

Minister comes down hard on retailers' groups

STAR BUSINESS REPORT

A state minister yesterday slammed foreign inspection agencies for their recommendation for immediate closure of factories not having adequate safety measures.

The Accord and Alliance should give enough time to relocate or shift the garment units or comply with safety issues, said Mujibul Hoque Chunnun, state minister for labour and employment.

"They [Accord and Alliance] inspect our garment factories on building and fire safety issues and also recommend for closure of the units that they consider faulty," he said.

"Are they civil engineers? Where are the engineers from? But they feel offended hearing this."

He was addressing the inaugural function of participatory planning workshop on managing occupational safety and health at workplace, jointly organised by the labour and employment ministry and the International Labour Organisation at Ruposhi

Bangla Hotel.

The Accord is a platform of 150, mostly European, retailers, while the Alliance is the platform of 26 retailers from North America.

Not only are the factories are closed down due the recommendations, but many workers are losing their jobs as well, which might give way to an agitation any time, the state minister said.

"They have to understand that it's not possible to shift or relocate garment factories overnight. It will take time. What will happen if a factory that has been running for 10 years runs for another six months?"

Chunnun said there is nothing to do if any accident happens during this time.

He, however, said that all stakeholders -- the government, workers, owners and other organisations -- will have to work together to develop the sector.

Some 60 participants form the government, trade unions, garment manufacturers' association and buyers attended the daylong workshop organised under the ILO's

"improving working conditions in the garment sector" programme.

Other speakers stressed the need for building occupational safety and health awareness in garment factories to reduce risks of accidents and to prevent accidents at workplaces.

Lilianne Ploumen, foreign trade and development cooperation minister of the Netherlands, said the Tazreen fire and Rana Plaza collapse are catalysts for change in the garment sector.

Since the incidents, the government and the private sector have taken several initiatives to strengthen occupational safety and health in the garment industry.

It is also laudable that the government adopted a 'national occupational and health policy' in November last year as part of its response to the commitments made in the national action plan in July last year, she said.

"Well functioning occupational safety and health committees in factories are essential for the safety and health of workers. For this, I hope that these new committees

are established in a fair and transparent manner with the appropriate representation of workers, including women."

The Netherlands, Canada and the UK are committed to the establishment and capacity building of occupational safety and health committees in the garment industry through joint support of ILO's garment programme, she added.

ILO Country Director Srinivas Reddy said the participatory workshop is an important initiative toward ensuring safe workplaces and preventing accidents in garment industry.

Enhanced awareness among the representatives of employers and workers would directly contribute to safe workplaces, he said.

Active functioning of the mandatory occupational safety and health committees and trade unions should contribute to greater participation of workers representatives in workplace safety measures, he added.

Mikail Shipar, labour secretary, also spoke at the inaugural session.



RANGS

Nasser Shahrear Zahedee, chairman of Radiant Pharmaceuticals, launches Rancon Motors' week-long free service campaign under the guidance of a foreign expert of Mercedes-Benz, at its service centre in Tejgaon, Dhaka yesterday. Rancon Motors is the authorised distributor of Daimler AG in Bangladesh.

New MD for BASIC Bank

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After the government appointed little-known Bacchu as its chairman in September 2009, the bank's performance started eroding, a poster reads.

In a statement, BASIC Bank dismissed the allegations in the posters as unfounded. The bank filed a general diary with the Motijheel police.

Bangladesh must sell clean clothes, not dirty ones

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"It is something that you can put into your good books, something that can make you proud, because it shows you have done something for your workers' safety."

What first looked like an imposition from the Western markets on Bangladesh now looks like a chance for Bangladesh to simply improve the quality of the industry, the German diplomat said.

"You will have to move to a higher degree of quality everywhere if you want to become an emerging country. I think that is on the way, and I am very satisfied about that."

The country, the private sector and the media reacted very positively to the crisis following the Rana Plaza building disaster and the Tazreen Fashion fire, he said.

To restore the image of a leading supplier of clothes, the diplomat said, a reformed Board of Investment is needed.

"You need to be more proactive in inviting investments and offer solutions to land and energy because these are the two biggest bottlenecks in bringing foreign investments, and German investment in particular."

He said the country needs to make intelligent choices in case of energy supply and the way the country finances itself. "You need to have a better revenue generation for a better budget."

The ambassador also spoke of the country's intent to issue international bonds. "I think the bond will be over-subscribed and will sell very well. Once you are part of that club of countries that are on the international bond market, you will move up the scale."

With these elements, Bangladesh would be able to leave behind its reputation of being a poor country.

Conze tipped Bangladesh to become a middle-income nation sooner than the government targeted date of 2021.

"I believe Bangladesh will be a middle-income country well before the 50th anniversary of the nation," he said, adding that if the politics is sorted, the growth rate of 6 percent can go up to 8 percent. "I have no doubt about that because I have seen the energy everywhere."

But it would require "very strong, transparent and strategically thinking" leadership. "I hope you will succeed in getting out of poverty even faster than you have predicted yourself."

A strong Anti-Corruption Commission will help, as the country needs strong institutions that will make it more attractive for people to behave correctly than to misbehave, Conze said. "With stronger institutions you will have more growth."

He said when he came to Bangladesh two years ago he thought the country was very poor.

"But it is a hybrid country. Yes, there are millions in the countryside who live under the poverty line. At the same time, there is huge movement towards ever larger middle class. That is the real success story of this country."

"You can be independent and autonomous and that is a matter of pride. If all forms of governments are on your side and governance is better, the country can move faster."

The diplomat said Bangladesh needs to act now and implement things. "If you can manage it not just at the factory level but as a society, I am not worried about the future of a country that I have come to love."

His assignment in Bangladesh saw two industrial accidents in the garment sector and almost yearlong political unrest. But he said normalcy has returned to the country with new challenges.

"I have witnessed a tremendous amount of movement. Even though it was politically a very critical time, the country has continued to move forward. It has impressed me."

Conze also said the development partners should not be smarting over how the recent elections were conducted in the country, defying international calls for an all-inclusive poll.

"We, together with a number of other diplomats, especially within the EU, spent a lot of energy trying to bring the parties together last year and trying to help them find conditions under which BNP would participate."

But in the end, things happened as they did, and everyone should now talk less about the past and more about what is next, he said.

"As Europeans, we have said what we have said. We are not changing our mind about that. But this is not at the centre of our attention now. Turning a page does not mean you approve of everything that has happened in the past."

Conze also praised the country's business community who showed sheer resilience in the face of political unrest.

"In spite of a very difficult period in 2013, Bangladesh's business community has continued to work as well as maintained growth rate. On the whole, they have succeeded. It is quite impressive."

Conze, who will leave the country next Monday, a year before his tenure ends, said he is very sad to be leaving early.

"And please take my candour and frankness as an expression of my admiration, appreciation and love."

His next charge would be to head a new peace building mission of the European Union in Mali, where police forces are demoralised and need motivation to stabilise the country. "This is a challenge of a size that I could not reject."

Conze, now 59, joined Germany's foreign services in 1981 and served in Hong Kong, Beijing, Vienna, Warsaw, Tunis, Khartoum, Moscow and Harare, before moving to Dhaka in late 2012.

13 firms get nod to take foreign loans

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The rest of the amount was approved for 10 other companies, Bangladesh Bank said in a statement yesterday.

The highest interest rate for the projects is three-month LIBOR+4.75 percent in a year, the banking regulator said.

"This type of foreign financing will be helpful to keep the dollar price stable. The balance of payments deficit will decrease and it will create more job opportunity for the country," BB said. The borrowing approvals came at the 86th meeting of the Board of Investment Scrutiny Committee of the BB at its headquarters in Dhaka.

The main purpose of this foreign loan is to import capital machinery and equipment of the project, the BB said. The meeting was presided over by BB Governor Atiur Rahman, who is also the convener of the committee.

The committee approved foreign loans of \$1.82 billion in FY2013, which was 43 percent higher than in FY2012.



GREEN DELTA

Farzana Chowdhury, managing director of Green Delta Insurance, and Margaret Mary West, head of corporate support of Chartered Insurance Institute, UK, sign a deal at a programme in Dhaka yesterday to offer insurance training courses at the Professional Advancement Bangladesh Ltd launched by Green Delta. Story on B1



JCI

Junior Chamber International, Dhaka along with Smile Foundation, Jayson Pharmaceuticals, Channel i and Engender Health organises the 10th maternity health camp in Kalyanpur Slum Area in the capital on Friday.

Know your market to diversify exports: experts

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On market diversification, Rahman said even a few years ago, Bangladesh's exports to China were less than \$100 million; it is now \$400 million. The country's exports to India rose to \$500 million from about \$200 million a few years ago.

Zillul Hye Razi, trade adviser to the EU delegation, said both the government and private sector entrepreneurs should try to maintain the quality of products exported to the EU.

"Last week, I received letters from the EU on the rejection of five consignments for different products. Earlier, I used to receive two consignment rejections a week," said Razi.

"We need to shift to value-added items and encourage foreign direct investment to diversify exports," said AB Mirza Azizul Islam, a former adviser to the caretaker government.

"In the case of Bangladesh, the intermediary products do not enjoy any protection; only the manufactured products are enjoying such protection. As a result, the export of intermediary goods is not increasing," he said.

"The number one enemy to exports is the infectious exchange rate of currency. The Bangladeshi currency is appreciating, while the exchange rate in India and some neighbouring countries is depreciating," said Mozibur Rahman, chief executive of Bangladesh Foreign Trade Institute.

Zaidi Sattar, chairman of Policy Research Institute, presented the keynote paper at the discussion. Sultan Hafeez Rahman, country director of IGC Bangladesh, moderated the discussion.

REHAB polls stayed for three months

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The commerce secretary, the election board of REHAB and the director of trade organisation under the commerce ministry have been made respondents to the rule, petitioner's lawyer Ragib Rouf Chowdhury said.

AM Amin Uddin argued for the petitioner, while Deputy Attorney General Biswojit Roy represented the government.

The election board will comply with the court directive, Akhtaruzzaman Manju, the chairman of the three-member board, said.

Micro lenders may come under tax net

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The rate of VAT, which is now charged on the basis of fixed value addition or truncated value for different goods and services is likely to be raised.

Officials said the spike in the rate of VAT may help businesses get ready for paying a 15 percent VAT under a new law that will come into force in July 2015.

Currently, businesses such as government contractors, suppliers and certain types of restaurants pay VAT at 4 percent to 9 percent on the basis of a truncated value.

If the rate is not hiked in phases, it may become a pressure for businesses, the

officials said.

The government also plans to impose health tax on all kinds of tobacco products. The tax may be levied as 1 percent surcharge on the selling prices of tobacco products.

The officials said a fund comprising health tax and eco tax will be used for the treatment of patients affected by tobacco products and to set up effluent treatment plants.

The government may not continue the provision of allowing investment of undisclosed money in the housing sector next fiscal year, they said.

Textile tech business centre launched

STAR BUSINESS REPORT

A Textile Technology Business Centre (TTBC) was launched yesterday to assist the textile industry to adopt resource efficiency measures in managing waste and ground water.

Lilianne Ploumen, foreign trade and development cooperation minister of the Netherlands, launched the centre at the Netherlands embassy in Dhaka.

The centre was set up by Bangladesh Garment Manufacturers and Exporters Association with support from the Netherlands embassy, International Finance Corporation, and Partnership for Cleaner Textiles (PaCT). It will be functional from June 15.

TTBC will support the textiles sector in adopting the best practices and technologies that improve business and environmental sustainability, said Shahidullah Azim, vice-president of BGMEA.

The centre will collect, analyse, translate, and share guidance on practical implementation of cleaner production, occupational health and safety, water sanitation and hygiene, and effluent treatment plants, according to the PaCT website.

The Netherlands aims to extend support to make the industry become more sustainable and globally competitive, said Ploumen.

Bringing in cleaner production practices and technologies that significantly reduce water consumption will make the sector more resource efficient, she said.

Supporting the textile technology business centre is aligned to IFC's commitment to the Bangladesh textiles sector to improve its environment sustainability, said Kyle Kelhofer, country manager of IFC.

"It is part of our broader initiative to help the sector thrive and remain competitive."

Through its strong local and international network, TTBC facilitates business-to-business connections between factories and technology vendors, service providers, financial institutions and universities, said Mrinal Sircar, programme manger of PaCT.

TTBC is the first centre of its kind in Bangladesh, dedicated to help factories minimise waste and emission and enhance production efficiency, Sircar said.

PaCT is a partnership project between textile and wet procession factories in Bangladesh, international appeal buyers, wet procession technology suppliers, the Netherlands embassy, the IFC and Solidaridad.

TTBC draws on the best global independent technical knowledge and local experience on cleaner production, it said.

TNO, a reputed Dutch research organisation, provided technical support for the centre.

Green Delta launches first insurance training institute

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Green Delta Insurance has taken the lead in providing quality insurance education and training, Ahmed said.

The insurance sector has expanded fast over the last decade but the growth was not matched by

supply of trained manpower, he said.

The opening of the training institute for the sector is a timely step and will help minimise insurance disputes due to better trained professionals, said M Shamsul Alam, chairman of Sadharan Bima Corporation.



HEIDELBERG CEMENT

Jose Marcelino Ugarte, managing director of Heidelberg Cement Bangladesh, presides over the company's 25th annual general meeting on its factory premises at Tatki in Narayanganj recently. Heidelberg announced 380 percent cash dividend for 2013.