

Thailand keen on power and energy investment in Bangladesh

DIPLOMATIC CORRESPONDENT

The Thai energy minister yesterday expressed the country's interest to invest in base-load power generation and power transmission in Bangladesh by building coal-fired, gas-fired or oil-fired power plants.

"Thai companies are investing in base-load power generation in India as well in alternative and renewable power generation sector in Japan at competitive prices," said Narongchai Akranasee, Thailand's energy minister, to Saida Muna Tasneem, Bangladesh's ambassador in Thailand, during a meeting at his office yesterday.

"Thailand's PTT Exploration and Production Company Ltd would be keen to participate in any open bidding licensing process in the exploration and production of oil and gas in the Bay of Bengal," the minister said in response to Bangladesh envoy's invitation for Thai investment and technical collaboration.

"PTT has invested in 14 large-scale power generation projects in Myanmar, Vietnam, Cambodia, Indonesia, Oman,

Algeria and Iran while international subsidiaries of Electricity Generating Authority of Thailand have invested in Laos, Australia, Japan and the Philippines," he said.

Bangladesh has doubled the country's power generation to over 13,000 MW and enhanced access to electricity from 47 percent to 68 percent over the last 5 years, which highlights the country's policy priorities, Ambassador Tasneem said.

She also sought for Thailand's private sector and government-to-government investment in coal-fired and LNG-based power plants as well as in alternative and renewable energy options like solar heating, wind, bio-mass, and solid waste technology.

She also presented the government's power generation master plan to produce 40,000 MW of electricity by 2030 during the meeting.

Both countries have agreed to exchange delegations of power and energy sector experts and investors soon to explore potential areas of investment and technical cooperation.

Sonargaon hotel's new assistant director for marketing

STAR BUSINESS DESK

Salman Kabir has recently been promoted as the assistant director for marketing and public relations of Pan Pacific Sonargaon Hotel in Dhaka.

Prior to the promotion, he had been serving the hotel as its public relations manager, the hotel said in a statement yesterday.

A marketing graduate from the Warwick University of the United Kingdom, Kabir has previously worked with British American Tobacco Bangladesh and Credos Advertising of the UK, according to the statement.



Not even a single factory fully safe yet: IndustriALL

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This is a collective responsibility, but we specifically call upon brands like Benetton, Mango, Walmart and Carrefour to contribute more."

UNI Global Union General Secretary Philip Jennings said: "It's outrageous that families who lost their mothers and breadwinners have still not been fully compensated because a group of multinationals can't find it in their hearts or deep pockets to pay the \$6 million missing from the compensation fund."

"All brands need to join forces to end the funding crisis by closing the funding gap and stepping up the remedial work on factories."

The unions also said they will use every tool within the legally binding Bangladesh Accord to ensure that the brands and factory owners fix the structures.

The legally binding Bangladesh Accord on Fire and Building Safety was negotiated by IndustriALL, UNI and its NGO partners with the brands after the Rana Plaza collapse.

The Accord now has more than 200 brands signed up. The agency has completed nearly 1,500 factory inspections and identified many thousands of safety issues for remedy.

More than 2,500 garment factories have been inspected for structural, fire and electrical safety since the disaster. However, Syed Ahmed, inspector general of the Department of Inspection for Factories and Establishments, on Wednesday said while there are problems with many factories, the number of structures facing risks of collapse is less than 2 percent.

The government has already shut down 32 factories for health and safety concerns, according to the ILO.



Centre, Sir Fazle Hasan Abed, chairman of Brac Bank, poses at the bank's 16th annual general meeting at Brac-CDM in Savar yesterday. The bank approved 20 percent cash dividends for 2014. Muhammad A (Rume) Ali, director, and Syed Mahbur Rahman, managing director, were also present.



M Azizul Huq, managing director of GlaxoSmithKline Bangladesh, attends the company's 42nd annual general meeting at Hotel Agrabad in Chittagong yesterday. GSK announced 420 percent cash dividends for 2014.

Food ministry finally calls for rice import duty

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The letter, citing the government's boro rice procurement of 11 lakh tonnes during the current harvesting season, said the aim of the domestic purchase was to ensure fair prices of cereal for farmers and keep the market prices of grains stable.

The ministry said the prices of boro paddy usually fall due to increased supply after harvesting. So, the government typically purchases rice to rein in the price fall and ensure fair prices for growers.

"It will be difficult to ensure fair prices for producers if the massive rice imports continue," said the ministry in the letter. Subsequently, it sought 'necessary measures' from the NBR to impose duty on rice imports.

Apart from imports, domestic production also rose this fiscal year.

Farmers bagged around 1.32 crore tonnes of aman rice in the immediate har-

vest, up 1.28 percent year-on-year. Aus output also edged up slightly after record boro production last year, according to Bangladesh Bureau of Statistics.

M Asaduzzaman, a professional fellow of Bangladesh Institute of Development Studies, said the government should have imposed duty on rice imports in February, such that the farmers got fair prices.

"It is too late. This means nothing now. The damage has already been done. The growers would have taken better care of their crops if the duty was slapped then," he said.

However, Nirod Boron Saha, president of rice and paddy stockists' and wholesalers' association in Naogaon, wants the government to act on the decision right away.

The duty should be imposed within a week, as the boro harvest is yet to start in full swing in the northwest, one of the main rice producing regions, he said.

Complete compensation without delay

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The event was organised by the International Labour Organisation to commemorate the second anniversary of the Rana Plaza building collapse that killed 1,138 workers and injured thousands.

Diplomats from different countries, government higher-ups, leaders from the rights groups, researchers and garment businessmen participated in the event.

Bangladesh has made a significant progress in workplace safety, but the country needs continuation of the progress, said Pierre Mayaudon, head of the delegation of the European Union to Bangladesh.

The country's total garment exports to the 28 nations under the EU are equivalent to 10 percent of the GDP in a year, he said.

Asked if the progress on workplace safety is enough, he said: "The short answer would be 'no'."

The long answer is that Bangladesh needs to implement the rules of amended labour law and strong monitoring of the occupational safety measures, stop unfair treatment of trade union leaders and extend union rights to workers from factories housed in the export processing zones.

Although remediation is underway in some factories, provision of low-cost financing remains critical for the purpose, said Pierre Benoit Laramee, Canadian high commissioner in Bangladesh.

"Ensuring a safe and thriving sector also requires that working environments are safe. A safe factory means one where workers do not overwork so that they put their health at risk," he added.

Marcia Stephens Bloom Bernicat, US Ambassador in Bangladesh, said "amazing progress" has taken place to address workers' safety in the garment sector.

"We know that certain actors have resorted to illegal tactics to prevent unions from forming, such as firing, threatening and even beating suspected union leaders. These are illegal and criminal acts and the government of Bangladesh has been slow -- or unable to respond."

Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, said the collapse of Rana Plaza was a tremendous wake-up call for the country's garment sector. "We have a lot of challenges. But the problems of the last 30 years cannot be overcome in two years."

No country in the world has shown such a change in a single industry, said Tomoko Nishimoto, ILO's assistant director-general and regional director for Asia and the Pacific, adding that other countries can follow Bangladesh's lead.

Mikail Shipar, labour secretary, said the government has already recruited 218 additional factory inspectors and the total number is 285 now. The government allowed more than 300 new trade unions over last one and half years, he added.

Tapan Chowdhury, president of Bangladesh Employers' Federation; Hedayetullah Al Mamoon, commerce secretary; Roy Ramesh Chandra, secretary general of IndustriALL Bangladesh; and Robert Winnington Gibson, British high commissioner in Bangladesh, also spoke.

Fair progress after tragedy

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Although the GSP used to cover only 0.54 percent or \$26 million of Bangladesh's total exports to the US a year, continuation of the privilege was important as other countries, where Bangladesh enjoys duty benefits under the GSP, might be influenced by the US decision.

The government also had to sign a Sustainability Compact with the EU, the main export destination for Bangladesh, in July 2013.

Bangladesh has already submitted the progress report on workplace safety to United States Trade Representative (USTR), the chief trade negotiator for the US, twice to regain the status. Bangladesh expects it will regain the status once the trade privilege is re-launched as the USTR has suspended the GSP programme for all beneficiary countries since July 31, 2013.

Wajed Ali Khan, general secretary to Bangladesh Trade Union Centre, suggested garment factories should not be established in multi-storied buildings as workers are unable to escape during any disaster, especially fire.

He lauded the owners' initiatives in relocating factories from Dhaka to other places and housing the factories in purpose-made buildings. To meet retailers' requirements, the construction of green factories and purpose-made buildings is also on the rise, he said.

Currently, 60 percent of the factories are housed in purpose-made buildings and 40 percent in shared and converted buildings, though the situation was the opposite before the accident, according to Bangladesh

Garment Manufacturers and Exporters Association.

"Inspecting garment factories and undertaking necessary modifications under the private initiatives of Accord, Alliance and NTPA (National Tripartite Plan of Action) with the support of the ILO is a unique method even in the context of the global apparel value chain," Khandker Golam Moazzem, additional director at the Centre for Policy Dialogue (CPD), said in his latest research paper.

Bangladesh's performance till date in regard to the implementation of various activities related to the USTR action plan has been quite impressive, Moazzem said in his paper released on Tuesday.

"The USTR should take the recent developments positively and should consider reinstatement of the GSP facility for Bangladeshi products in the US market in the near future if Bangladesh outdoes the present rate of achievements in terms of implementation of reforms," he said.

He, however, said delayed cabinet approval to the rules of the amended labour law and harassment of trade union leaders are some areas where the government should focus on.

"Of course, Bangladesh will regain the GSP status once it is re-launched as we have already fulfilled all the conditions perfectly," said Hedayetullah Al Mamoon, senior secretary to the commerce ministry.

"We have amended the labour law within a short time and we have done everything to be a high-level compliant country in the world," Mamoon said.

"Our factories are compliant now as we have taken a lot of posi-

tive steps for workplace safety."

Syed Sultan Uddin Ahmed, assistant executive director of Bangladesh Institute of Labour Studies, also said a lot of improvement has taken place in the sector.

"Now the time has come to make the improvement sustainable," Ahmed said.

A total of 20,724 workers have lost their jobs for the rigorous inspections; they should be reemployed through a joint collaboration by the Department of Inspection for Factories and Establishments, inspection agencies and factory owners.

A major change in the sector has been witnessed after the Rana Plaza incident for the positive steps taken by the government and factory owners, said Sirajul Islam Rony, a member of the minimum wage board for garment workers.

Retailers do not want to place work orders in factories housed in shared and converted buildings, and as a result, owners are shifting factories to purpose-made structures, he added.

The government has also recruited more than 200 new factory inspectors, which is also a major step for the sector, he said. The registration of more than 300 new trade unions within one and a half years is like magic, he added.

The government has allowed registration of new trade unions with an amendment to the labour law in July 2013; the amendment was also a pre-requisite to regain the GSP.

The government also launched a hotline for workers and a publicly accessible database of garment factories, as per a requirement of the USTR.

CRP gives hope to Rana Plaza survivors

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Of them, 370 have been rehabilitated. The rest will also be rehabilitated, said Shafiqul Islam, executive director of the CRP. Officials of the CRP helped set up business, shops and buy cows instead of giving the money in their hands. The centre spent Tk 1 lakh for each patient.

The CRP received about Tk 4.5 crore as donations from individuals and others meant for Rana Plaza survivors in 2013. But it stopped taking donations after that as it thought the amount was enough to treat the patients, according to Islam.

Now there was no Rana Plaza survivor who is taking treatment from the CRP. However, three survivors Yeanur Akter, Sabina Yasmin and Rehana Begum will receive long-term rehabilitation.

Of them, Yeanur, 16, who is now studying at class VI, will continue to stay at the CRP until she passes the Secondary School Certificate exam. Thomas Prinz, German ambassador to Bangladesh, said a lot of good things, ideas and innovations have come out of the tragedy. "And I would like to say that you are not alone. Germany is committed to providing long-term support as disability is not a short-term issue," he said.

The ambassador said German organisation GIZ has initiated projects for the disabled, so they can start working again and they are treated with dignity. He also said the country's image crisis imposed by the Rana Plaza collapse has not overcome yet. "We need to continue progressing, and the momentum has to translate into development results."

Valerie Taylor, founder and coordinator of the CRP, expressed deep gratitude for coming up with outpouring support for the victims of Rana Plaza.

Jochen Weikert, programme coordinator at GIZ, said it is a sad day not only in the history of Bangladesh, but also in the history of the world. "But we would like to say that we are committed to supporting in your (the survivors) journey from despair to hope," he said.

Khondkar Mostan Hossain, joint secretary of the labour and employment ministry, said the government has taken a number of steps with the help of other stakeholders. Progresses of the initiatives are visible.

Christine Cipolla, head of delegation of the International Committee of the Red Cross, said the stories of Rana Plaza survivors' strong determination of not giving up have given Red Cross hope. "We have passed two years, but miles and miles lie ahead of us, and we are committed to standing by the most vulnerable," she said.

Reaz Bin Mahmood, a vice president of Bangladesh Garment Manufacturers and Exporters Association, said the wellbeing of the workers would be growth of the country's garment sector in the years to come.

Tax real value of property: CPD

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Mirza Azizul Islam, a former adviser to a caretaker government, said the tax-GDP ratio in Bangladesh is the lowest in South Asia and one of the lowest in the world. He however said the tax regime is not a serious impediment to investment. "Land availability, infrastructure, political stability and access to finance are the key factors for investment."

Presenting the Bangladesh study findings on 'tax policy and enterprise development in South Asia: Bangladesh study findings', Khan of CPD said 70 percent of the surveyed firms are not interested in getting tax benefits, mainly to avoid hassles and the high costs related to compliance requirements.

The SMEs are not sincere about tax payment and compliance, as there is a lack of government initiative, he added.

Presenting a keynote paper on 'tax policy and enterprise development in South Asia: regional meta analysis', Sabieh Haider, research and development manager of GINI, said a broad consensus can be built to harmonise the sector-wise definitions of SMEs by public and private sector governing institutions.



Md Ridwanul Hoque, head of retail distribution at Midland Bank, and Mohammed Irad Ali, director of Hotel Agrabad, attend the signing of an agreement at the bank's head office in Dhaka on Tuesday. Midland's Visa cardholders can enjoy 50 percent discounts on rooms and 15 percent discounts on food at the hotel.



Syed Waseque Md Ali, managing director of First Security Islami Bank, and Golam Hafiz Ahmed, managing director of NCC Bank, pose at the signing of a remittance agreement, at FSIBL's head office in Dhaka on Wednesday.