

Unilever, BGMEA to improve livelihoods of RMG workers

STAR BUSINESS REPORT

Unilever Bangladesh and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have rolled out an initiative to work together on a number of Sustainable Development Goals in order to improve the livelihoods of a million apparel workers.

Kedar Lele, chief executive officer and managing director of Unilever Bangladesh, and Rubana Huq, president of the BGMEA, signed a memorandum of understanding at the Radisson hotel in Dhaka on Thursday to roll out the initiative named Aastha (trust), according to a press release.

Through the partnership, Unilever, the largest fast moving consumer goods company in Bangladesh, intends to bring its brands' purpose to life while doing genuine good for the society.

The garment sector, being the bulwark of economic growth for Bangladesh, has been making a crucial contribution of approximately 11 percent to the gross domestic product. With more than 4.4 million workers employed in the sector, about 60.8 percent of whom are women, the growth of garment industry has far reaching implications for the economy.

The partnership will be the first-ever sectoral approach to fast-tracking SDG progress in Bangladesh. It aims to positively impact more than 1 million workers and enhance their overall health and well-being.

Four SDGs and six national performance indicators have been identified as the key focus areas



Kedar Lele, CEO and managing director of Unilever Bangladesh, and Rubana Huq, president of the BGMEA, sign a memorandum of understanding at the Radisson hotel in Dhaka on Thursday to roll out an initiative for apparel workers named Aastha. Md Nojibur Rahman, principal secretary to the prime minister, was present.

of the partnership. The SDGs are: SDG 3 (Ensure good health and promote well-being for all at all ages); SDG 6 (Ensure availability and sustainable management of water and sanitation for all); SDG 12 (Ensure sustainable consumption and production patterns); and SDG 17 (Strengthen the means of implementation and revitalise the global partnership for sustainable development).

In addition, Unilever Bangladesh will make its products available inside factory premises

at special prices exclusively for the workers.

Md Nojibur Rahman, principal secretary to the prime minister, Nitin Paranjpe, global chief operating officer of Unilever, Robert Chatterton Dickson, British high commissioner to Bangladesh, Harry Verweij, Netherlands ambassador to Bangladesh, and Sanjiv Mehta, president of Unilever South Asia, were present at the MoU signing ceremony.

Unilever Bangladesh also signed independent MoUs with

garment factories to improve livelihoods of their workers through different initiatives. The factories are Newage Apparels, Fakir Fashion, AR Jeans Producer, Reza Fashions, Fakhruddin Textile Mills, Laila Styles, Dekko Accessories, Ecofab Ltd, Dekko Readywears, Dekko Garments, Dekko Globus Fashion, Agami Fashion, Esquire Knit Composite, Meghna Knit Composite, Sublime Greentex, Executive Hi-Fashion, Renaissance Apparels, and Southern Garments Ltd.

Germany to compensate Thomas Cook tourists

AFP, Berlin

Germany is set to hand out hundreds of millions of euros in compensation after it announced Wednesday support for tourists affected by the collapse of British travel group Thomas Cook.

In a statement, Chancellor Angela Merkel's office said Berlin will reimburse "losses which have not been compensated" by the now insolvent package holiday group and its insurance company.

A quirk of German law meant that Thomas Cook's German arm only had bankruptcy insurance up to 110 million euros (\$122 million).

Insurer Zurich Versicherung in November reported claims totalling 250 million euros.

But citing experts, broadcaster NTV estimated the total losses sustained by customers at 500 million euros -- leaving a potential gap of 390 million for the federal government to bridge.

Berlin said the Thomas Cook case had "far exceeded the boundaries" of previous travel company insolvencies, throwing up "a number of difficult legal questions which are still unsolved".

"It is not reasonable to expect customers to deal with these complex legal questions on their own," the statement added.

US, China working to delay Dec 15 tariffs: report

AFP, Washington

US and Chinese officials are working on a deal to postpone tariffs set to hit Chinese imports in five days, according to a media report on Tuesday.

Delaying the new duties, which cover about \$160 billion in imports from China, including consumer favorites like mobile phones, could help reassure markets the two sides are making progress towards ending their trade war.

Officials in Washington and Beijing say they now expect to continue talking beyond December 15, when the tariffs are due to kick in, according to The Wall Street Journal.

US officials have reiterated that any final decision on the tariffs belongs to President Donald Trump.

At a Wall Street Journal conference on Tuesday, top White House economic aide Larry Kudlow maintained that "those tariffs are still on the table," the newspaper reported.

Kudlow had said Friday a deal was "still close." For two months, the two sides have struggled to finalize a partial deal that Trump announced in October.

Statements by US officials have run hot and cold in recent days, with markets swooning last week after Trump said a deal could wait until after next year's elections.

Trump launched his trade war in March 2018, demanding that China end practices widely seen as unfair -- such as forced transfer of American technology from US companies, and massive subsidies given to Chinese firms.

But observers say Beijing is highly unlikely to make the kind of profound changes to the structure of its economy sought by Washington, which could politically undermine the Communist Party.

Trump also has sought pledges from Beijing to make enormous purchases of US farm exports that experts say may exceed demand in China, and the capacity of US farmers.

Should the December 15 tariffs take effect, the last in a series punitive duties, virtually all the merchandise the United States imports annually from China will be covered by punitive tariffs.

Brexit's next battle: the trade deal

AFP, Brussels

WITH Prime Minister Boris Johnson ahead in the polls, Brussels expects Britain to exit the EU on January 31 as he has promised.

On Friday, one day after Britain's election, EU leaders meeting in Brussels will discuss their priorities in trade talks after the divorce.

Will Johnson be able to reach a quickly comprehensive deal to preserve cross-Channel trade -- or will he be forced to ask for an extension to the post-Brexit transition period? - Fast or slow? - Johnson maintains he will strike a new trade deal with the EU by the end of a planned transition period at the end of 2020, and will not take the option of asking Brussels for extra time.

Experts widely agree that it will take far

Singapore: 9 years Vietnam: 7 years so far Mercosur: 20 years so far - What does six months get you? - To sign a deal by the end of 2020, negotiators will have to wrap up a provisional deal in about six months, leaving time for translation, legal clarification -- known as "scrubbing" -- and ratification.

Given the tight timeline, Zuleeg says the UK would either have to accept major concessions on the key issues, or accept standard third-country status to win a deal.

Slashing tariffs will probably be achievable, but that would leave no time for the UK to negotiate on other topics, and Britain would be pressed to accept EU terms.

France and the Netherlands are highly doubtful the deal can meet the one year deadline and insist that the Europeans



British and EU flags flutter outside the Houses of Parliament in London, Britain.

longer to achieve a comprehensive trade deal worthy of a country destined to be one of the EU's closest partners.

Despite Johnson's assurances, trade deals do not just come off the shelf "oven-ready", especially if Britain is looking for a vastly different relationship.

A fast deal would be "a very big ask" that would limit the ambition of the deal tremendously, Fabian Zuleeg, chief economist at the European Policy Centre, told AFP.

The British government will have to decide by July 1 if it wants to postpone the December 31 2020 deadline.

On that date, it could make a one time only request for either one or two years of extra time.

Without an extension, "maybe they can achieve something very basic that would give the UK very limited leverage on the tricky subjects like services, fisheries or Gibraltar for Spain," Zuleeg said.

As a matter of reference, other EU trade talks have dragged on much longer from the launch of talks to implementation: Canada deal - 8.5 years Japan: 6.5 years

should not be rushed by Johnson.

- The return of 'no deal' - If Johnson refuses to extend the negotiation period, a no-deal Brexit will loom once again, with Britain in danger of an abrupt cut in trade ties with Europe, rocking its economy.

"The default position once talks start is no-deal and third country status," said Zuleeg, and that is much more dangerous for the UK, he added.

As a third country, Britain would immediately have trade terms set by the World Trade Organization.

Tariffs on key products would be high, ruining for example the business arithmetic for the UK production of cars and other industrial goods that depend on parts from overseas.

Entry points into the UK would be choked up with border guards forced to implement checks and fill out paperwork.

- Finding EU mandate - Whatever the result of the vote, the draft conclusions of the upcoming summit, seen by AFP, emphasise that EU leaders will ask Brussels to prepare a trade deal mandate as soon as possible.

US, Mexico, Canada finalize trade deal

AFP, Mexico City

THE United States, Mexico and Canada signed a deal Tuesday to finalize their new trade agreement, paving the way to ratification after more than two years of arduous negotiations.

However, the impeachment trial of President Donald Trump in the US Senate would likely delay Congressional ratification of the agreement until next year, said Senate Majority Leader Mitch McConnell.

In reality, it is the second time the three countries have triumphantly announced the conclusion of the United States-Mexico-Canada Agreement (USMCA), the deal meant to replace the 25-year-old Nafta, which President Donald Trump complains has been "a disaster" for the US.

First signed in November 2018, USMCA got bogged down in political complications, particularly in the United States, where opposition Democrats questioned whether it would really force Mexico to deliver on labor reforms meant to level the playing field between Mexican and American workers.

But another year of talks produced a series of additions -- notably including tougher enforcement of labor provisions -- that won the blessing of House Speaker Nancy Pelosi, the key Democrat needed to move the agreement forward, as well as the largest US labor federation, the AFL-CIO.

Mexican President Andres Manuel Lopez Obrador, who presided over the signing ceremony, said the deal "will benefit both Mexican and American workers." He hailed it as a "driver of growth" for all three countries' economies.

"Some people thought it was impossible to reach this deal. Some people thought we wouldn't be able to agree on anything (with Trump). But look what we've done," said the leftist leader.

The final deal, which must now be ratified in all three countries' legislatures, will replace the 1994 North American Free Trade Agreement, the historic pact that erased nearly



REUTERS/FILE

US President Donald Trump, Canada's Prime Minister Justin Trudeau and Mexico's President Enrique Pena Nieto sign documents during the USMCA signing ceremony before the G20 leaders summit in Buenos Aires, Argentina.

all tariffs across the region, deeply integrated its economies and helped turn Mexico into an export powerhouse.

Under Nafta, the region -- which represents close to 30 percent of the global economy and is home to nearly 500 million people -- did \$1.2 trillion in trade last year.

But Trump bashed Nafta as "the worst trade deal in the history of the country," blaming it for shipping American jobs south of the border.

He insisted on overhauling it -- a long, fraught process that kicked off in August 2017, and which produced what Trump swaggeringly tweeted "will be the best and most important trade deal ever made by the USA." Analysts say USMCA is similar to Nafta in many respects, but there is improved access for US agricultural

goods, including dairy products, which Canada in particular had tried to limit.

It includes rules designed to improve US auto workers' competitiveness, requiring 40 percent of each duty-free car to be made by people earning at least \$16 an hour.

Besides labor enforcement rules, the additions signed Tuesday include tougher measures to monitor environmental provisions, and remove the requirement for the countries to provide at least 10 years of exclusivity for biologic drugs, which blocks cheaper generic versions.

US Trade Representative Robert Lighthizer signed the annex to the deal in Mexico City along with Canadian Deputy Prime Minister Chrystia Freeland and Mexico's top negotiator on the accord, Jesus Seade.

ADB cuts growth views for China, developing Asia as trade war bites

REUTERS, Manila

THE Asian Development Bank (ADB) said on Wednesday it has lowered its growth forecasts for developing Asia this year and the next, as a weaker outlook for China and India indicated softer economic activity elsewhere in the region.

The bank trimmed its growth forecast for developing Asia to 5.2 percent in 2019 and 2020, the Manila-based lender said in an updated annual outlook report, from 5.4 percent and 5.5 percent previously.

It cut its growth estimates for China for this year and the next to 6.1 percent and 5.8 percent, respectively, from the 6.2 percent and 6.0 percent forecasts announced in September, on the US-Sino trade tensions and as higher

prices of pork cut into consumer spending.

"While growth rates are still solid in developing Asia, persistent trade tensions have taken a toll on the region and are still the biggest risk to the longer-term economic outlook", ADB Chief Economist Yasuyuki Sawada said.

"Inflation, on the other hand, is ticking up on the back of higher food prices, as African swine fever has raised pork prices significantly", Sawada added.

China's third-quarter economic growth slowed more than expected to 6 percent year-on-year, marking its weakest pace in almost three decades, and at the bottom end of the government's full-year target range of between 6.0 percent and 6.5 percent.

The ADB also lowered its forecast for South Asia's largest economy India for fiscal years 2019 and 2020 to 5.1 percent and 6.5 percent, from its September estimates of 6.5 percent and 7.2 percent, due to liquidity strains on its non-banking finance companies and slow job growth.

Southeast Asia's growth this year is expected to be slightly lower than previously expected, as trade reliant economies like Singapore and Thailand are hit hard by the trade war and broader global slowdown.

Developing Asia faces rising food costs, with 2019 and 2020 inflation seen at 2.8 percent in 2019 and 3.1 percent in 2020, up from the lender's previous estimate of 2.7 percent for both the years.