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BUSINESS

DHAKA SUNDAY FEBRUARY 26, 2017, FALGUN 14, 1423 BS

# Retailers finally take part in apparel summit

STAR BUSINESS REPORT

The top five clothing retailers who had earlier decided to boycott Dhaka Apparel Summit-2017 finally participated in the event yesterday as the government took measures for the release of the detained workers and labour leaders.

At the second version of the summit at Sonargaon Hotel in Dhaka, garment makers, researchers, diplomats, ministers and other stakeholders discussed the future roadmap of Bangladesh's apparel sector.

H&M, Inditex (Zara), C&A, Next and Tchibo, which account for billions of dollars in annual garment purchases from Bangladeshi manufacturers, announced early this week that they would not participate in the summit as a mark of protest against the arrest and harassment of workers.

"But, finally we changed our decision as the government assured us that steps will be taken for the release of the detained workers and worker leaders, who were arrested at Ashulia for their alleged involvement in labour unrest in December last year," said a top official of a major brand.

"There were a lot of changes in the climate and a lot of progress for the release of the detainees. The signing of the tripartite agreement for the release of the detainees is a major transformation," the official told The Daily Star, asking not to be named.

The majority of the 35 Bangladeshi unionists and garment workers arrested since December last year have been released, and the remaining should be released shortly, according to a statement from IndustriALL Global Union.

This follows an international campaign led by IndustriALL Global Union and UNI Global Union against the Bangladesh government's crackdown on the labour movement, the statement said.

A tripartite agreement was reached on February 23 between IndustriALL Bangladesh Council, the labour ministry

and Bangladesh Garment Manufacturers and Exporters Association, providing for the release of the arrested trade unionists and workers.

According to the agreement, those remaining will also be freed and cases against them will be disposed of. IndustriALL Global Union General Secretary Valter Sanches welcomed the decision of releasing the detained activists.

"We have seen an incredible show of global solidarity and this is an important victory for garment workers in Bangladesh, sending a strong message to the country's industry to enter into a constructive dialogue with the trade unions," Sanches said.

"The issue that sparked the crackdown on unions at the end of last year still remains. We will continue to support the fight for higher wages and will closely monitor the situation until all charges are dropped.

"Around the world, we have seen effective global solidarity with protests in dozens of major cities across the globe. From Kathmandu to New York, people stood up to demand that Bangladesh respect human and trade union rights," said UNI Global Union General secretary Philip Jennings.

"We welcome the release of the imprisoned unionists and hope we can begin to turn the page on Bangladesh's aggressive crackdown on labour. However, we must remain on guard – the message to Bangladesh is to respect labour rights," Jennings said.

Amirul Haque Amin, president of IndustriALL Bangladesh Council and the National Garment Workers Federation, said: "As a legitimate representative of the Bangladesh garment workers, we have a platform. We will continue to fight for our members."

US Ambassador in Bangladesh Marcia Bernicat said the tripartite agreement that was signed on the eve of the summit is a good part. But the US will be looking for several plans in this regard, she added.

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Prime Minister Sheikh Hasina speaks at the Dhaka Apparel Summit 2017 at Sonargaon Hotel yesterday.

## PM urges brands to help overhaul garment units

BSS, Dhaka

Putting emphasis on adopting short, medium and long-term plans to boost the demand for Bangladeshi garments in the world market, Prime Minister Sheikh Hasina yesterday called upon brands and buyers to help the apparel industry owners overhaul their factories.

"Huge funds are required to overhaul the factories. So, various brands and buyers can come forward to assist the Bangladeshi factory owners. The government would continue to provide its support in this regard," she said, while inaugurating Dhaka Apparel Summit 2017 at Hotel Sonargaon.

"We have to work on increasing our share in the world market ... we have to formulate short, medium and long-term plans in this regard."

As a sequel to the success of the first Dhaka Apparel Summit that took place in 2014, Bangladesh Garment Manufacturers and Exporters Association organised the daylong second edition under the theme 'Together for a better tomorrow'.

The aim of the summit is to explore priority areas to turn Bangladeshi garment industry into a sustainable sector. The summit featured discussions on how to establish a more sustainable apparel supply chain and focused on setting the next course of action for achieving the \$50 billion export goal by 2021.

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## Analysts call for decent working conditions in garment sector

STAR BUSINESS REPORT

Analysts yesterday called for ensuring decent working conditions and allowing trade unions for sustainable development of the \$28 billion garment industry in Bangladesh.

They made the call at a discussion at the daylong Dhaka Apparel Summit 2017 held at Pan Pacific Sonargaon Hotel yesterday.

They also suggested all stakeholders, mainly global clothing brands and manufacturers, work together to ensure compliance, better prices and technology upgradation and enhance productivity.

"We know from our experience that it is easier to work with trade unions than against them," said Thomas Klausen, CEO of Dansk Fashion & Textile, which represents over 350 influential players in the Danish fashion and textile industry.

He was talking at a session on collaborative and responsible sourcing for sus-

tainable growth.

He said the issue of labour rights and workers freedom of joining or forming associations would be important for the garment industry.

Danish Ambassador Mikael Hemniti Winther said the media, consumer groups, union leaders in Denmark expressed concern over the arrest of union leaders in Ashulia earlier.

He, however, said he was pleased to learn about the tripartite agreement between the government, manufacturers and workers representatives. "Continuation of that is crucial."

He said investment should be made for skills development in Bangladesh's apparel industry.

"Buyers need to be proactive and offer better prices," said Fahmida Khatun, research director of the Centre for Policy Dialogue.

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## Wholesale prices of edible oil fall in Khatunganj

DWAIPAYAN BARUA, Ctg

Edible oil prices declined by nearly 6 percent at the wholesale markets in Khatunganj, a trading hub in the port city, in 10 days because of the falling global prices of the commodity.

Importers and wholesale traders fear incurring a loss due to the price fall, which, they said, is yet to have any impact on the retail market.

Every maund (37.32 kilogram) of non-branded palm oil was traded at Tk 2,550 in Khatunganj yesterday, down from Tk 2,720 on February 15 while the rates were Tk 2,930 and Tk 3,000 for soybean oil.

Prices of each tonne of crude palm oil dropped by nearly \$80 and soybean oil by \$90 in Malaysia and Indonesia in the last three weeks, said Tariq Ahmed, director for operations and marketing at TK Group of Industries, one of the leading Bangladeshi importers.

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## Pre-budget discussions begin today

REJAUL KARIM BYRON

Finance Minister AMA Muhith will begin pre-budget consultations today as part of his preparation to formulate the budget for next fiscal year when he would eye to hit a milestone of placing a Tk 400,000 crore outlay.

Muhith will consult with several economists from the Bangladesh Economic Association, Bangladesh Institute of Development Studies, Economic Research Group and Policy Research Institute, on the first day of discussions for the budget for fiscal 2017-18.

Every year, before placing the budget in parliament, the finance minister holds pre-budget discussions with various stakeholders, but very few of their recommendations are reflected in the budget, they allege.

Finance ministry officials also admitted that not many proposals are accommodated in the budget.

On many occasions, budget recommendations mention institutional reforms, but adopting those are not possible without a green signal from the government high ups, they added.

There is no legal binding to accepting the proposals either, said the finance ministry official.

However, since mid last decade, the opinions of stakeholders are taken as a democratic practice.

Mirza Azizul Islam, former finance adviser to caretaker government in 2007-08, yesterday said suggestions made by stakeholders at the pre-budget discussions contain many contradictions. The finance minister cannot accept all of those suggestions, he added.

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## Remediation costs a factory Tk 4.9cr: Survey

STAR BUSINESS REPORT

Remediation cost a garment factory \$614,000 or Tk 4.9 crore on an average, according to a new survey.

Bangladesh University in collaboration with the State University of San Francisco carried out the survey and prepared a report titled "Pains and gains of the readymade garments sector: Post 2013". The report is due to be published today.

The findings were based on the learning and remediation measures adopted since the Rana Plaza tragedy of 2013. After the industrial disaster,

### COST OF MEETING COMPLIANCE, BY FACTORIES' REVENUE INCOME



western buyers began inspection of local factories through two platforms – the Alliance and the Accord. They have together inspected 2,500 out of 3,660

factories in the country.

Some 33 factories of different sizes were surveyed and their total expenditure for the remediation was over \$20 million. The cost however did not include other implicit costs, such as the production loss owing to factory relocation, the ongoing remediation process and migration of skilled workers.

The average factory surveyed was established in 2002 and earns between \$15 million and \$30 million annually. A factory, which is categorised as large in the sample, earns \$50 million a year.

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