

# Tea workers reject minimum wage proposals Companies act needs fine-tuning

Experts say at ICAB webinar



MINTU DESHWARA

Tea garden workers and owners sit every two years to agree on wages, which are then incorporated into the government-initiated wage board formed every five years. The photo was taken from Chandpur Tea Estate in Habiganj recently.

MINTU DESHWARA

Tea garden workers have rejected the recent minimum wage recommendations of a government-led tripartite body.

The workers are backed by Iftekharuzzaman, executive director of Transparency International Bangladesh, and lawmaker Rashed Khan Menon, president of the Workers Party of Bangladesh and chairman of the parliamentary standing committee for social welfare ministry.

Both believe the workers would not benefit from the recommendations and demanded further increases to the wages and benefits.

Formed after nearly five years' delay, the tripartite body recommended the same daily wage rates of Tk 117, Tk 118 and Tk 120 that have been provided for the past two-and-a-half years.

Following earlier visits to gardens, the body had calculated that the daily wage should be Tk 300, said Ram Bhajan Kairi, general secretary of the Bangladesh Tea Workers Union.

But the body, headed by the state-run Minimum Wages Board's chairman and comprising garden owners' and workers' representatives, did not bring changes accordingly in a gazette on the recommendations published on June 13, he said.

Kairi, representing the workers in the body, said this had prompted them to keep from

*The recommended wages are the lowest among those of the country's 43 industrial sectors, said Rajat Biswas, general secretary of Bangladesh Trade Union Shangha's Moulvibazar unit.*

signing the document.

The recommended wages are the lowest among those of the country's 43 industrial sectors, said Rajat Biswas, general secretary of the Bangladesh Trade Union Shangha's Moulvibazar unit.

Moreover, workers had demanded being provided two basic wages (by taking one basic wage to be 30 days' pay) as annual festival allowances instead of the one provided current

ly (one basic wage is currently taken as 47 days' pay) but that too was not accepted, said Pankaj Kondo, vice president of Bangladesh Tea Workers Union.

The proposals did not adopt the state-run Minimum Wages Board's recommendation of a 5 per cent annual increment, said Gita Rani Kanu, president of the Bangladesh Tea Workers Women's Forum. The proposals ignore the need for increments, which has left experienced and new workers getting the same pay, she said.

Moreover, it added an "apprentice" category with Tk 110 as the daily pay, which was completely unnecessary, said Pankaj.

The job has historically been passed down through the generations and workers' children grow up in the gardens and start learning about the ins and outs from childhood, he said.

Garden workers and owners sit every two years to agree on wages, which are then incorporated into the government-initiated wage board formed every five years, said Pankaj.

This time the wage body recommended the interim sittings be held every three years, which went against the interest of workers, he said.

The recommendations include setting up one tube well or well for every 20 workers' families, said Biswas.

READ MORE ON B2

STAR BUSINESS REPORT

Some provisions in the companies act still require fine-tuning in order to improve the business climate in Bangladesh, according to speakers at a webinar held yesterday.

They also came up with a number of observations and recommendations on how to improve the country's ranking in the World Bank's ease of doing business index.

The webinar, styled "Ease of Doing Business: Perspective of Companies' Act," was organised by the Institute of Chartered Accountants of Bangladesh (ICAB).

Tapan Kanti Ghosh, secretary of the commerce ministry, was present as chief guest.

In 2020, amendments were made to the Companies Act, 1994, but some provisions still need to be aligned with the best practices adopted in Singapore and Hong Kong, which ranked second and third respectively in the latest ease of doing business index.

So, local companies should prepare their financial statements as required by the Financial Reporting Council (FRC) in line with the International Financial Reporting Standards (IFRS), speakers said.

Besides, audits should be carried out as per the International Standards on Auditing (ISA) as approved by FRC since

both international and local investors need to comply with IFRS and ISA regulations.

To ensure compliance, auditors should be paid as per the prescribed minimum audit fee fixed by the ICAB or higher if accepted by the company.

Speakers also stressed the need to digitise all functions of the Registrar of Joint Stock Companies and Firms (RJSC).

They then put forward some observations and recommendations for the Companies Act, 1994, that could not only improve the country's ease of doing business ranking, but also boost both foreign and domestic investment.

ICAB President Mahmudul Hasan Khusru said it is necessary to simplify and modernise the corporate laws to ensure a more business-friendly atmosphere.

"Although amendments to the Companies Act, 1994 have been made, the massive changes we had hoped for were not there," he added.

The ICAB chief went on to say that a balanced companies act would encourage both local and foreign investment.

Snehasish Barua, a partner at Snehasish Mahmud & Co, and Tanjib-ul Alam, an advocate of the appellate division of the Supreme Court, jointly presented the keynote paper.

READ MORE ON B3

## Temporary jute mill workers stage sit-in

Demand arrears, reopening of mills

STAFF CORRESPONDENT, Cg

Hundreds of temporary workers of nine Chattogram-based state-owned jute mills staged a four-hour sit-in before Amin Jute Mills starting 8:00am yesterday with a three-point demand including reopening all mills and paying all dues.

The halt in salary payments since June 2020 has left them unable to afford food, they said. On June 2 last year the government announced closure of all jute mills but salaries and allowances were not paid, said one worker, Nasir Uddin Ahmed.

As a result, 3,000 temporary worker are passing days in misery, he said.

According to the Bangladesh Jute Mills Corporation (BJMC) officials, the government closed down 25 state-owned jute mills on June 2020.

The BJMC has also started paying the dues of 25,000 permanent workers.

However, due to mismatch of various information, including names in national identity cards, about 3,000 workers have not yet received their dues.

After these dues were paid, the temporary workers would start getting their payment.

READ MORE ON B2

### GLOBAL BUSINESS

## India's e-commerce plan worrying

US lobby group says

REUTERS, New Delhi

A top lobby group that is part of the US Chamber of Commerce believes India's proposed new e-commerce rules are a cause for concern and will lead to a stringent operating environment for companies, according to an email reviewed by Reuters.

India this week spooked online retailers like Amazon and Walmart's Flipkart by

until July 6 - are expected to have an impact across the board in an online retail market forecast to be worth US\$200 billion by 2026. They will also apply to Indian firms like Tata's BigBasket and Reliance Industries' JioMart, but the proposal comes after Indian retailers for years complained that market leaders Amazon and Flipkart used complex business structures to bypass India's foreign investment law, hurting



A delivery worker carries an Amazon package to deliver it to a customer at a residential apartment in Ahmedabad, India on March 17.

REUTERS/FILE

outlining plans to limit "flash sales", reining in a private label push and mandating them to have a system to address grievances.

The Washington-headquartered US-India Business Council (USIBC), of which Amazon and Walmart are members, described the rules as concerning in an internal email, saying some provisions were in line with New Delhi's stance on other big digital companies.

India's draft plan "includes several concerning policies, including significant limits on platforms' ability to organise sales and handle grievances," USIBC said in an email to its members.

USIBC has in the past urged India not to tighten a separate set of rules governing foreign investment in companies like Amazon and Flipkart, an issue that has often soured trade relations between India and United States. USIBC did not immediately respond to a request for comment.

The new rules - open for consultation

small businesses.

The companies deny any wrongdoing.

India's new proposed rules have raised concerns they will force Amazon and Flipkart to review their business structures, industry sources and lawyers have told Reuters. The USIBC email noted that India's proposals "preclude (e-commerce) platforms from owning vendors".

Amazon specifically holds an indirect stake in two of its top sellers and a Reuters investigation in February cited Amazon documents that showed it gave preferential treatment to a small number of its sellers.

India's rules also will force e-commerce companies to reveal the country of origin of a product and suggest alternatives to ensure a "fair opportunity for domestic goods".

Some of the new provisions align with India's similar federal policies "for social and digital media companies ... and will result in a more stringent e-commerce regime," USIBC said in its email.

## US bans imports of solar panel material from China

REUTERS, Washington

The Biden administration on Wednesday ordered a ban on US imports of a key solar panel material from Chinese-based Hoshine Silicon Industry Co over forced labor allegations, two sources briefed on the matter said.

The US Commerce Department separately restricted exports to Hoshine, three other Chinese companies and the paramilitary Xinjiang Production and Construction Corps (XPCC), saying they were involved with the forced labor of Uyghurs and other Muslim minority groups in Xinjiang.

The three other companies added to the US economic blacklist include Xinjiang Daqo New Energy Co, a unit of Daqo New Energy Corp; Xinjiang East Hope Nonferrous Metals Co, a subsidiary of Shanghai-based manufacturing giant East Hope Group; and Xinjiang GCL New Energy Material Co, part of GCL New Energy Holdings Ltd.

The Commerce Department said the companies and XPCC "have been implicated in human rights violations and abuses in the implementation of China's campaign of repression, mass arbitrary detention, forced labor



US and Chinese flags are seen in front of a US dollar banknote featuring American founding father Benjamin Franklin and a China's yuan banknote featuring late Chinese chairman Mao Zedong in this illustration picture.

REUTERS/FILE

and high-technology surveillance against Uyghurs, Kazakhs, and other members of Muslim minority groups in" Xinjiang. At least some of the companies listed by the Commerce Department are major manufacturers of monocrystalline silicon and polysilicon that are used in solar panel production.

The companies or their parent firms did not immediately respond

to requests for comment, or could not immediately be reached. XPCC could not immediately be reached for comment.

China's foreign ministry spokesman Zhao Lijian said on Thursday that China will take "all necessary measures" to protect its companies' rights and interests. Beijing has dismissed accusations of genocide and forced labor in

Xinjiang as lies. The immediate effect of the restrictions would be limited as the companies named do not have "vast contracts" with US based wafer companies, Dennis Ip, Regional Head of Power, Utilities, Renewables & Environment (PURE) Research at Daiwa said in a note to clients.

"However, we see possibility for the ban to gradually extend to include restrictions on all solar modules which contain Xinjiang-produced polysilicon," he said.

Chinese module producers could still use polysilicon from Inner Mongolia and Yunnan for their US-bound module shipments, he added. About 45 per cent of all polysilicon used in solar module production is produced in Xinjiang, with 35 per cent produced in other parts of China. The remainder comes from outside China. The global solar energy supply chain has been squeezed by record high costs for polysilicon, labour and freight.

The "Withhold Release Order" by US Customs and Border Protection only blocks imports of the material from Hoshine. A source familiar with the order said it does not impact the majority of US imports of polysilicon and other silica-based products.

## German business morale shakes off coronavirus crisis

REUTERS, Berlin

German business morale rose by more than expected in June and hit its highest level since November 2018 on companies' surging optimism about the second half of the year in Europe's largest economy, a survey showed on Thursday.

The Ifo institute said its business climate index rose to 101.8 from 99.2 in May. A Reuters poll of analysts had pointed to a June reading of 100.6.

"The German economy is shaking off the coronavirus crisis," Ifo President Clemens Fuest said in a statement.

Chancellor Angela Merkel said on Wednesday Germany was on the verge of a strong



REUTERS/FILE

People enjoy their drinks at a terrace of Revolte bar, as cafes, bars and restaurants reopen their terraces after being closed down for months, amid the coronavirus disease outbreak, in Berlin, Germany on May 21.

economic upswing, adding that Bundesbank chief Jens Weidmann had given a very positive assessment of the economic outlook to the cabinet.

Germany's central bank raised its growth forecasts earlier this month and now expects the economy to reach pre-pandemic levels as soon as next quarter and grow by 3.7 per cent this year and 5.2 per cent next year.

German authorities have loosened Covid-19 restrictions in light of falling infections and higher vaccination numbers.

The bounce-back from lockdown is driving the largest upward leap in retail conditions seen since German reunification more than three decades ago, Ifo economist Klaus Wohlrabe said.