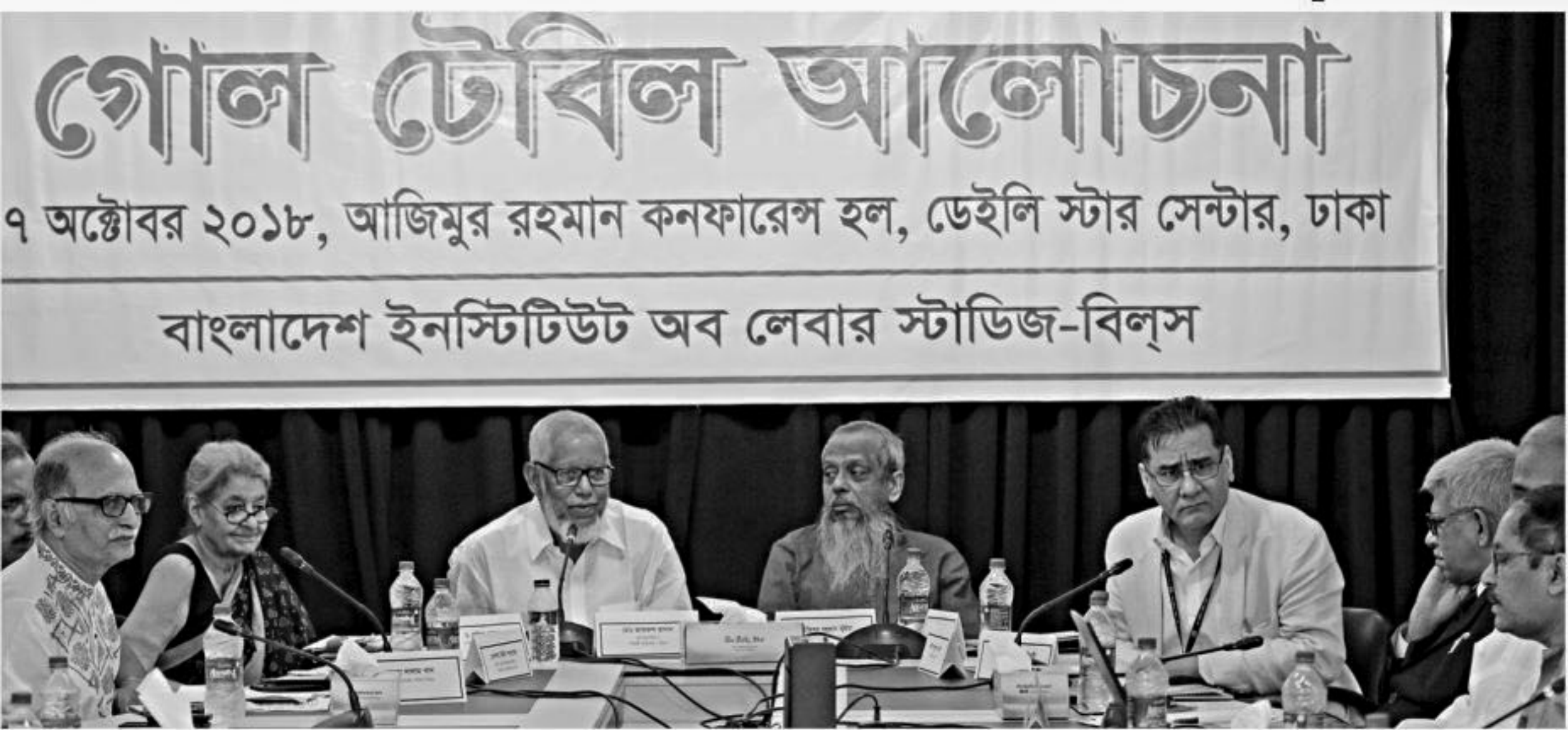


FORMATION OF TRADE UNION Abolish limits on workers' participation: experts



Analysts take part in a roundtable on labour law organised by the Bangladesh Institute of Labour Studies at The Daily Star Centre in Dhaka yesterday.

STAR BUSINESS REPORT

Experts yesterday called for removal of an "unfeasible demand" in the labour law: a provision stipulating that 20 percent of a factory's workers have to participate for a trade union to be formed.

"(Achieving) 20 percent participation is not possible," said AKM Nasim, a labour law specialist.

He was addressing a roundtable styled "Labour Act 2018: expectation and attainment— responsibility of stakeholders" organised by the Bangladesh Institute of Labour Studies at The Daily Star Centre in Dhaka.

The amended Bangladesh Labour (Amendment) Act,

2018 will be placed in an upcoming session of parliament.

The labour law was originally framed in 2006 to protect workers' rights and to increase productivity in the industrial units. It was amended in 2013.

The cabinet again approved an amendment to the labour law last month to make it more worker-friendly.

The proposed amendments will mainly favour the owners as the workers are not aware of their rights, Nasim said. The amendment of the law will not safeguard the jobs of female workers, said Hameeda Hossain, a human rights activist.

The law states that a four-month maternity leave was mandatory for expecting mothers but the owners either

offer the leave without pay or hand in termination letters, she said.

"So, this clause should be corrected to ensure the rights of female workers," Hossain said.

She also demanded the incorporation of services provided by housemaids under the proposed labour law so that they could also enjoy benefits.

Regarding payment of compensation in case of industrial accidents, she said Tk 2 lakh was too scanty for workers.

"The price of a worker's life is only Tk 2 lakh. This is inhumane. The owners want to give nothing," she added.

The government officials who were tasked with amending the labour law did not care to hear out the workers' grievances and went about doing the bidding for factory owners, said Razekuzzaman Ratan, general secretary of Samajtantrik Shramik Front.

The proposed amendments to the law do not reflect the four recommendations made by International Labour Organization, said Gagan Rajbhandari, deputy country director of its Bangladesh office.

The proposal to have a minimum number of members in a trade union will have little impact on the formation in a large factory, he said.

Rajbhandari also expressed dissatisfaction over a clause that counted attendance signature in the consultancy meeting as consent for the proposed law.

Md Zafrul Hassan, executive director and joint secretary general of the BILS, said they would place a set of recommendations to the parliamentary standing committee on labour and employment before the passage of the bill.

Mujibar Rahman Bhuiyan, vice-chairman of the BILS, presided over the roundtable. Md Shahidullah Chowdhury, member of advisory committee of the BILS; Mesbah Uddin Ahmed, advisory member of the BILS; and Syed Sultan Uddin Ahmed, executive director of the BILS, also spoke.

Ctg port gets three more gantry cranes

STAFF CORRESPONDENT, Ctg

Three more quayside gantry cranes, one of the most necessary container handling equipment, arrived at the Chittagong Port last week.

Trial operations of another three delivered in August started the same day.

The six were procured from Shanghai Zhenhua Heavy Industries Company Ltd at Tk 344.92 crore.

The Chittagong Port Authority is set to get another four from the Chinese company, all for New Mooring Container Terminal.

Port users have long been urging for acquiring the cranes to increase container throughput, a measure of the number of containers handled over a period of time.

Turkey won't compromise budget discipline

REUTERS, Ankara

Turkish Finance Minister Berat Albayrak said there would be no compromise in budget discipline in his programme to combat surging inflation due to be announced next week, the state-run Anadolu news agency reported on Sunday.

Earlier this week data showed Turkey's inflation soared to a 15-year high of nearly 25 percent in September, with prices jumping 6.3 percent from a month earlier.

The size of the increase far outpaced expectations and underscored the deep impact of a currency crisis on the economy and consumers, after the lira lost nearly 40 percent of its value this year.

Following the release of the inflation data on Wednesday, Albayrak said he would announce a programme as part of the government's "full-fledged" battle against rising consumer prices.

India should play a proactive role

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The adviser said people may differ on how proactive India has been or whether there is a need for further pro-activeness of India in order to develop all these countries together.

Trade among the South Asian countries is very low because they protect their own domestic industries, said Rahman.

On the integration, he said Nepal and Bhutan have special arrangements – in trade and currency – with India like that of the European Union. On the other hand, Bangladesh and India have a higher level of trade and Bangladesh's export to India has increased recently.

Rahman said India has signed a comprehensive economic agreement with Sri Lanka and is seeking to do the same with some other middle-income countries.

He said Bangladesh did not show interest to sign a comprehensive deal with India as some policymakers think the country does not have enough products to export. But the argument has some weaknesses as well, he said.

"This kind of trade agreement gives you larger access and creates opportunities for new products."

Bangladesh is entitled to the common Generalised System of Preferences (GSP) that India grants to the least developed countries (LDCs) and Bangladesh has the advantage of proximity over other LDCs, said Rahman.

For better integration, the adviser said, Bangladesh has allowed India and other neighbours to use its ports for their export to third countries. Vice-Chancellor Iftekhhar Uddin Chowdhury underscored the need for solving different issues regionally through a common platform.

Manusher Jonno Foundation Executive Director Shaheen Anam called rising inequality and a widening gap between the rich and the poor the biggest challenge for South Asia.

She said there are a huge number of issues such as poverty, malnourishment, maternal mortality and illiteracy in the region, yet it is going ahead.

"We are all so proud in Bangladesh that we will become a middle-income country within the next few years. But too much emphasis on it may leave marginalised groups behind," she said, adding that economic growth and social development should go hand in hand.

University Grants Commission Chairman Prof Abdul Mannan said this region just followed the western formula of development in the past but it did not work.

"We have to think of our own development formula," he said.

Consisting of eight countries, South Asia is home to about 1.9 billion people, of which a big portion is young.

Conference Convener Prof Farid Uddin Ahmed, also the dean of the Faculty of Social Science, said as the world is growing more and more complex, it is increasingly necessary to challenge conventional wisdom together.

After the inaugural session, Anup Kumar Dhar, director of the Centre for Development Practice at Ambedkar University in New Delhi, said economic and social development have to go together so that people from all classes can benefit from the growth.

Around 70 articles and a keynote paper would be presented at the event, attended by more than 100 academics and development practitioners from home and abroad, including South Asia and countries such as the US, Malaysia, China and Thailand.

BB steps up dollar sales

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Exacerbating the liquidity shortage in the foreign exchange market is the recent repatriation of upwards of \$100 million by a mobile network company, said a bank official requesting anonymity.

Banks have recently urged the central bank to allow them to be more flexible with the selling rate for bill for collection (BC), which is the rate at which banks make

import payments.

The country is now able to manage import bills of 5 months using its foreign exchange reserves. A year ago, the reserves were sufficient to foot nearly nine months' imports.

On October 2, foreign exchange reserves stood at \$31.97 billion, down \$32.93 billion from a year earlier, according to the central bank statistics.

The economy will have to enter

into a difficult territory if the foreign exchange reserves further decline, Rahman said.

In fiscal 2017-18 the central bank injected \$2.31 billion – the highest since fiscal 2009-10.

The central bank injected only \$175 million in the market in fiscal 2016-17 and none the previous year.

In the last one year, the local currency lost 3.71 percent of its value against the dollar.

Oil market is balanced, says Qatar energy minister

REUTERS, Dubai

The oil market is balanced in terms of supply and demand, Qatar's Energy Minister Mohammed al-Sada said on Sunday.

"Geopolitical changes" are the reason for the recent rise in crude prices, the state-run Qatar News Agency quoted him as saying.

"There are developments in the oil market including supply and the increase in global demand, and these considerations will be taken into account at the next meeting of OPEC (the Organization of the Petroleum Exporting Countries)," he said.

RMG's woes: long work hours

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He conducted the study among 7,728 workers of four factories in Savar in March. It showed that Rangpur and Rajshahi divisions accounted for the two biggest sources of workers: 40 percent and 17 percent respectively.

On another note, he said the time served by a worker in a particular factory was very short: operators from grade 3 to 6 were retained on an average for 2.04 years.

Hasan also said the minimum wage gazette is not accepted by all as a complete guideline for determining the sector's wages, nor should it be believed that all were complying with it.

Past experience clearly demonstrated that the gazette itself created confusion and accelerated deprivation, he said.

Hasan in his book highlighted the rich history of the country's Muslim textile and how Bangladesh turned into the second largest supplier of garment items worldwide.

He said the garment sector matured in a journey of four decades.

The sector was primarily blessed with some visionary people like M Noorul Quader Khan, who set up the country's first export oriented Desh Garment factory at Kalurghat in Chattogram.

To make the factory viable, Khan partnered with Daewoo to get 130 people trained in Korea. Later, a majority of the trained hands turned into garment factory owners availing relevant quotas.

Hasan also mentioned the contribution of Lutfur Rahman Sarkar, a governor of Bangladesh Bank, who was involved in the introduction of back-to-back letters of credit for entrepreneurs who had a shortage of working capital then.

Another important player is Kihak Sung, owner of Korean company Youngone who came up with foreign investment from Korea and technological knowhow in the early years of the sector in pre-1980s to Bangladesh.

Hasan's PhD mentor, AKA Firoz, said this was the first such research and book in Bangladesh on the garment sector.

Hasan is not an academician and his educational background is on public administration, yet his book is very valuable for the country and for the garment sector, Firoz said.

Still the garment sector lacks skilled workforce, said Akter Hossain, a professor of the public administration department.

As a result, many foreign skilled workers take away billions of US dollars from Bangladesh as salaries and allowances, he said.

Deal this month to let India use Ctg, Mongla ports

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Three more are in the process of being installed.

Besides, a bay terminal is being set up in Chittagong. On the other hand, the Mongla port has been modernised.

The cabinet on September 17 approved a draft agreement on the use of the two ports.

After the cabinet meeting at the secretariat, Cabinet Secretary Mohammad Shafiqul Alam said Nepal and Bhutan could be included if they wish to use the two ports.

Bangladesh and India signed a memorandum of understanding on the use of the two ports during Indian Prime Minister Narendra Modi's visit to Dhaka in June 2015.

The deal will have the duration of five years but it could be extended automatically for another five years. Any side can cancel the agreement on six months' notice alongside suspending it if the necessity arises.

Should a problem arise in implementing the agreement, several committees of both countries would resolve it.

As per the deal, Indian goods can be transported through four entry points: Akhaura in Bangladesh and Agartala in India; Tamabil in Sylhet and Dauki in Meghalaya; Sheola in Sylhet and Sutarkandi in Assam; and Bibirbazar in Cumilla and Srimantapur in Tripura.

Stockmarket can meet financing needs

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The Bangladesh Securities and Exchange Commission (BSEC) organised the event as a member of the International Organisation of Securities Commissions, the global standard setter for the securities sector.

Muhith said the country is lagging behind the neighbouring countries in the investment indicator. India's investment-to-gross domestic product (GDP) ratio was 30 percent in 1930s. "Our investment-to-GDP ratio is still more or less 30 percent. We should get more investment than this now," said the minister.

He said the Awami League government should stay in power for one more term to improve the investment situation.

"We also have to meet some international goals during this time. This is a very important time for Bangladesh."

The regulator is trying hard to protect investors' interest, said M Khairul Hossain, chairman of BSEC. Now institutional investors should be more active and play an important role, Hossain said.

He said institutional investors should determine an appropriate cut-off price. If they fail to do so the regulator will either discontinue or postpone the book building system or review it, he said.

When a company wants to sell shares in the market with premium, it has to come through the book building method.

In this method, institutional investors settle on a cut-off price through bidding and buy shares at the price. General investors, however, buy shares at 10 percent lower than the cut-off rate.

"Some companies are doing window dressing on their accounts but it is not good for the capital market. Merchant banks should be careful about the initial public offering (IPO) of companies."

Md Asadul Islam, secretary of the Financial Institutions Division of the finance ministry, stressed acquiring knowledge about a company before investing in it. "Investors should shun the tendency of becoming rich overnight," he said.

After the inauguration of the weeklong event, a conference on the "Importance of financial literacy and investors' protection" also took place. The economy of Bangladesh is growing at more than 7 percent per annum, Md Mahbubul Alam, executive director of BSEC, said at the conference.

To meet the financing needs of the economy, the stockmarket will play a very important role in the future, he said.

M Shaifur Rahman Mazumdar, managing director of the Chittagong Stock Exchange, said the market has the potential to expand, and the growth should be qualitative as well. The government should give special incentives so that well-performing companies come to the market, he said.

"It would lessen pressure on banks and promote the stockmarket."

Mazumdar said when a company floats shares, investors hanker after the securities without considering its fundamentals.

"As a result, all IPOs are oversubscribed. It is also seen in the secondary market. It means investors still have knowledge deficit," Farhad Ahmed, executive director of the BSEC, also spoke.

Two directors of Janata Bank removed, no reason given

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"We know nothing about why the two directors were withdrawn suddenly," he said, adding that there is no connection of the dismissals with the Crescent or AnonTex loans.

Asadul Islam, finance secretary, declined to comment on the matter.

The removed directors suspect that they were withdrawn for raising objections against the loans given to two influential business groups by indulging in administrative irregularities.

"We identified some irregularities in the loan procedure against two influential clients and raised them at the board meeting," Haque said.

As a result, the loan approvals were delayed, which made the influential clients annoyed, he said, while refuting that the two influential groups were Crescent and AnonTex. "Janata has some extremely powerful clients," he added.

A Bangladesh Bank investigation found

that the Janata management and board engaged in irregularities while extending loans amounting to Tk 8,300 crore to Crescent and AnonTex.

Moreover, Crescent enjoyed cash incentives of Tk 1,074 crore from the government between 2013 and 2018 against its export proceeds, a significant portion of which was found taken through collusion with Janata officials.

The government retrieved Tk 408 crore of the cash incentive given to Crescent by deducting the amount from Janata's account maintained with the BB.

In another development, Janata board had approved loans of Tk 100 crore against a business group several months ago without taking collateral, according to source of the bank. The group was supposed to mortgage 80 bigha of land against the loan but that is yet to happen. It also has more loan proposals amounting to Tk 350 crore pending with the bank.