

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.8%	0.21%	\$1,198.35	\$62.89	0.75%	1.40%	0.15%	1.82%	77.15	81.03	113.40	0.64
4,283.24	8,053.37	(per ounce)	(per barrel)	27,676.04	19,909.09	3,508.61	4,293.62	BUY TK	85.04	117.40	0.67
								STANDARD CHARTERED BANK			
								SELL TK			

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Star BUSINESS

DHAKA WEDNESDAY APRIL 22, 2015, e-mail:business@thedailystar.net

Mixed results from Rana Plaza steps: TIB

STAR BUSINESS REPORT

Only 12 out of the 80 ongoing initiatives to improve governance in the garment sector were completed in fiscal 2014-15, according to Transparency International Bangladesh.

The country office of the global civil society movement against corruption said the implementation of 48 initiatives identified to fix the problems in the garment sector is underway, but 12 of them are moving slowly. Another 20 projects have remained stagnant.

TIB said there has been progress in case of capacity building of the Department of Inspection for Factories and Establishments (DIFE) and the Bangladesh Fire Service and Civil Defence and the decentralisation of Rajuk and the DIFE in the last one year. Steps were also taken to ensure factory safety.

But labour rights and the security during the job period have been evaded, it said in a report yesterday.

The report from TIB comes just three days before the second anniversary of the Rana Plaza collapse that killed more than 1,135 and injured thousands.

Conducted between April last year and March this year, the report is the second follow-up to the TIB research, "Ready-made garment: Problems to Good Governance

and Way Forward".

The findings of the research were disclosed at a media briefing at the TIB office in the capital.

Although 95 percent of the garment factories are implementing the minimum wage, there are allegations that they are not repaying the salaries by the seventh day of a month, according to the report.

Furthermore, there is an unwillingness to provide other facilities such as leave, maternity leave and attendance salaries.

There is also a lack of political will in creating an environment that would ensure labour rights and collective bargaining, said the TIB.

The production target has gone up by 60 percent, meaning the workers have been put under immense pressure to meet those numbers, TIB said, adding that only 16 percent of the factories are providing living wage to their workers.

The report lauded the hiring of 235 factory inspectors in line with the Sustainability Compact.

Five new offices of the factory inspection have been set up in garment belts and adequate workforce has been ensured. However, they were not given the logistic support, said TIB.

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From right, Mustafizur Rahman, executive director of CPD; Syed Sultan Uddin Ahmmed, assistant executive director of Bangladesh Institute of Labour Studies; Debapriya Bhattacharya, distinguished fellow of CPD; Mikail Shipar, labour secretary; Abdus Salam Murshedy, president of Exporters Association of Bangladesh; and Khondaker G Moazzem, additional research director at CPD, attend the launch of the fourth monitoring report of CPD on the Rana Plaza tragedy, at Brac Centre Inn in Dhaka yesterday.

Many Rana Plaza victims worse-off than before: CPD

The think-tank finds substantive progress in garment sector in many areas

STAR BUSINESS REPORT

The living condition of the families of many deceased and injured workers of Rana Plaza is worse than it was prior to the fateful event two years ago, the Centre for Policy Dialogue said yesterday.

The private think-tank, however, said there has been progress in various areas, including disbursement of financial support to the

families of deceased and surviving workers, re-employment of workers and medical care.

Positive reinforcements also came by in case of workplace safety and labour rights, the CPD said in the fourth edition of its monitoring report on the initiatives taken by the government, owners and other stakeholders in the aftermath of the Rana Plaza collapse.

Khondaker G Moazzem, addi-

tional research director of CPD, unveiled the report at a dialogue, which also marked the two-year anniversary of the event that claimed at least 1,138 lives, making it the worst industrial disaster in the nation's history.

"Many of the injured victims are still suffering from various kinds of physical and mental problems. They have spent a significant amount of money for the treatment

and many of them are constrained by inadequate financial capacities," said Moazzem.

As a result, their socio-economic conditions remain worse than they were before the fatal event, he said citing a telephonic interview with 12 victims. At the dialogue, two injured survivors and a spouse of a worker were brought in to share their current state of living.

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Commerce Minister Tofail Ahmed unveils the logo of the Centre of Excellence for Bangladesh Apparel Industries, at Sonargaon Hotel in Dhaka yesterday.

Centre to fix skills gap in garment sector

CEBAI unveils logo

STAR BUSINESS REPORT

The newly launched Centre of Excellence for Bangladesh Apparel Industries or CEBAI will enhance competitiveness in the garment sector by fixing skill shortage, Commerce Minister Tofail Ahmed said yesterday.

CEBAI is an initiative supported by International Labour Organisation, the Swedish government, leading Swedish retailer H&M, Bangladesh Garment Manufacturers and Exporters Association and the Bangladesh government.

Based in the garment manufacturing hub of Ashulia, the centre will provide need-based certified training and research the socio-economic aspects of the garment industry.

"Most importantly, the centre will regularly conduct research on the industry to keep it on the right track of development and act as the think-tank for the apparel industry," Ahmed said at the unveiling of the CEBAI logo at Sonargaon Hotel in Dhaka.

"This is the first such centre established not only in the country but also in the world."

In December last year, Prime Minister Sheikh Hasina opened the centre at Dhaka Apparel Summit.

CEBAI will work as an independent centre and protect the interests of millions of workers and value chain partners, said Syed Ferhat Anwar, professor at Institute of Business Administration of Dhaka University.

The centre will provide consultancy services and conduct research on economic and market forecasts and technology for suggesting policy directives.

"The centre will help enhance productivity and move the value chain up in the apparel sector," said Srinivas B Reddy, ILO country director for Bangladesh.

It will also create a more skilled workforce and help get better pay, he added.

"The Centre of Excellence will help us enhance the skills and productivity of the workforce in the garment industry," said Atiqul Islam, president of BGMEA.

Representatives from industries, academics, development organisations and government entities will

govern CEBAI, he added.

"It is a perfect example of collaboration between the public and private sectors," said Jenny Fagerlin, sustainability manager for H&M in Bangladesh.

The centre will help the country achieve its apparel exporting target of \$50 billion by 2021, she added.

Shahriar Alam, state minister for foreign affairs, stressed the need to operate CEBAI on a university campus. "It is important to provide a congenial environment for study. I think a university campus can give such an environment."

CEBAI will be operated under a three-year project that will end in December 2016.

In addition to training garment workers, the project will also train supervisors and managers on occupational safety and health, disability inclusion, workers' rights and responsibilities.

The centre will also offer training and certification for instructors, industry trainers and assessors, and briefings for managers and executives of enterprises.

ADB cuts economic growth forecast for Bangladesh

STAR BUSINESS REPORT

The Asian Development Bank has revised down its GDP growth forecast for Bangladesh to 6.1 percent for the current fiscal year due to the past three months' political unrest.

"Political unrest is undermining brighter growth prospects by affecting private investment and exports," according to Bangladesh Quarterly Economic Update released by the lender yesterday.

In December last year the ADB in its update for the first quarter had forecasted that the GDP (gross domestic product) growth in the current fiscal year would be 6.4 percent.

"Prior to the onset of the political unrest (first six months of fiscal 2015), the economy was growing briskly, indicating higher growth prospects for the current year," the ADB said.

Strong remittance inflows boosted consumption. Private investment was also picking up, reflecting higher imports of capital machinery. Although export remained subdued, it gradually improved as export orders began to rise, the lender said.

It said, although the country is resilient to domestic and external shocks, GDP growth will be further affected if political unrest continues.

The World Bank also downgraded its

WHAT ADB SAYS

Political unrest undermined brighter growth prospects by affecting investment and exports

Growth will be further affected if unrest continues

Agriculture growth will be lower due to production loss of perishable non-cereal products

Bangladesh needs to maintain political stability and improve governance to boost investment

Discipline in the banking system needs to be strengthened

to 6.8 percent from 7.3 percent.

Planning Minister AHM Mustafa Kamal told reporters last week that despite the unrest, GDP growth in no way would come below 6.5 percent.

The ADB said the agriculture sector grew 3.3 percent in fiscal 2014 after two consecutive years of lower growth; this was aided by good weather and continued government support.

Agriculture growth in fiscal 2015 will be lower than expected due to production loss of perishable non-cereal products caused by disruptions in supply, distribution and marketing. Earlier the ADB had forecasted that the agriculture sector would grow by 3.5 percent this year.

The industrial sector would grow by 8.5 percent, the lender said, against its previous projection of 9.2 percent.

The sector suffered as exports, small-scale manufacturing and construction activities have been affected by political unrest, it said.

However, better performance of large- and medium-scale industries prior to the onset of the unrest is expected to hold up the industrial sector's growth, it said.

The ADB said the services sector's growth is expected to moderate to 5.7 percent from 5.8 percent in the previous year, as transport, trade, wholesale and retail business activities have been affected.

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DSE calls for reducing tax at source on share transactions

SARWAR A CHOWDHURY

The Dhaka Stock Exchange has proposed the finance ministry to reduce tax at source on share transactions to 0.015 percent from the existing 0.05 percent considering the current volatile situation in the market.

The reduction will ultimately enhance trade volume and related tax, the premier bourse said in a set of proposals that were submitted to the finance ministry for consideration in the next fiscal year's budget.

The DSE, on behalf of the government, collects the tax at 0.05 percent rate on the value of shares, mutual fund units or other

securities transacted at a stock exchange, and deposits the revenue to the state coffers.

The prime bourse also proposed providing full tax exemption facility for five years, instead of existing partial exemption at graduated rates, for sustainable growth and smooth operation of the exchange, which is now incurring operating losses.

"Currently, the government is not getting any tax on the exchange's income due to the exemption and hence, the 100 percent tax holiday will not affect the government's revenue," the bourse said.

The Dhaka bourse proposed to increase the ceiling of tax-free dividend income to Tk 50,000 from the existing Tk 20,000.

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