

TAZREEN FASHIONS TRAGEDY

Has fire safety in RMG sector improved?

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IT was two years ago this week that fire swept through the Tazreen Fashions factory on the outskirts of Dhaka claiming the lives of more than 110 garment workers.

At the time this was Bangladesh's worst ever industrial accident. It laid bare the lack of fire safety in the readymade garment sector and put in motion considerable efforts by local and international stakeholders to ensure such an event could not happen again.

Two years on, has fire safety in the Bangladesh's garment sector improved? The answer is certainly yes, although considerable challenges remain.

In the immediate aftermath of the Tazreen Fashions fire, a National Tripartite Plan of Action was developed by the government, employers and workers organisations with ILO support. The plan identified steps needed to enhance fire safety in the RMG sector, efforts which were subsequently widened following the Rana Plaza collapse just a few short months later to include structural safety.

An immediate priority was to inspect each of the approximately 3,500 garment factories throughout Bangladesh for fire and structural safety. To date, around 60 percent of this work has been carried out by the Bangladesh Accord on Fire and Building Safety, the Alliance for Bangladesh Worker Safety, and Bangladesh University of Engineering and Technology under the National Tripartite Plan of Action. All remaining factories should be inspected by early 2015.

Recognising the vital role of



Garment labour leaders place flowers at the graves of the Tazreen Fashions victims at Jurain in the capital on November 24, the second anniversary of the fire tragedy.

the Fire Service and Civil Defence Department (FSCD), emphasis has been placed on enhancing its capacity to carry out inspections and respond to incidents. The strength of the FSCD has been boosted. The number of fire service staff working as inspectors has increased from 55 to 238 with plans to bring the total to 260 in the near future.

The ILO, with support from the US Department of Labour, is supporting this process by providing comprehensive training. A core of master trainers is being created within FSCD to build the skills of their colleagues nationwide. Fire Service staff can now more effectively inspect factories, develop emergency action plans and carry out evacuation drills to ensure factory occupants evacuate buildings safely when the alarm sounds.

Inspectors from the Department of Inspection for Factories and Establishments as well as safety managers from within RMG factories have attended training sessions, helping them gain a better understanding of the steps and processes to improve fire safety. The international brands and retailers have also played an important role through the Accord and Alliance which have provided fire safety training to workers and employers as have international agencies such as GIZ.

Yet despite the progress made, many challenges lie ahead.

Response times remain a major obstacle to fighting fires. While Fire Service teams can leave their stations within minutes of receiving an emergency call, traffic may result in it taking

hours to reach the scene of any fire. In response, the government has recently agreed in principle that nine new fire stations in RMG cluster areas will be built. Efforts are needed from the government and international partners alike to ensure that suitable land is secured and that these facilities become operational as soon as possible.

On the regulatory level, the implementation rules of the Fire Safety Act need further review to ensure compliance with internationally accepted standards.

Factories needing to carry out remediation measures require support to do so in an effective manner. To this end, the ILO is working with the government, Accord, Alliance and industry partners to develop a remediation protocol that will help identify

contractors qualified to provide factories with correct guidance. Additionally, experts will collaborate on the most effective way to ensure remediation equipment meets acceptable standards.

Support is needed from the highest levels of government to drive forward greater coordination between the regulatory bodies charged with oversight of safety in the RMG sector: the Department of Inspection for Factories and Establishments, the Fire Service and Rajuk.

The regulatory authorities also need to be further empowered to systematically and effectively follow up on inspections while factory owners must understand that there will be consequences if they do not comply with inspection recommendations. In addition, we must all work to try to instill a stronger culture of preventative safety, not only in the garment sector, but the society as a whole.

While all these steps will help shape a safer RMG sector, we must not forget the families and dependants of the Tazreen fire victims. Many victims are yet to receive full compensation. The mechanism used to provide and allocate compensation for Rana Plaza victims could be put to use without delay and ILO welcomes the recent announcement by C&A Foundation, Clean Clothes Campaign and IndustriALL to provide support in this regard.

The fire at Tazreen Fashions left a terrible human toll. We owe it to the victims that from this disaster, a safer RMG sector can emerge, to the benefit of the millions who work within it and Bangladesh as a whole.

The writer is country director, ILO Bangladesh.

After record deal, more India bank takeovers on cards

REUTERS, Mumbai

INDIA is set for more banking acquisitions after a record \$2.4 billion takeover last week ended four years of a deals drought, as lenders fight for market share and wider reach amid looming competition from a new breed of players.

A banking sector consolidation should support an expected recovery in Asia's third-largest economy through creation of stronger lenders that will control the growth of bad loans and make credit availability easier.

Any deals, though, will be subject to close regulatory scrutiny and may face other hurdles, meaning they are expected at a steady clip rather than in a torrent.

"Deals will happen in the banking sector, but relatively fewer compared to mergers in other non-regulated sectors," said Sanjay Doshi, a partner at consultancy KPMG, referring to segments such as industrials and consumer where there is no sector-specific regulator.

The Indian banking sector is fragmented, with 46 commercial banks jostling for business with dozens of foreign banks as well as rural and co-operative lenders. State banks control 80 percent of the market, leaving relatively small shares for private rivals.

The state-run banks are unlikely to be part of any takeovers involving private sector rivals as the government has not been keen to bless such transactions. But the private sector, which accounts for nearly half the total number of commercial banks, could see deal activity.

New private players were earlier this year allowed to enter the sector for the first time in a decade, and the central bank plans to grant more bank licences. As a result, some large conglomerates are expected to jump in the fray.

With the incumbents keen to fortify themselves against the new competition and as the new players try to scale-up quickly, takeovers are clearly on the cards, say financial industry executives.

Among the conglomerates, the Aditya Birla group and billionaire Anil Ambani's Reliance Capital are keen on the banking sector and will be eyeing deals to expand quickly after they get permits, say investment bankers. The central bank's stance on allowing conglomerates into banking is unclear.

Some of the bigger private sector players - No. 3 private sector lender Axis Bank, IndusInd Bank and Yes Bank - are also potential acquirers, dealmakers say.

Axis, IndusInd, Yes Bank, Reliance and Birla Group did not respond to requests for comment.

Targets include smaller banks that are localised, but with a high number of urban branches, like western India's DCB Bank and Karnataka Bank, investment bankers said.



Mashruf Habib, managing director of Regent Airways, a concern of Chittagong-based Habib Group, speaks at a press meet in the port city yesterday to announce major expansion plans as the carrier marked its fourth anniversary.

Regent Airways unveils Tk 800cr expansion plan

STAFF CORRESPONDENT, Ctg

REGENT Airways is set to invest Tk 800 crore in the next two years to expand its fleet and international operation, its officials said yesterday.

Five brand new aircraft -- three Boeing 737-800 and two Boeing 767-200 -- will be added to its fleet and 13 international routes launched, Mashruf Habib, the airline's managing director, said at a press conference in the port city to mark Regent's fourth anniversary.

As part of its expansion plan, Regent, a unit of Chittagong-based Habib Group, will connect new destinations: Nepal, Bahrain, Doha, Muscat, Abu Dhabi, Riyadh, Jeddah

and Johor Bahru in Malaysia.

The country's aviation sector has huge potential for its high population density and geographical location, Habib said, adding that the rise in income level also bodes well. "Now, air travel is not limited to the affluent class -- middle-income people can easily afford it."

Other than the procurement of new aircraft and increase in routes, the airline is investing in technology, passenger service, aircraft maintenance, repair and overhaul, Sam Issac, chief adviser of Regent Airways, said.

Passengers will see a lot of changes in service quality in the coming days, he added.

Bhopal's toxic legacy lives on, 30 years after industrial disaster

REUTERS, Bhopal/New Delhi

BEYOND the iron gates of the derelict pesticide plant where one of the world's worst industrial disasters occurred, administrative buildings lie in ruins, vegetation overgrown and warehouses bolted.

Massive vessels, interconnected by a multitude of corroded pipes that once carried chemical slurries, have rusted beyond repair. In the dusty control room, a soiled sticker on a wall panel reads "Safety is everyone's business".

On the night of Dec 2, 1984, the factory owned by the US multinational Union Carbide Corp accidentally leaked cyanide gas into the air, killing thousands of largely poor Indians in Bhopal.

Thirty years later, the toxic legacy of this factory lives on, say human rights groups, as thousands of tonnes of hazardous waste remains buried underground, slowly poisoning the drinking water of more than 50,000 people and affecting their health.

Activists want this waste removed and disposed of away from the area, and feel Indian authorities, who now own the site, have fumbled on taking action -- either by clearing up the waste itself or in pursuing Union Carbide to take responsibility.

"There is a very high prevalence of anemia, delayed menarches in girls and painful skin conditions. But what is most pronounced is the number of children with birth defects," said activist Satinath Sarangi from the Bhopal Medical Appeal which runs a clinic for gas victims.

"Children are born with conditions such as twisted limbs, brain damage, musculoskeletal disorders ... this is what we see in every fourth or fifth household in these communities."

Sarangi admits there has been no long-term epidemiological research which conclusively proves that birth defects are directly related to the drinking of the contaminated water. In 1969, the Union Carbide plant in Madhya Pradesh was seen as a symbol of a new industrialised India, generating thousands of jobs for the poor and, at the same time, manufacturing cheap pesticides for millions of farmers.

Fifteen years later, 40 tonnes of Methyl Isocyanate gas was released and carried by the wind to the surrounding densely populated disaster remains unclear and under debate.

The government recorded 5,295 deaths, but activists claim 25,000 people died in the aftermath and following years.

Another 100,000 people who were exposed to the gas continue to suffer today with sicknesses such as cancer, blindness, respiratory problems, immune and neurological disorders. Some children born to survivors have mental or physical disabilities.

While those directly affected receive free medical health care, activists say authorities

have failed to support those sick from drinking the contaminated water and a second generation of children born with birth defects.

In a rehabilitation centre run by the charity Chingari Trust, located 500 metres from the factory site, disabled children aged between 6 months and 12 years gather for treatment which ranges from speech and hearing issues to physiotherapy.

"Our life changed emotionally and physically since we got to know about his medical problem when he was just 4 months old," said 26-year-old Sufia, sitting on a mat on the floor, cradling her two-year-old son Mustafa who has cerebral palsy.

"We had to stop the therapy when he was 8-months-old as it was very expensive. My husband is an electrician and doesn't earn much. With the centre it is good as it's free. It's also good to meet other mothers with their children and realise that I am not alone."

The government was forced to recognise the water was contaminated in 2012 when the Supreme Court ordered that clean drinking water be supplied to some 22 communities living around the factory site.

"I don't think there is any doubt now that the waste dumped by Union Carbide is a serious problem and that it needs to be dealt with urgently," said Sunita Narain, director of the Delhi-based think-tank Centre for Science and Environment.

Studies by Narain's organisation in 2009 found samples taken from around the factory site contained chlorinated benzene compounds and organochlorine pesticides 561 times the national standard.

The profile of the chemicals found in samples from within the site matched the chemicals in drinking water in the outside colonies, said the report, leaving no doubt that there could be no other source of these toxins than Union Carbide.

Studies since have confirmed water pollution, but the hazardous waste remains in pits in some 21 locations within the 68-acre site and buried in a wasteland outside, largely due to wrangles between authorities and activists on its disposal.

The United Nations this week welcomed a government decision to reconsider the official figure of people affected by the gas leak, and look into additional compensation, but pressed authorities to get rid of the toxic waste.

"New victims of the Bhopal disaster are born every day, and suffer life-long from adverse health impacts," said Baskut Tuncak, UN special rapporteur on human rights and toxic waste.

"Without cleaning the contamination, the number of victims of the toxic legacy left by Union Carbide will continue to grow, and, together, India's financial liability to a rising number of victims," he added in a statement.

P&G exploring sale of \$7b Wella hair care unit

REUTERS, London

PROCTER & Gamble Co is working with Goldman Sachs to explore the sale of its Wella hair care business that could be worth around \$7 billion, sources familiar with the matter told Reuters, as the world's largest consumer products company streamlines its business.

P&G is exploring all options for the unit, which includes a professional and a trade business. That may result in selling the whole or parts, the sources said on Friday, cautioning that no final decision had been taken.

A P&G spokesman said the company did not comment on rumor or speculation. Goldman Sachs was not immediately available to comment.

Cincinnati-based P&G said in August it

would shed 80 to 100 slow-growing product lines in order to focus on about 80 brands such as Tide laundry detergents and Pampers diapers which generate most of its profit and revenue.

In November, it announced the sale of its Duracell battery unit to Warren Buffett's Berkshire Hathaway Inc and it has already sold the bulk of its pet food business to Mars Inc and Spectrum Brand Holdings Inc.

In the hair care segment, P&G also owns Clairol, which it bought from Bristol-Myers Squibb for \$4.95 billion in 2001, and Vidal Sassoon. Prospective buyers could include Anglo-Dutch consumer goods group Unilever and Germany's Henkel, which made an informal approach for Wella in 2002 before it was subsequently sold to P&G in 2003 for 6.5 billion euros (\$8.1 billion).



Three-year-old Abdul, who suffers from mental and physical disabilities, plays with his mother Rukhsana at their house in Bhopal on November 13. Abdul receives treatment at a rehabilitation centre supported by Bhopal Medical Appeal which only treats families they believe have been affected by the Union Carbide gas leak 30 years ago.