Vessel abandoned off Myanmar leaves 15 importers in limbo

Dwaipayan Barua, *Ctg*

Over a month has passed but 15 Bangladeshi importers are yet to know the fate of a vessel, which was transporting around 11,000 tonnes of their steel products and abandoned by its crew for "water ingress and sinking" off the coast of Myanmar.

Panama flagged general cargo vessel Tan Binh 127 was abandoned for flooding about 90 nautical miles from Zar Dat Gyi Island on August 1, said the Department of Marine Administration of Myanmar in an August 3 notice.

All 18 crew members were safely rescued by a passing vessel, MCC Chittagong.

The notice advised vessels in the vicinity to keep a sharp lookout and navigate with extreme caution keeping a wide berth.

Mariners who sighted the vessel were requested to notify the Maritime Rescue Coordination Centre, Myanmar.

Woohyun Shipping Company of South Korea, which owns and operates the 130-metre-long ship, has not given any official declaration about its current status.

The importers demand an official declaration, which was required if any insurance was to be claimed.

The vessel was travelling from Vietnam to Chattogram via Singapore.

According to Greece-based MarineTraffic, which provides real-time information on the movement and location of ships, Tan Binh 127 left Ho Chi Minh on July 25 and it was at Malacca Strait as of July 31.

According to an August 11 post of online portal FleetMon, the vessel issued a distress signal reporting water ingress and sinking on August 1 in Andaman Sea, some 150 nautical miles off Phuket Island, Thailand.

MCC Chittagong, which was en route from Chattogram to Port Klang, Malaysia, handed over the rescued crew, comprising 13 Vietnamese and 5 Indian nationals, to the Vietnamese coast guard at Cat Lai port, Ho Chi Minh on August 8.

> *Woohyun Shipping Company of South Korea, which owns and operates the 130-metre-long ship, has not given any official declaration about its current status.*

Of the cargo, 700 tonnes of steel coil were imported by Narsingdi-based Nirob Manufacturing Corporation from a Korean supplier, World Steel.

The firm's proprietor, Kamrul Islam Billal, told The Daily Star yesterday that papers provided by the shipping company to Chittagong Customs House state the vessel was scheduled to reach the Chattogram port on August 4.

But the vessel did not reach the port, he said.

"The local shipping agent of the vessel has not provided us any concrete information about the ship's fate till date. They are giving different information at different times creating confusing," Billal said.

The ship's local agent first informed that the ship's engine had been damaged and it was being towed to a nearby port, he said.

Later they came to know that the vessel had sunk but the ship's local agent did not give any official declaration regarding this, he added.

The importer said he apprehended incurring a huge financial loss, since the market value of his goods were around Tk 14 crore.

Keraniganj-based Tanmoy Metal Industries had 519 tonnes of steel coil on the vessel.

Ratan Kumar Bonik, managing director of the firm, said they were even unable to claim insurance as there was no official declaration that the ship had sunk.

Amir Hossain, senior vice president of the Bangladesh Iron and Steel Importers Association, said the businesses had already been suffering from losses for the pandemic and now this incident has worsened their condition.

Asked whether the ship has sunk or not, Motiul Islam, senior operation officer of the ship's local agent, Hoque and Sons Shipping, said the ship's owning company had not provided any information regarding its fate in email correspondence.

MISCONCEPTIONS & MONITORING

Knot so true

Rubana Huq

It was 2013 that brought about a massive change in the local garment industry. Rana Plaza had collapsed and with around 1,132 lives lost in the incident, the entire nation suffered a sense of collective grief.

As such, garment manufacturers began to readdress their business strategies with an increased focus on compliance.

It was then in the summer of 2013 that the Accord Foundation was born in Amsterdam, based on a bilateral understanding between brands and unions.

This agreement lasted for eight long years and during this period, the Accord gave factories strict requirements to comply with in areas of structural, electrical and fire safety.

In about seven years, less than 350 factories received 100 per cent completion certificates, more than 300 others are ready to be inspected, and another 800 have achieved 90 per cent of the completion rate.

In the meantime, the brands and unions had signed the Accord version-2 which remains, till date, unacceptable by the industry in Bangladesh. It was at that point that Bangladesh had come up with a strict ruling against the Stichting Bangladesh Accord Foundation operating in the country.

Before the ruling, the idea was to gradually transfer compliant factories to the Remediation Coordination Council, under the Department of Inspection for Factories and Establishments (DIFE).

After transferring some 100 factories to DIFE, the Accord felt that there were lackings in monitoring and that the pace of remediation had become slow.

But with Accord not being able to operate in Bangladesh, things became difficult for all.

Therefore, a transition agreement was reached between the Accord and the local industry in 2019, based on which the latter became a part of the remediation process and at the same time, a critical stakeholder.

Instead of just two parties, the industry assumed a position in the discourse of remediation and a tripartite initiative was formed, which was called the RMG Sustainability Council (RSC) in September 2019. RSC, a company, falls under a non-profit category. It is also licensed to operate in Bangladesh by the commerce ministry. So, in late 2019, RSC started its operation with all the sides: brands, unions and industry.

A new managing director, who was a British-Bangladeshi engineer, was also hired.

For those who were on the RSC board, things were challenging as not only would the RSC have to prove its independence and objectivity, but would also ensure a faster and more efficient performance with the same set of engineers that the Accord had handed over to it.

At the same time, the board members from the industry side also had to be accountable to manufacturers who had been waiting for the longest time for pending assessments and had to also go through multiple audits with newer observations that were not part of the initial assessment. Disappointment from the industry was also a big challenge.

OPINION

As for the unions, the local garment industry would also have to prove to them that industry meant business and being engaged in RSC would mean rising above self interest and focusing on the greater good for all.

At such a point, on May 31, 2021, the agreement between the brand and the unions ended, prompting widespread bad press about unions not supporting RSC anymore. This meant that the formal engagement between the brands and the unions had finally ended.

Thanks to the mediation of supporters from home and abroad, the brands and unions finally agreed to enter a transition of three months, which was scheduled to end on Aug 31. That would mean from Sep 1, 2021, there would be no formal participation of the unions in RSC as well.

READ MORE ON B2

GLOBAL BUSINESS

Small businesses struggle to survive as Taliban uncertainty deepens

AFP, *Kabul*

For 10 years Fahad made a good living selling wedding gowns at his bridal shop in the Afghan capital, but since the Taliban rolled into town on August 15 he hasn't sold a single dress.

At a nearby tailor for men, Tanveer tells a similar tale -- he has sold just one traditional shalwar kameez suit in over two weeks.

Abdul Hassan, meanwhile, hasn't moved a single appliance in his electronics store in 20 days, and has turned off the lights and air conditioner to save money.

But Fawzi, whose family runs a swish general merchandise store in Parwan-e-Seh neighbourhood, is doing better after branching out with a new line -- burqas and hijabs.

Small-business owners and merchants are struggling to make ends meet since the Taliban's return to power last month, with many already talking of closing shop and trying their luck outside the country.

"Nobody has any money," Fahad told AFP at his bridal shop -- a fact born out by huge daily queues outside city banks.The authorities have limited withdrawals to the equivalent of $200 a time.

And Fahad is already changing the way he does business in order not to attract the

AFP/FILE

A shopkeeper arranges a bridal dress displayed at a store in Kabul.

attention of the Taliban.He plans to remove the heads from the mannequins modelling his glitzy gowns.

"We can't show pictures or faces of people, so I will take off the heads," he told AFP.Like all the businessmen AFP spoke to for this article, Fahad asked not to be fully identified -- or for his store to be named -- for fear of reprisal.

"At the moment we don't know what we can do and what we mustn't do," Fahad said. "So I am trying to operate like the Taliban were last time."

That "last time" -- from 1996-2001 -- Fahad was an early teen and mostly oblivious to the repressive rule of the hardline Islamists.

Women were largely barred from public life, television and music were banned, photographing people was considered idolatry and men were ordered not to shave and to wear only national dress.

The Taliban have promised a softer rule this time around, but in the absence of a government and formal dictates, ordinary Afghans are wondering what they can and can't get away with.Tailor Tanveer says he doesn't expect to sell another Western-style suit "for a long time".

"I used to wear suits in my shop because I am selling them. We make a good profit," he said. "But now I am wearing shalwar kameez. Nobody has told me, but I worry in case the Taliban come and check.

"Abdul Hassan, meanwhile, fears another ban on watching TV -- what will he do with the dozens of top-of-the-range flat screens displayed at his shop?

"Usually I will have them turned on to show YouTube music. People can see the quality and they can buy them," he told AFP. "But I haven't sold anything for a while. I don't know if I can afford the rent, so I have switched off the electricity to save money," he said.

If things continue this way, he says he will sell his stock to a fellow dealer "at a loss" and try to leave Afghanistan.

High prices, shortages plague US services sector

AFP, *Washington*

The massive US service sector continued expanding in August but businesses remained worried about high prices and shortages of materials and labor, although there were signs that situation could be improving, an industry survey released Friday said.

The Institute for Supply Management (ISM) reported its services index was at 61.7 per cent in August, just under what was expected and below the all-time high of 64.1 percent in July.

The index was nonetheless well above the 50-per cent threshold indicating expansion and in its 15th straight month of growth after the sector plunged last year when the Covid-19 pandemic began.

"There was a pullback in the rate of expansion in the month of August; however, growth remains strong for the services sector," the survey's chair Anthony Nieves said.

Positive trends were seen in shortening supplier delivery times, a sign the supply chain snarls of recent months could be untangling. Prices remained high but fell 6.9 percentage points, and order backlogs also declined.

However, the report showed business activity and production falling 6.9 percentage points from July, new export orders falling more than five percentage points and new orders declining slightly.

Businesses also continued to face complications finding workers

AFP

The US services sector was expanding in August, but shortages of labour and materials continued to trouble businesses, an industry survey said.

and supplies and being able to afford them, a dynamic that first began as Covid-19 vaccinations allowed the economy to rebound strongly earlier this year.

"Supply chain disruptions -- including manufacturing-labor shortages, logistics delays and lack of material to make products -- are significantly disrupting our business," an accommodation and food services company told ISM.

All services industries reported growth in August, with the exception of one: arts, entertainment and recreation, a sector vulnerable to renewed mask-wearing and other restrictions imposed to contain the fast-spreading Delta variant of Covid-19, which is viewed as again threatening the economic recovery.

Alibaba to invest $15.5b for 'common prosperity'

Reuters, *Shanghai*

China's Alibaba Group will invest 100 billion yuan ($15.5 billion) by 2025 in support of 'common prosperity', it said, becoming the latest corporate giant to pledge support for the initiative driven by Chinese President Xi Jinping.

Beijing has been encouraging companies to share the wealth as part of the effort to ease inequality in the world's second-largest economy.

Other companies that have made similar announcements include Tencent Holdings, which also pledged 100 billion yuan, and Geely Automobile, reports Reuters.

The government-backed Zhejiang News website said Alibaba's funds will go towards areas such as subsidies for small and medium-sized enterprises and improving insurance protection for gig economy workers such as couriers and ride-hailing drivers.

It will also set up a 20 billion yuan "common prosperity development fund", the newspaper said, with Alibaba confirming the report.

The e-commerce giant and its tech rivals have been the target of a wide-ranging regulatory crackdown on issues ranging from monopolistic behaviour to consumer rights.

Alibaba was fined a record $2.75 billion in April over monopoly violations.

The sector has also attracted criticism for the treatment of delivery workers and ride-hailing drivers, most of whom are not covered by basic social and medical insurance.

Philippine Airlines files for bankruptcy

AFP, *Manila*

Philippine Airlines said Saturday it was filing for bankruptcy in the United States to slash $2 billion in debt as it tries to survive an industry gutted by the coronavirus pandemic.

The national carrier of the Philippines said the filing will allow it to restructure contracts and cut debt by at least $2 billion while getting $655 million in fresh capital when it emerges from the Chapter 11 process.

PAL will also downsize its fleet by 25 per cent and re-negotiate contracts to reduce lease payments.

"Philippine Airlines will continue business-as-usual operations while finalising the restructuring of our network, fleet and organisation," senior vice president and chief financial officer Nilo Thaddeus Rodriguez said in a video message.

As part of agreements reached with suppliers, lenders and lessors, Rodriguez said PAL will secure $505 million to execute the recovery plan.

The money will later convert into airline equity and long-term debt.It will also obtain another $150 million in debt funding after it emerges from the restructuring process "in a few months", Rodriguez said.