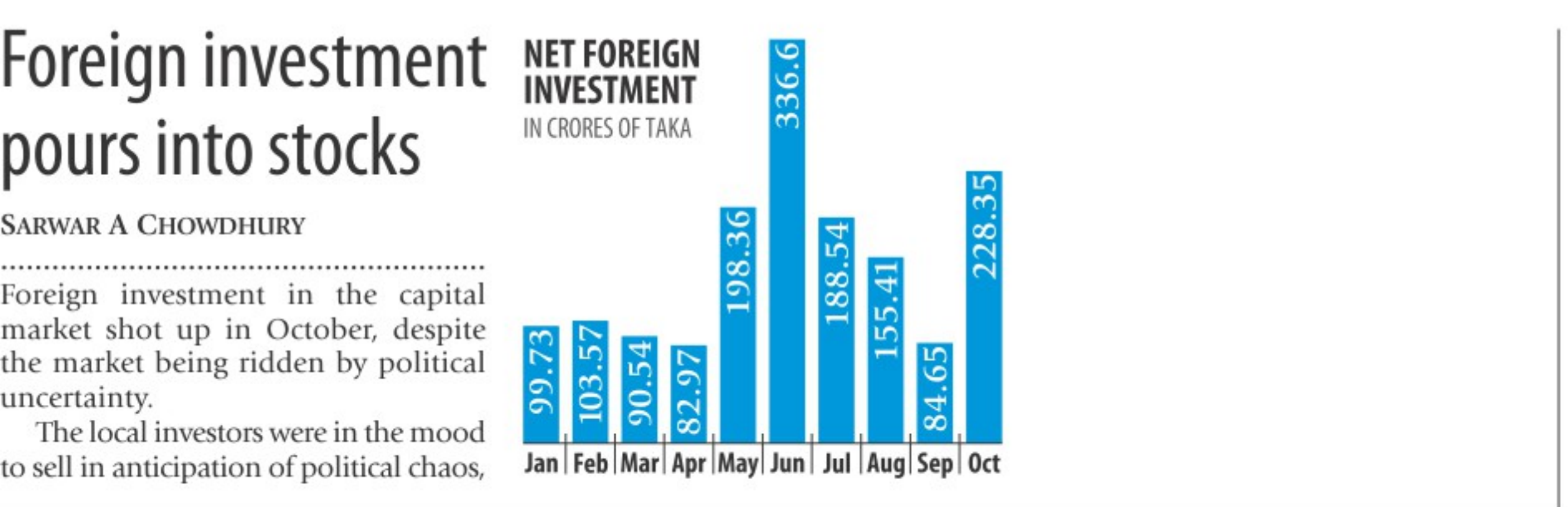
BELAL HOSSAIN BIPLOB

Even the high likelihood of violence cannot hold the 40-year old Ansar Ullah back. Like everyday, he arrived at his spot outside New Market yesterday morning, despite it being a hartal day, and laid out his makeshift stall, where he sells clothes. "I live from hand-to-mouth and have a family of five to feed at the end of the day. Although I very well know that I can lose my life or become permanently disabled if I get caught in the hartal violence, my family's needs supersede any fear for my life," he told The Daily Star yesterday afternoon. On a normal day, he takes home Tk 300-400, just enough for his family to get by. But on a hartal day, he considers himself lucky if he fetches Tk 100-150 as "there are hardly any customers." "The hartal snatches my business. Who cares for us? No one. Especially, not the political parties," the annoyed vendor added. Like Ansar, there were many others who braved the hartal yesterday and set up their roadside stalls. Just because, they cannot afford not to. Take, Hiron Chandra Dash, a street side cobbler at Shukrabad who has to pay Tk 2,300 as weekly instalments to an NGO.

Bid to set up commodity exchange without BSEC approval

GAZI TOWHID AHMED

Bangladesh Securities and Exchange Commission yesterday asked its supervision and regulation of intermediaries (SRI) department to look into the idea of running a new commodity exchange for jute in Bangladesh. The regulator took the decision as a private company planned to establish a commodity exchange for jute without taking approval from the regulator, said Saifur Rahman, executive director of BSEC. Bangladesh Jute and Commodity Exchange Ltd (BJCE), the first of its kind in the country, has initiated a pilot project to run a commodity exchange. A commodity exchange is a marketplace where various commodities and derivatives products are traded. Agricultural products and other raw materials such as wheat, barley, sugar, maize, cotton, cocoa, coffee, milk products, oil and metals are traded in most commodity markets across the world. "The issue of a new commodity exchange for jute caught our attention after seeing advertisements in national newspapers," said Rahman, also head of SRI department of the regulator.



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