

# EU spurs Bangladesh to do more for factory safety

STAR BUSINESS REPORT

Bangladesh has significantly improved the workplace safety standards and labour rights in the last one year, but still a lot to do, EU Trade Commissioner Karel De Gucht said.

The comment came at a time when the Sustainability Compact, which Bangladesh signed with the European Union involving the International Labour Organisation (ILO), completed its first anniversary yesterday.

Under the agreement, Bangladesh is committed to improve safety standards and labour rights, and the EU will observe the progress of the commitments for one year before taking any trade action against Bangladesh.

The US also joined the Sustainability Compact later.

Bangladesh should enact the regulations on labour reforms and take steps to extend the improved labour rights to the export processing zones, De Gucht said in Paris on June 26.

"Bangladesh's labour law still needs to address restrictions on trade union formation and mem-

bership, no later than in the next iteration of the labour law reform," De Gucht said.

After the Rana Plaza collapse, Bangladesh amended the labour law of 2006 allowing full freedom of association by the workers on July 15 last year.

But the labour ministry is yet to formulate the regulations to implement the law at the field level.

De Gucht also urged Bangladesh to accelerate the recruitment of additional labour inspectors as the process has slowed down due to some bureaucratic tangles.

The labour ministry could only recruit 25 out of 200 additional inspectors so far, although the process started nearly a year ago.

"All the enabling conditions must be in place, not only in law but in practice, for workers to organise into trade unions and make their voice heard at the factory level," Gucht said.

"Inspections must be followed by structural improvements to improve safety. Bangladeshi industry has a key role to play here. And there is still much for retailers and importers to do."

Bangladesh has amended its

labour law improving the labour rights, De Gucht said.

"It has also upgraded its system for inspecting factory safety and begun the recruitment process of hundreds of new inspectors," he said.

"Inspections have started and their results are being made public. Many new unions have registered and workers are starting to organise."

He said the EU has extended a fund of 16 million euros to support ILO's Better Work and Standards Programme in Bangladesh.

He also said the EU has also started a 15 million-euro Technical and Vocational Education and Training Programme that also helps in rehabilitating some of the victims of Rana Plaza collapse.

A high-powered EU delegation will come to Bangladesh in August to review the progress that Bangladesh made under the sustainability compact, Shawkat Ali Waresi, a joint secretary to the commerce ministry, told The Daily Star.

In 2013, Bangladesh exported goods worth 9 billion euros to the EU, the country's largest export destination, according to the EU

statement.

After the Rana Plaza tragedy, Bangladesh and the world had no choice but to act to improve workers' rights, safety and working conditions in the country's garment industry, US Ambassador Dan Mozena said in a statement yesterday on the first anniversary of the Compact.

The United States provided Bangladesh with an action plan, a series of concrete steps that, if addressed, could serve as a basis for the Obama administration to consider reinstating the GSP benefits, Mozena said.

"We recognised that the task of improving working conditions and respect for workers' rights in Bangladesh was daunting, difficult, and time-consuming, but we also believed it was achievable, especially if we worked together."

"In sum, all parties should continue to support the commitments of the government of Bangladesh, the ILO, the European Union and the United States as reiterated in the Compact."



MM Haikal Hashmi, deputy managing director of IFIC Bank, poses with the participants of a daylong training organised by the bank recently for grassroots women entrepreneurs to enhance their business capacity.

## EBL's Diners Club cards face setback

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The bank officially launched the cards on May 14 this year, said Ziaul Karim, head of brand and communication of EBL, adding that the bank has not issued cards yet.

Following the deal, Hussain of Travel Consultants approached the central bank for action. Getting no response from Bangladesh Bank, his lawyers filed the writ petition.

Bangladesh Bank, the chairman and the managing director of EBL, and secretary of the bank and financial institutions division of the finance ministry have also been made respondents to the rule.

The judges also directed the central bank to stop the implementation of the agree-

ment between the local bank and DCI.

Ziaul Karim of EBL said: "There is no question of taking away business from anybody."

DCI has signed a non-exclusive agreement with EBL, meaning the US company can sign deals with other banks as well to allow them to issue its cards and run its acquiring business, he said.

"It is up to the DCI to choose partners. We are doing business within the capacity of a bank. We did nothing wrong."

Meanwhile, DCI Hong Kong has sent a notice expressing its intention not to renew its agreement with Travel Consultants.

DCI did not return an email sent by The Daily Star.



Abdul Malek Mollah, director of Al-Arafah Islami Bank, and Md Habibur Rahman, managing director, attend a programme in Dhaka recently when the bank handed one lakh stickers of a formal awareness campaign to Benazir Ahmed, commissioner of Dhaka Metropolitan Police.



Kazi Md Amanullah, head of general services division at First Security Islami Bank, inaugurates a branch of the bank in Kaliganj yesterday. Sk Abdul Wadud, zonal head of Khulna, was also present.

## India's power plants running out of coal

REUTERS, New Delhi

Nearly half of India's coal-fired power plants have only enough stocks to last a week or less, a shortage that could become critical and drive up thermal coal imports by 14 percent as weak monsoon rains are expected to cut output from hydropower.

State behemoth Coal India, the world's largest coal miner, has failed to raise its output fast enough to meet demand, and millions of Indians still go without power.

Blackouts are frequent, something new Prime Minister Narendra Modi is keen to fix, but that would require increasing coal shipments from Indonesia, Australia and South Africa.

Shipments of thermal coal, used in power generation, could rise about 14 percent to 152 million tonnes this year, according to commodities trader mjunction, a joint venture of Steel Authority of India Ltd and Tata Steel.

A New Delhi-based trader, whose firm imports mainly from Indonesia for power companies in India, said his clients have already asked for more shipments as poor rains will force farmers to use more power to run their irrigation equipment.

"On the one hand you have less hydro electricity, and on the other you have more demand from the agricultural sector," said the trader, who did not want to be named as he is not authorised to talk to media.

Coal is used to fire more than half of India's electricity, while power from dams

accounts for about a fifth.

With the weather office expecting below-average monsoon rains this year and private forecaster Skymet forecasting a 60 percent chance of a drought, however, more coal could be needed to make up for lower-than-normal hydropower output.

Weak monsoon rains contributed to one of the world's worst blackouts in 2012, when hundreds of millions were left without power.

Power Minister Piyush Goyal on Monday urged power companies to raise thermal imports after saying that 26 out of 100 coal-based power plants in India had "super critical coal stocks" - or only enough to meet requirements for less than four days.

A total of 44 plants, including the super critical ones, have "critical coal stocks" - only sufficient for less than a week - with the majority of these in the state of Maharashtra.

"India's coal imports will continue to rise considering the fact that there are still a lot of new power plants coming up," said Viresh Oberoi, chief executive of mjunction.

The new plants will need coal, and since domestic supply to the plants is guaranteed only up to 60 percent of their total requirement, they will have to buy more imported coal to operate at optimum levels, he said.

India is already the world's third-largest coal importer despite sitting on the fifth largest reserves, mainly due to delays in securing environmental clearances to add new mines and to build facilities to transport coal from remote mines.

## Mobile phone users face surcharge

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The NBR official said they have started working on the issue of mobile users' surcharge at an instruction from the government high-ups.

At the meeting, operators said the disposable income of mobile phone users would fall due to the surcharge, which will affect revenue of the operators and the government as well.

The operators said they already contribute to a Social Obligation Fund, which is enough for the development of the education sector.

Teledensity is rising fast due to increased mobile phone subscription. The number of mobile phone users now stands at 11.62 crore, which was 3.44 crore seven years ago, according to Bangladesh Telecommunication Regulatory Commission.

The number of internet users through mobile phone is also growing, thanks to an increased use of smartphones. The number rose to 3.74 crore in May this year from 2.12 crore two years ago.

The mobile operators said the rising penetration and use of mobile phone for various purposes have boosted earnings of the tax collector.

The VAT collected from the telecom sector at the domestic stage accounted for 15 percent of the total VAT collection in fiscal 2011-12, mobile operators being a major contributor, according to NBR.

Habibur Rahman, a small trader at Baridhara in the capital, said mobile phone is a basic need and the new sur-

charge on top of the 15 percent VAT would burden him further. "The higher rate of VAT is already a torture."

Ahsan H Mansur, executive director of Policy Research Institute, also criticised the NBR for its plan. "It is a bad idea. They are already charging VAT. Why should they need to impose surcharge?" Mansur questioned.

"My main objection is that it will undermine growth of the broader economy. Because the sector is very pro-growth. Enhanced use of mobile phones reduces cost of doing business and allows people to avoid unnecessary trouble," he said.

From fish trading to education and large business houses, mobile phones are used in all sectors, he said. "This kind of surcharge will discourage broadening of telecom in all economic activities including education and research. It will be against trade and economy."

He also said the surcharge will not help the education sector, which will be internet-based in future when more data will be downloaded through mobile phones.

"Broader use of telecoms will bring more tax," he said.

TIM Nurul Kabir, secretary general of Association of Mobile Telecom Operators of Bangladesh, said the surcharge will hinder growth of the sector and undermine the government's vision for a "digital Bangladesh".

The sector paid Tk 71,000 crore in different taxes so far. "The government can find other innovative ways to increase revenue from the sector," Kabir said.

## Crystal Insurance reelects chairman

STAR BUSINESS DESK

Abdullah Al-Mahmud has recently been reelected as the chairman of Crystal Insurance Company for another term of three years, the company said in a statement yesterday.

Al-Mahmud is an entrepreneur and holds an MBA from USA. He has established a number of industrial enterprises under the Mahin Group of Industries.



## Rupali Bank gets new DMD

STAR BUSINESS DESK

Md Abu Bakar Siddique has recently joined Rupali Bank as deputy managing director, the bank said in a statement yesterday.

Prior to the appointment, he was the general manager of human resources division at Janata Bank, according to the statement.

He also served Janata Bank's Sharjah branch in United Arab Emirates as manager and as head of Janata Bhaban corporate branch.

Siddique received the Grindlays Bank Award in banking diploma and holds a master degree in English language and literature.



## HC acts on money laundering allegations against shippers

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Anti-Corruption Commission Lawyer Khurshid Alam Khan, who placed arguments during the hearing of the petition, told The Daily Star that the BB governor and the executive director of its financial intelligent unit, and the shipping companies have been made respondents to the rule.

## Grameen Uniqlo to open ninth store

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Fast Retailing has a 99 percent stake in the joint venture, while the remaining 1 percent is owned by Grameen Healthcare Trust.

Being a social business, profits from the stores are re-invested in the business within Bangladesh to grow the network of stores and give employment to more and more people.



Md Shahidul Islam, additional managing director of United Commercial Bank, opens a branch of Premium Sweets on Rabindra Sarani in sector 7 of Uttara, Dhaka recently. Md Mahbubur Rahman Bokul, head of corporate affairs of Premium Sweets, was also present.



Jainul Abedin Jamal, chairman of Federal Insurance, attends the 26th annual general meeting of the company at Biam auditorium in Dhaka recently. The company announced 11 percent stock dividend for 2013. AKM Sarwady Chowdhury, managing director, was also present.



Shahid Hossain, managing director of Southeast Bank, hands over 6,000 school bags valued at Tk 30,00,000 for deprived poor school students of the remote chars of north-western region of the country to AKM Musa, country director of Concern Worldwide Bangladesh, at a programme in Dhaka yesterday.