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BUSINESS

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Garment exports show resilience

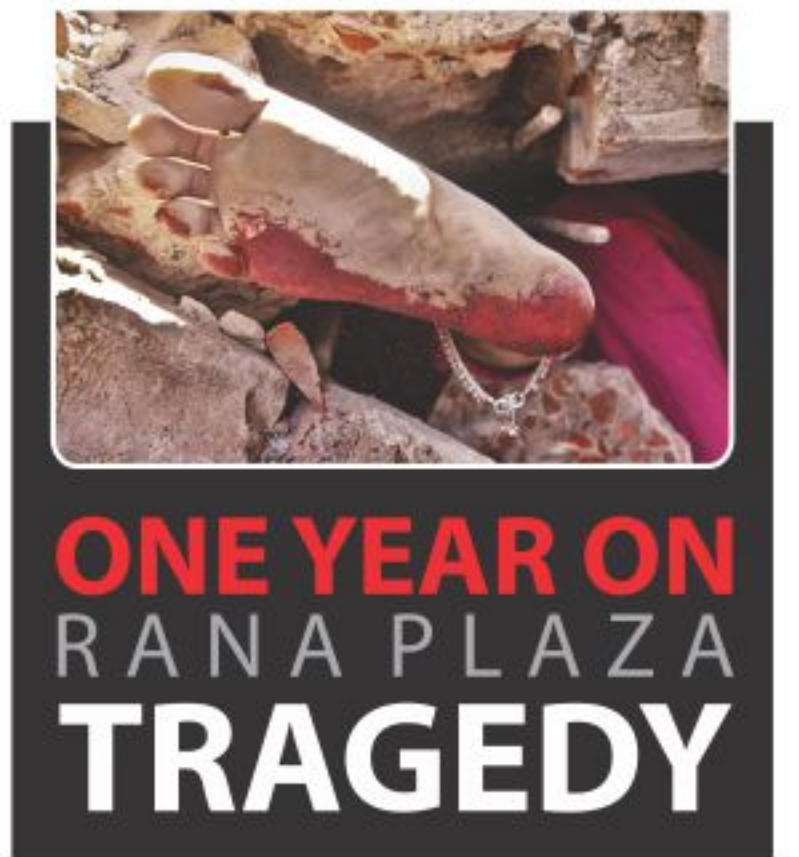
Shipments rise 16pc in the last one year despite industrial disasters like Rana Plaza collapse

SUMAN SAHA

The one word that describes the garment sector is *resilience*. Exports beat doomsayers, rising around 16 percent to \$23.86 billion year-on-year during April 2013 to March 2014 despite industrial disasters like the Rana Plaza building collapse.

"Our apparel exports are on a growth trajectory as major global brands are working with local garment makers to improve workplace safety," said Mustafizur Rahman, executive director of Centre for Policy Dialogue.

The initiatives of the global retailers and brands to ensure fire safety and structural integrity in the garment factories send a positive message to the international community, he said.



ONE YEAR ON
RANA PLAZA
TRAGEDY



Apparel exports grew at double digits despite various hurdles as the garment makers have welcomed the transformation initiatives undertaken by major retailers, said Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association.

BGMEA has shut production at 13 risky factory buildings in and around Dhaka city on prescriptions from factory inspectors of European and North American clothing retail-

ers, he said.

Garment makers are also working to relocate risky factories to purposely-made buildings, Islam said.

After the Rana Plaza accident, international brands and retailers are offering lower prices for Bangladeshi garments, which ultimately increased the volume of orders, said David Hasanat, managing director of Viyellatex Group, a leading garment exporter.

Product diversity holds key to wider access to Indian markets: CPD

STAR BUSINESS REPORT

The government should take full advantage of the duty-free market access to the Indian market by exploring new areas instead of relying on traditional products, a new study of the Centre for Policy Dialogue suggests.

In the past, Bangladesh's major exports to India included raw jute, jute items, fertiliser and frozen foods.

This composition has changed over time, the CPD said.

Now Bangladesh's major exports to the Indian market include jute, home textile, food items, cotton and woven products.

The CPD said Bangladesh should explore opportunities in the areas such as bicycles, optical elements, leather items, handbags, footwear, outer soles and sleeping bags.

The suggestion came at a dialogue on "India's market access offer: realising potential opportunities through enhanced trade facilitation" at Lakeshore Hotel in Dhaka yesterday.

CPD Executive Director Mustafizur Rahman said there are some items that Bangladesh exports to the global market but not to India.

"At the same time, India imports some items from the global market, but does not take those from Bangladesh."

Taking advantage of the duty-free access to the Indian market, Bangladesh could potentially increase export of these items to India, he said.

Imports from India went up from \$1,358 million in fiscal 2003 to \$4,740 million in fiscal 2013, with a three-fold rise in a decade, according to the study co-authored by Rahman and CPD Senior

Research Associate Khaleda Akhter.

The study also said Bangladesh's exports to India have increased from less than \$100 million in fiscal 2003 to about \$563 million in 2013, a jump of almost six-fold within a span of 10 years.

The trade deficit stood at \$4,176 million in 2013.

But the CPD study said the bilateral trade deficit should not be a major concern as many of the imported inputs from India go into Bangladesh's export oriented industries.

Backing CPD's suggestion, Shahriar Alam, state minister for foreign affairs, said Bangladesh should not worry about the trade imbalance.

"If we did not have Indian cotton it would have been tough for the country to increase its exports from \$10 billion to \$25 billion in recent years."

He said the government plans to open office of deputy high commissioner in Guwahati and Chennai to boost trade.

"We are awaiting permission from the Indian government," he said, adding that there are also some development on opening a second rail route and a container train service between the two countries.

Rehman Sobhan, chairman of the CPD, said the duty-free access would have been hugely beneficial to Bangladesh and the Indo-Bangla relations had it been granted three decades ago.

"But the ball is now in the court of Bangladesh and the business community to exploit the opportunity," he said.

He, however, said he does not see any long queues of businesses to increase Bangladesh's exports to India, although a new window of opportunity has opened up.

READ MORE ON B3

GP to launch fixed WiMax services

ABDULLAH MAMUN

Grameenphone, in partnership with two internet service providers, plans to launch fixed WiMax services in Dhaka and Chittagong today.

The services will be provided under a common brand name with the three companies sharing their networks and customer service points.

The two ISPs are ADN Telecom Ltd and Agni Systems Ltd.

Md A Salam, managing director of Agni Systems, said the new business model will ensure efficient use of resources.

"We don't need to invest twice for the same infrastructure that the other partners have already installed or invested in."

Grameenphone is currently providing 3G services along with voice services.

Initially, the services will be launched in the capital and the port city with the support of more than 200 base transceivers (networking infrastructures), while another 100 BTSs will be installed in a short time, said Abdul Matin Miazi, chief executive of ADN.

READ MORE ON 3

141 trade unions formed in 15 months

ILO sheds light on the dramatic rise

STAR BUSINESS REPORT

At least 141 new trade unions were registered in the last 15 months against only three in the last three years, according to data from the International Labour Organisation (ILO).

"Registration of over 140 trade unions in the RMG sector in the last 15 months is a staggering growth compared to registration figures for the preceding years," said Gilbert Fossoun Houngbo, ILO deputy director general.

"The formation and registration of new trade unions is a sign of a new era of collective bargaining and freedom of association in Bangladesh, which can act as a catalyst for change in other

industries."

State Minister for Labour and Employment Mujibul Haque Chunnu asked the trade union leaders to help build a good relationship between the workers and garment owners for business-friendly working conditions.

"The leaders should acquire proper knowledge for running the trade unions, otherwise the workers will engage in vandalism and get instigated by the slightest incidents."

"No worker leader could provide me with a list of the factories that are yet to implement the minimum wage structure," Chunnu said.

He spoke at an orientation programme on freedom of association for the leaders of the newly registered trade unions of the

garment sector, at Ruposhi Bangla Hotel in Dhaka yesterday.

"But at the same time they are complaining to me of non-implementation of minimum wage," the state minister said at the event organised by the ILO.

If the number of active factories is 4,000 then trade unions should be launched in the remaining 3,460, said Mikail Shipar, labour secretary.

The union leaders should remember that no factory is closed for trade unionism, he said, adding that all workers should also remember that they need to improve productivity in the factories.

Roy Ramesh Chandra, general secretary to the IndustriALL

Mark April 24 as national mourning day: rights activists

STAR BUSINESS REPORT

Labour leaders yesterday urged the government to mark April 24 as a national mourning day to pay respects to those who died in the Rana Plaza tragedy last year.

All the garment units should also remain shut on the day, they said on the eve of the first anniversary of the nation's deadliest industrial disaster that killed more than 1,100 workers.

Labour leaders and other discussants at a seminar also demanded safe workplaces at garment factories, a database system for the workers, and rehabilitation and compensation for the workers of Rana Plaza.

Bangladesh Labour Rights Forum organised the seminar on 'One Year of Rana Plaza Tragedy: Works of Garment Labourers, Safety, Compensation and Today's Reality' at the National Press Club in Dhaka.

"April 24 must be declared a national mourning day," said Abul Hossain, convener of Bangladesh Labour Rights Forum.

Presenting a keynote paper at the seminar, he said the owners' tendency

to make hefty profits within the shortest possible time has often affected factory maintenance and workers safety.

Although foreign buyers have vowed to increase product prices on the back of a hike in worker salaries, they are yet to offer higher prices for Bangladeshi clothing, he said.

"We are requesting the international buyers to fulfil their commitments by increasing the prices."

It is a good sign that 120 garment factories have already allowed trade unionism following amendments to the labour law last year, he said.

Labour Leader Rafiqul Islam Sujon also said all garment factories would have to be kept closed on April 24 every year. "No garment worker will work on the day," said Sujon, president of Bangladesh Garment and Industry Workers Federation.

Shahin, who used to work at a factory in Rana Plaza, said he is yet to get any compensation. "I am even finding it hard to find work elsewhere as I was a worker at Rana Plaza."

Binayak Sen, research director of Bangladesh Institute of Development

Studies, said it is necessary to know which factory is under what risk. "No such survey has been done to know the risks."

"If it is not possible to be compliant fully, at least worker safety must be ensured," he said. The government should make budgetary allocations and provide credit on simple terms to the owners to modernise their factories, he added.

Pratima Pal Majumder, an economist, said 74 percent of the workers of Rana Plaza are yet to get jobs in other factories. "Special steps should be taken to employ them."

Omana George, programme coordinator of Asian Monitor Resource Centre, said workers' rights and the condition of the workplace seems to be the same as always.

"Laws and rights are being compromised, and the situation is the same in India, Pakistan and China," she said, adding that a lack of infrastructure is a hurdle to enforcing laws.

Shirin Akhter, a lawmaker, said the government, garment owners, trade unions and international buyers must take equal responsibility to ensure

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