

BUSINESS

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Set Tk 16,000 as minimum wage

Demands workers, union leaders

STAR BUSINESS REPORT

Workers and union leaders on Saturday demanded trebling of minimum wage to Tk 16,000 for the country's 3.6 million apparel workers given the abnormal spiral in the costs of basic commodities, accommodation and healthcare.

At present, the minimum wage for garment workers is Tk 5,300.

"Although we do not fully agree with the concept of living wage, we want a big hike of the salary this time," said Nazma Akter, president of the Sommilito Garments Sramik Federation, a garment workers' rights group.

The group has already sent a letter to the minimum wage board, which was formed last month by the government, demanding Tk 16,000 as the wage.

Sima Akter and Rasheda Begum, two operators of a garment factory at Gazipur, echoed the views of Akter.

If the salary is hiked the factory owners will also raise the production targets proportionately, Sima said. "Please also keep our physical conditions in mind when you fix the minimum wage."

The trebling of wages is warranted as the prices of basic commodities have increased along with the house rent, said Sultana Begum, president of the Green Bangla Garments Workers Federation.

The garment workers have to buy rice at Tk 58 to Tk 60 a kilogram as the prices of the staple have shot up. "But our incomes did not increase."

She went on to state that the prices of basic commodities and house rent are higher than in Dhaka at Gazipur, the hub

Average monthly expenses of garment workers (in 2016 figures in taka)
Single-earner 3-member family

Food	3,176
Housing	2,406
Clothing	337
Education	963
Healthcare	289
Transport	241
Entertainment	0
Savings	0
Debt payment	289
Total	7,701

SOURCE: SANEM

for garment factories. "We cannot save any money even after sharing a room and having less nutrient food," she added.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, suggested specifying the legal aspects of the wage and workers' rights while fixing the minimum wage as sometimes the workers cannot enjoy all benefits due to ambiguities in the labour law.

For instance, there is an apprentice grade for which the minimum wage is Tk 4,200, but the factory owners often pay the entry level workers this wage instead of the correct amount of Tk 5,300.

Every time the issue of wage hike is discussed the factory management brings up the argument that they would go out of business if the workers' salaries are raised.

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Give the poor a stake in infrastructure projects: Rehman Sobhan

STAR BUSINESS REPORT

Noted economist Rehman Sobhan yesterday called for giving an ownership stake to the poor and low-income families in income-generating public infrastructure projects and equity stakes for workers in garment sector.

Sobhan, also the chairman for the Centre for Policy Dialogue, recommended formation of collectives of small farm producers and auto rickshaw drivers to facilitate inclusive development of Bangladesh.

The ideas were shared at a dialogue on a Sobhan-authored book 'Challenging Injustice in South Asia: A Work Programme for Promoting Inclusive Development' at the Brac Centre Inn in Dhaka.

The Daily Star Books and the CPD jointly published the book in November last year, which is derived from a four-year study that the author had conducted on the theme 'Challenging the Injustice of Poverty: Agendas for Inclusive Development in South Asia'.

"The premise of our work argues that poverty originates in an unjust social order, which creates and reproduces it. Traditional agendas for poverty alleviation recognise the structural sources of poverty creation, but address those issues inadequately," said Sobhan in a brief on the book.

The original research sought to identify the structural sources of poverty, while the latest one covers a more limited canvas of the work in question and focuses on unequal



CPD Chairman Prof Rehman Sobhan speaks at a dialogue on his book titled "Challenging injustice in South Asia: A work programme for promoting inclusive development" at Brac Centre Inn in Dhaka yesterday.

access to assets, inequitable participation in the market, inequitable access to human development and unjust governance.

Sobhan came up with recommendations in six broad areas to promote inclusive development in Bangladesh, which includes agrarian reform and distribution of khas land to landless farmers.

"This is a low hanging fruit," he said.

To enhance the market power of the small and the excluded, he suggested formation of projects across Bangladesh based on the model of the Anand Milk Union

Ltd (Amul) in India.

"You need to address the sources of market injustice," he said.

Citing inequitable access to human development, he said huge disparity remains in health and education.

"Society is being divided by the quality education. Quality education is available only to elites."

The CPD chairman recommended setting up a national commission to enquire about the governance of state and private schools, allegations of rent-seeking for employment, leaking of question papers and keeping reserved seats

for underprivileged children in elite public and private schools, including the cadet colleges.

He called for establishing a dedicated mutual fund for low-income investors, providing an equity stake for workers in the garment sector and forming a service exporting corporate enterprise under the ownership of migrant workers.

AB Mirza Azizul Islam, a former adviser to a caretaker government, said traditional cooperatives did not function properly. Cooperatives of small industries could be important for empowerment of the poor, he added.

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Sustainable power supply crucial for Bangladesh: ICCB

STAR BUSINESS REPORT

Sustainable and uninterrupted supply of power is of utmost importance for the economic growth as per capita power consumption in Bangladesh is one of the lowest in the world, a leading chamber said yesterday.

The installed power capacity of Bangladesh was only 200 megawatt in 1972, according to the news bulletin of the International Chamber of Commerce-Bangladesh for the October-December period.

Since 1972, the current power generation has increased to 16,046 MW thanks to favourable government policies, which have attracted private investment and independent power producers, it said. The per capita power consumption in Bangladesh stood at 433-kilowatt hour as of October 2017, one of the lowest in the world.

Though the government has achieved significant success in electricity generation, actual capacity utilisation is only 9,507 MW because of the existing vulnerable and double-digit system loss in the distribution mechanism, ICCB said.

A severe disruption is taking place in industrial production and other economic activities because of the country's failure in adequately managing the load-shedding, it said.

Citing a recent survey, the chamber said power outages result in a loss of industrial output worth \$1 billion a year which reduces the GDP growth by about half a percentage point in Bangladesh.

It is estimated that the total transmission and distribution losses amount to one-third of the total generation, the value of which is equal to the \$247 million a year, it said.

"Therefore, there is a need for the development of appropriate infrastructure and effective monitoring system to overcome the major hurdle in efficiently delivering power."

Due to fast-depleting gas reserve and lack of major initiatives to develop local coal, it is becoming difficult to achieve a sustainable local primary energy source.

According to an estimate, Bangladesh would meet 92 percent of its demand with imported fuel by 2030 if local coal is not explored and exploited, the ICCB said.

The generation of electricity in coal-fired power plants would be viable and much cheaper if locally explored quality coal is used as fuel instead of the imported ones, the chamber said.

"Bangladesh should, therefore, go for all-out commercial exploration of coal in the next five years to make the power sector sustainable and vibrant."

Commission needed to protect banks: Ibrahim Khaled



Mohammad Muslim Chowdhury, secretary of the finance division, speaks at a technical session of the BIBM Research Almanac 2018, at the auditorium of the institute in Dhaka yesterday.

STAR BUSINESS REPORT

The government should form a commission to look into the reasons for the current vulnerable situation of the banking sector, said Khondkar Ibrahim Khaled, a former deputy governor of the Bangladesh Bank

yesterday.

"The sector is not doing well, so the government should give attention to the sector to overcome the crisis," he said at a technical session of the BIBM Research Almanac 2018.

The mismatch between asset and liability has emerged as a great crisis for the banking sector, said

The Bangladesh Institute of Bank Management organised the event for the second time at its auditorium, where Mohammad Muslim Chowdhury, secretary of the finance division, attended as chief guest.

The government was supposed to form a banking commission but the finance minister recently said it will not be formed anytime soon, Khaled added.

The mismatch between asset and liability has emerged as a great crisis for the banking sector, said

Chowdhury.

He said the country is now hungry for long-term financing but the banks are taking deposits for the short-term.

Subsequently, he suggested banks diversify their products to invest for the long-term.

The financial sector is always volatile, not only in Bangladesh but also in other parts of the world, said SM Moniruzzaman, deputy governor of the BB.

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Banglalink's revenue shrank in 2017

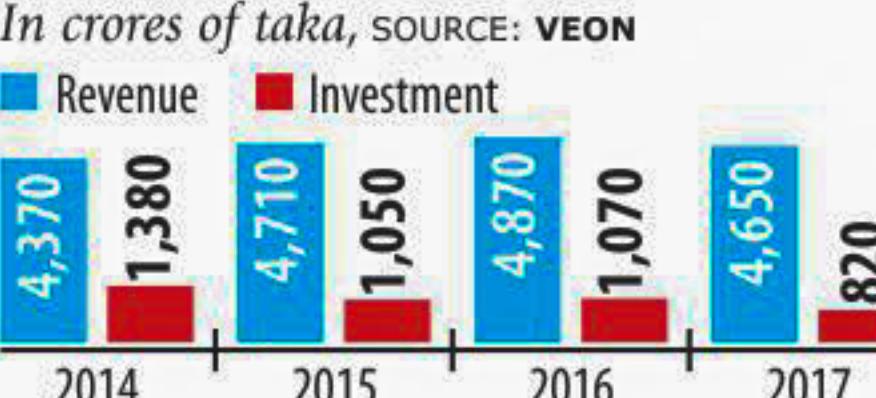
MUHAMMAD ZAHIDUL ISLAM

Banglalink, the country's third largest operator, saw its revenues slip 4.6 percent to Tk 4,650 crore in 2017, in what can be viewed as a worrying development as the country steps into the 4G era.

Veon, the parent company of Banglalink, did not disclose in the annual report for 2017 whether the operator counted profit or loss for the year. Contacted, Banglalink declined to comment on the matter. The operator blamed the results on an exigent fourth quarter, which saw it restore network availability following flooding caused by severe monsoon earlier in the year. Its competitors Grameenphone and Robi though faced the same challenges in 2017 but navigated the year comparatively better.

BANGLALINK'S REVENUE & INVESTMENT

In crores of taka, SOURCE: VEON



Grameenphone's net profit rose 21.4 percent year-on-year to Tk 2,740 crore in 2017 -- the highest in its 21 years of operations in Bangladesh -- while its revenue grew 11.8 percent year-on-year to Tk 12,840 crore.

Robi logged in Tk 6,830 crore as revenue, up 29.7 percent from a year earlier. It counted net losses of Tk 280 crore last year, which is lower than in previous year.

Banglalink also attributed the decline in revenue to the gap in 3G network coverage compared to the market leader and intense price competition in relation to data.

Among all the operators in the country, Banglalink had the least amount of spectrum last year, Erik Aas, chief executive of Banglalink, told The Daily Star yesterday.

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PUNJAB BANK FRAUD

Jaitley slams banking regulators

PALLAB BHATTACHARYA, New Delhi

India's Finance Minister Arun Jaitley has flayed the country's banking regulators for failing to detect the \$1.77 billion fraud at the country's second largest bank—Punjab National Bank—for seven long years.

If necessary, the laws will be further tightened, he said at a seminar on the scam in New Delhi on Saturday.

Jaitley said it is worrisome to find that the bank's employees are conniving with the fraudsters. Also worrisome is that no red flag was raised, he said.

Regulators should have a 'third eye' open to detect and check such frauds, Jaitley said.

He also slammed the bank's management for failing to do their job saying inadequate supervision and top management being unaware of what was going on in the bank was worrisome.

Jaitley said the industry needs to get into the habit of doing ethical business as such frauds are 'scars' and push reforms and ease of doing business to the background.

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Taskforce formed to deal with telecom complaints

BTRC rolls out new code today

STAR BUSINESS REPORT

The telecom regulator has formed a complaint management taskforce to mitigate users' grievances that have piled up in recent times amid the operators' continuous failure to provide quality services.

The taskforce will provide solutions to the complaints against the telecom services furnished by around 2,500 licence-holders of Bangladesh Telecommunication Regulatory Commission (BTRC), the regulator said in a statement yesterday.

The commission will launch a new shortcode—100—today, replacing the existing—2872—one to make the process easier, it said.

The telecom watchdog introduced the four-digit shortcode last year and has received 3,522 complaints so far, all of them against mobile phone operators.

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