

European retailers stress amendment to labour law

STAR BUSINESS REPORT

BANGLADESH must give out a clear plan for amending the labour law before the meeting of ILO experts on November 22 as the European consumers are keeping an eye on the progress, said a retail analyst yesterday.

"This is critical," said Christian Ewert, director general of the Foreign Trade Association, a Brussels-based business association of retailers from 44 countries whose combined turnover is well over €1.6 trillion. The experts of the International Labour Organisation will meet with the Bangladesh government to observe the progress of the promised amendment of the labour law.

They will write a report that will be published next month. The report will be closely scrutinised not only by the European Commission but also by many others in the European

accounting for 60 percent of the \$28.14 billion of apparel export receipts last fiscal year.

In recent years, Bangladesh has made significant progress, particularly with building safety and workers' rights. Currently, Bangladesh enjoys zero-duty benefit to the EU under its Everything But Arms scheme.

Miran Ali, a director of the Bangladesh Garment Manufacturers and Exporters Association, said the amendment of the labour law will take place within the promised timeframe as the government has been working on it.

The government has already handed over the draft copy of the amendment of the law. Moreover, a team comprised of BGMEA leaders and government higher-ups including the labour minister have discussed the progress of the amendment with the ILO in Geneva recently.

Of the 10 top-rated green garment fac-



Speakers attend a meeting of the FTA Sustainability Forum at the Westin hotel in Dhaka yesterday.

Union such as the European parliament, NGOs, buying companies and even consumers, according to Ewert.

Many FTA members read the ILO reports with interest and take them into account for future buying decisions, he said.

"If this report is negative, the consequences on Bangladesh are very likely to be negative," he said at the FTA Sustainability Forum held at the capital's Westin hotel.

The trade unions in the garment sector should have a legitimate platform where the grievances of the workers can be resolved by way of constructive discussions, said Daniel Seidl, senior adviser of the FTA in Bangladesh.

Ewert called for lowering the 30 percent threshold of workers or a certain ceiling of workforce to allow a trade union in factories such that the workers' rights are realised.

Citing a recent survey by Morgan Stanley, he said 87 percent of the people make their purchasing decisions based on social and environmental values and that 76 percent would boycott brands if they felt those values were not followed.

The EU is a vital export market for Bangladeshi garment manufacturers,

tories in the world, seven are in Bangladesh, Ali said. "Interestingly enough, the top three are also located in Bangladesh."

Ali also said the labour ministry has already formed the tripartite council in the garment sector for resolving any crisis through discussions.

Moreover, the BGMEA and the Bangladesh Employers Federation in collaboration with the ILO have taken up an initiative to train the trade union leaders so that they can effectively carry out their responsibilities, Ali said.

Also at the event, Md Saiful Islam, president of the Leathergoods & Footwear Manufacturers & Exporters Association of Bangladesh, said the tanneries were shifted from Hazaribagh to Savar to ensure more compliance.

Out of 150 tanneries, 25 are now operational at the newly established Savar tannery estate.

The effluent treatment plant at the site significantly reduced the damages caused to the environment by the sector's production methods, he said.

MA Jabbar, managing director of DBL Group, also spoke.

Tag private sector with SDG implementation: analysts

STAR BUSINESS REPORT

PARTICIPATION of the private sector is a must for the implementation of the Sustainable Development Goals (SDGs), analysts said yesterday.

They spoke at a discussion titled "Partnering for reduced inequalities: How business can contribute to the UN SDGs", jointly organised by Grameenphone and Telenor Group at the former's office in the city.

The private sector is doing 78 percent of the development work in Bangladesh, so it is impossible to ignore the private sector in efforts to achieve the SDGs, said Fakrul Ahsan, project adviser and SDG lead at United Nations Development Programme (UNDP) Bangladesh.

He said UNDP has created a platform to bring both public and private sectors together, so that they can discuss their needs and adjust the policies that are required for further development of the country.

The whole Bangladesh is not progressing at the same pace, said Thomas George, programme manager and coordinator at UNICEF Bangladesh.

"SDGs should be adopted according to local needs."

The country's development hinges on the efforts to bring more foreign direct investment and create more jobs, said Rupali Chowdhury, president of the Foreign Investors' Chamber of Commerce and Industry.



Analysts take part in a discussion on "Partnering for reduced inequalities: How business can contribute to the UN SDGs" jointly organised by Grameenphone and Telenor Group at the former's office in Dhaka yesterday.

"We have many success stories which need to be told and the local and foreign investors in this country can tell these stories to attract more investment," she said.

She felt that the government should be more transparent while dealing with the investors and the policies need to be more consistent; otherwise, the country would not be able to attract the needed investment.

Identifying that the needs of the private sector are important for development, Asif Saleh, senior director for strategy, communication and empowerment at Brac, said Brac is working to create skills that are needed for future development.

Ananya Raihan, CEO of D-Net Bangladesh, opined, "Resource

allocation should be more streamlined and private entrepreneurs should have better access to government resources so that they can participate in the development process."

Grameenphone CEO Michael Foley said, "As a technology company we need to create more opportunities for people and entrepreneurs to face the new realities of the market."

There is no point in being a large service provider when people do not have work, he said.

Anir Chowdhury, policy adviser to the Access to Information Programme, welcomed the private-public collaboration.

He suggested participation of the private sector could bring more accountability to develop-

ment activities. "Private sector works for a return on investment so they are more efficient and vigilant about resources than government."

Grameenphone and Telenor Group have decided to focus on SDG 10 -- Reducing Inequality. They want to play their role primarily by providing access to information and digital services. Mai Oldgard, head of sustainability at Telenor Group, presented the company's vision for implementing the SDG 10.

At the discussion, Abul Kalam Azad, convener of the SDG Implementation and Monitoring Committee, sent a video message expressing the need for public and private collaboration in achieving SDGs.

China expects generally favourable trade environment in 2018

REUTERS, Beijing

China's foreign trade environment will remain generally favourable in 2018, even as risks from trade protectionism are growing, the commerce ministry said on Monday.

China's stronger than expected trade performance this year has provided support for the economy, as the government presses ahead with policies to cool the property sector and deal with debt risks in the economy.

"Looking forward to 2018, China's foreign trade conditions are generally favourable as the global economy steadily recovers and China's economy grows smoothly," the ministry said.

"But there are still many external risks and uncertainties with economic and non-economic factors intertwined. As trade protectionism continues to grow, domestic costs also continue to rise. As a result, pressure on business has increased and the development of China's foreign trade continues to face many difficulties and challenges."

China's foreign trade has recovered this year after several years of contraction, though the government has not set a numerical target for growth in foreign trade in the past two years.



An employee works at a factory which manufactures woven bags in China.

EU to discuss blacklist of tax havens after Paradise Papers leaks

REUTERS, Brussels

EUROPEAN Union finance ministers will on Tuesday discuss setting up a blacklist of worldwide tax havens, EU officials said, after leaked documents from an offshore law firm exposed new high-profile cases of tax avoidance.

The decision to include the subject in the monthly meeting's agenda came after the publication over the weekend in several media of the so-called Paradise Papers, a trove of leaked financial documents mostly from law firm Appleby that exposed dealings with tax havens by top public figures.

EU countries had planned for months to reach an agreement on a blacklist for tax havens by the end of this year and the new revelations prompted an earlier discussion on the subject, EU officials said. No final decision is however expected on Tuesday.

In the wake of earlier revelations on widespread tax dodging, like the so-called Panama Papers or Luxembourg Leaks, the EU discussed several measures to crack down on tax avoidance, including an EU-wide list of tax havens meant to discourage the rerouting of profits made in the EU to tax-free or low-tax coun-

tries, like Panama or Bermuda.

At the moment, each EU country has its own list of jurisdictions that are seen as less cooperative on tax matters. Criteria to define a tax haven vary greatly among EU states and some of them include no jurisdictions in their national blacklists.

An EU blacklist is believed to carry more weight. Jurisdictions included in the list could be subject to sanctions if they did not cooperate.

There are no details yet of the type of sanctions to be discussed, although being on the blacklist in itself could discourage individuals and companies from putting money in those jurisdictions.

Some EU countries remain skeptical about the blacklist and are themselves under scrutiny for unfair tax competition.

Smaller EU states, like Luxembourg, Malta and Ireland, attract firms with lower corporate taxes. Some have been sanctioned for deals with multinationals that slashed their tax bills reducing revenues in other EU states.

To win over their resistance, the proposed EU blacklist would apply only to non-EU countries. Also, states which charge no corporate taxes will not be automatically considered tax havens, under a preliminary deal reached by EU finance ministers last year.



Tourists gather to take photographs in front of Buckingham Palace, the official residence of Queen Elizabeth II, in central London yesterday. US Commerce Secretary Wilbur Ross has business ties to a shipping firm linked to Vladimir Putin's inner circle, according to a vast leak of financial documents that also revealed Britain's Queen Elizabeth II's investments in tax havens.

On tax matters the EU can take decisions only with the unanimous backing of its 28 member states, unless extraordinary procedures are launched - an option never tested so far.

To reduce the appeal of tax

havens, Brussels has also proposed the setting up of public registries that would show the real owners of companies, which are often hidden by frontmen in shell firms in offshore jurisdictions.

It has also proposed compulsory reporting by large multinational firms of profits made and taxes paid in each state where they operate, in a bid to show how much of their revenues are booked in low-tax countries.

Thailand plans biometric SIM registration

REUTERS, Bangkok

Thailand will introduce biometric checks nationwide for mobile telephone users to register their SIM cards from Dec. 15, the telecoms regulator said on Monday, in a bid to stamp out fraudulent electronic transactions. The new rules require users to either have their fingerprints verified or their faces scanned.

The regulator first launched the system in June in Thailand's troubled south where a separatist insurgency has persisted for more than a decade, killing more than 6,500 people since 2004.

Officials say insurgents in the largely ethnic Malay Muslim provinces of Yala, Pattani and Narathiwat have used pre-paid SIM cards to trigger bombs.

Biometric registration in the south was adopted for national security reasons but elsewhere in Thailand it is aimed at mobile banking security, regulatory official Takorn Tantisath told a news conference on Monday.

"This is not aimed at tracking users, but enhancing security, especially in case of mobile payments," said Takorn, the secretary-general of the National Broadcasting and Telecommunications Commission.

Similar biometric systems are already in use in Bangladesh, Pakistan and Saudi Arabia.

From Dec. 15, This will be required to register new SIM cards, both pre-paid and post-paid, at service centres and retailers across the country, which will be equipped with biometric tools, he added.

SIM cards for post-paid accounts are now registered on purchase, while pre-paid SIM cards can be bought with no identification.

To register a new SIM card, users' fingerprints will be matched against the data stored on their national identification cards, identical to that in the government's central citizen database, Takorn said.

Mobile operators will shoulder the cost of card readers, which range from 500 baht (\$15) to 9,000 baht (\$271), he added.