Apparel makers seek fair prices, duty cut from US

Diplomatic Correspondent

Local apparel makers have sought fair prices from their US buyers and urged the US government to cut tariffs on garment items sourced from Bangladesh.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), emphasised the need for a smoother and more sustainable supply chain and sourcing.

He also requested buyers to minimise multiple auditing of factories to reduce the cost facing factory owners.

The call came at a roundtable titled "Seven years after Rana Plaza: Who is doing what?" organised by Bangladesh's embassy in Washington on Friday, according to a press release.

The US is a major destination for RMG exports from Bangladesh, with the annual shipment standing at around $6 billion.

Officials of the government and the leaders of the BGMEA briefed the US government and other stakeholders on the ongoing efforts to improve factory safety and ensure workers' welfare in the garment industry and encourage more US import of apparel items from Bangladesh.

The US is a major destination for RMG exports from Bangladesh, with the annual shipment standing at around $6 billion.

The US suspended the generalised system of preferences (GSP) for Bangladesh in June 2013, two months after the collapse of Rana Plaza. Dhaka has been calling for the restoration of the trade facility.

Garment makers say their operational costs have gone up, so they are demanding fair prices and a reduction in tariffs.

M Shahidul Islam, ambassador of Bangladesh to the US, recognised the immense contribution of the garment industry to Bangladesh's economy.

The government has undertaken various initiatives to support the workers' welfare and the industry, particularly since after the tragic Rana Plaza incident, he said.

He underlined the importance of initiating comprehensive discussions and dialogues at all forums, including the Trade and Investment Cooperation Forum Agreement, to promote trade between the two countries.

BGMEA chief Hassan highlighted the initiatives taken by the government and the trade body, including the establishment of the RMG Sustainability Council and Tripartite Consultative Council to sustain workplace safety and promote the rights and welfare of the garment workers.

He briefed the participants about the challenges posed by the Covid-19 pandemic to the garment industry and how the BGMEA supported the workers during this difficult time.

He also acknowledged the government's generous support to the exporters through unveiling of stimulus packages.

During the interactive session, Christopher Wilson, assistant US Trade Representative for South Asia, stated about the current US administration's emphasis on the welfare of the workers both at home and abroad.

Mentioning the tariff issue as the prerogative of the US Congress, he underscored the need for constant and closer engagements between the two governments on labour and related issues, said the press release of the Bangladesh embassy.

William Jackson, assistant USTR for textiles, Jennifer Larson, director for South and Central Asia of the US Department of State, Maureen Haggard, director for democracy, human rights and labour of the US Department of State, Miran Ali, vice-president of the BGMEA, Ambassador Teresita Schaffer from the McLarty Associates, and representatives of the US-Bangladesh Business Council, the American Apparel and Footwear Association, and brands Walmart and Target participated in the roundtable.

Increased export-import activities amid a low handling capacity at Banglabandha land port have led to untold sufferings for truck drivers and helpers, many of whom have been caught in tailbacks for more than a week now. The photo was taken on Friday. KONGKON KARMAKER

Space shortage stifles export thru Banglabandha land port

Kongkon Karmaker *and* Quamrul Islam Rubaiyat

Several hundred trucks have been waiting outside the Banglabandha land port for the past 12 days for space to be made available for exports to be offloaded on the Indian side.

During a visit on Friday, this correspondent found three-kilometre queues of around 400 trucks lining both sides of the Panchagarh-Banglabandha highway.

While the port can accommodate only a small number of trucks, exports through it have increased nearly fourfold since the 2015-16 financial year, according to data from various sources.

That year, 31,128 tonnes of exports passed through the port and it increased to 1,13,390 tonnes in 2019-20 financial year.

Sitting on 10.48 acres of land in Tetulia upazila of Panchagarh, the port facilitates cross-border trade between Bangladesh and neighbouring India, Nepal and Bhutan.

According to port sources, lentils, hard rock, wheat and onion are brought over through the land port while jute and feed products and medicine are exported.

Inaugurated on January 22, 2011, the port has a storage capacity of around 500 tonnes.

DISTRICTS IN FOCUS

Other than the administrative and immigration building, the port's warehouse, open stack-yard, truck terminal, weighbridge and other existing infrastructures are not enough to accommodate the increase in trade.

However, development of the area is ongoing.

Meanwhile, truck drivers and their helpers are facing untold sufferings. The situation has also created congestion for general traffic in the area.

Md Hasan Ali, a truck driver, said his vehicle was hired from Dhaka on August 28. He arrived on the port-end of the highway with goods two days later on August 30.

"It's been 11 days since then but I am yet to pass," Ali said, lamenting that none would bear his overstay charges.

"As there is no truck stop in the area, we have to pass our days tired in our trucks," said Nasir Hossain, another trucker.

Hossain said he arrived at the port on August 30 and does not know why his crossing into India has been delayed. The goods on his truck are bound for Nepal.

Once the matter came to his notice, Jahrul Islam, the deputy commissioner of Panchagarh, sat with the port authorities, exporters and importers and other representatives on August 31 to find a solution. The meeting took several decisions.

Talking with The Daily Star over the phone, Islam said he too visited the port on Friday. He said export through the land port had increased in recent months, which gave rise to some space shortages.

READ MORE ON B3

GLOBAL BUSINESS

UK economic recovery slows sharply on Covid fallout

Afp, *London*

Britain's economic recovery slowed sharply in July, official data showed Friday, as rises in Covid cases and supply shortages offset further lifting of lockdown restrictions.

Gross domestic product output stood at 0.1 per cent in the month compared with GDP of 1.0 per cent in June, the Office for National Statistics (ONS) said.It was nevertheless the sixth month of growth in a row.

"The measly... rise in GDP in July shows that amid rising Covid-19 cases and broadening product/labour shortages, the economic recovery has stalled," noted Paul Dales, chief UK economist at research group Capital Economics.

"More timely evidence suggests August may not have been much better."

The world is seeing a resurgence in coronavirus cases owing to the fast-spreading Delta variant. This in turn is severely disrupting the global supply chain, while Britain's recent divorce from the European Union has exacerbated the problem in the UK.

Shops are not receiving deliveries, including of staples such as milk, as post-Brexit rules make it harder to hire EU citizens, leaving haulage companies with a drastic shortage of lorry drivers. Separate official data Friday showed that EU imports of goods into Britain dropped in July.

Further trouble lies ahead with the British government's furlough scheme that has supported millions of private-sector jobs during the pandemic close to ending, a move that risks a spike in unemployment.

RISHI SUNAK
BRITAIN'S CHANCELLOR OF THE EXCHEQUER

Economists do not expect sectors seriously affected by a shortage of staff owing to the virus outbreak and Brexit -- including also hospitality -- necessarily to benefit from the bigger pool of available workers once furlough ends on September 30. The UK has more than one million job vacancies despite the furlough scheme supporting jobs at a cost of almost 70 billion ($97 billion, 82 billion euros).

The ONS on Friday added that Britain's total economic output remains 2.1 per cent below its pre-pandemic level in February last year. But finance minister Rishi Sunak expressed optimism over the recovery.

"I am confident that... we'll continue to recover from the pandemic, we'll see more new jobs, and we will build back better," he said in a statement. The UK economy had rebounded 4.8 per cent in the second quarter, or three months to the end of June, as the government began relaxing lockdown restrictions.

July meanwhile saw all lockdown restrictions lifted in England, allowing people to visit shops and hospitality venues without having to wear masks. "After many months during which the economy grew strongly, making up much of the lost ground from the pandemic, there was little growth overall in July," ONS statistician Jonathan Athow said Friday.

"Oil and gas provided the strongest boost, having partially bounced back after summer maintenance. Car production also continued to recover from recent component shortages.

"He added that the services sector saw no growth overall in July, while rising costs and shortages of raw materials continued to shrink construction output.

Experts worry that surging global inflation will hit the economic recovery.

In the UK, costs will continue to spike this year because of the "persistent" pandemic, Bank of England governor Andrew Bailey warned this week. The BoEexpects British annual inflation to temporarily spike to 4.0 per cent in the fourth quarter, double the current rate.

Cybersecurity seen as rising risk for airlines

AFP/FILE

Twenty years after 9/11, airlines are increasingly focused on cybersecurity risk.

Afp, *New York*

After remaking their security procedures following the 9/11 attacks to stop airline hijackings, carriers are now faced with rising threats targeting computers and electronic equipment critical to their operations and safety.

Since the tragedy 20 years ago on Saturday, airlines and airports have fortified cockpits, barred sharp objects in carry-on luggage and improved technology to detect explosives.

"We are more secure," said Willie Walsh, director general of the International Air Transport Association.Many of today's security risks are now viewed as targeting the networks and hardware planes and airlines rely on.

From the gradual shift to electronic tickets to the management of jet fuel, even more aspects of aviation go through digital channels now than they did two decades ago. "We must stay ahead of emerging security threats," Walsh said.

"To do this effectively, we need to take a more integrated approach on things like cyber risks, drones, and insider threats.

Beyond new airline security rules mandated by governments worldwide, security experts say potential hijackers face an additional challenge: other passengers.

"Because of 9/11, if you're sitting in the airplane, and someone jumps up and tries to enter the cockpit, the passengers themselves are going to fight back and prevent that from happening," said Dan Cutrer, an expert in aviation safety at Embry-Riddle Aeronautical University.

However the embrace of digital technology has created new opportunities for trouble, with hackers able to penetrate systems through suppliers' software, online services or WiFi offered to passengers.

Experts consider the potential for a hacker to take control of the plane itself as unlikely, since flight controls are separate from systems used by customers.

Even if plane systems "may exhibit cybersecurity weaknesses, they're not an attractive target for most actors because of the required access and expertise, plus the risk of loss of life," said Katelyn Bailey of cybersecurity company FireEye.

A realm of potential vulnerability is the communication system between pilots and air traffic controllers, said Pablo Hernandez, a researcher at Innaxis Research Institute.

The conversations "are open and they're not encrypted or confidential," he said. "Anyone with the right radio can join into this conversation.

"However, key flight systems needed to run the plane and air traffic have been well secured, Hernandez said.

There have been some notable hacks of ground or ancillary systems, including a 2020 data breach at British airline EasyJet that exposed the personal data of some nine million customers.

EU budget battle looms, as economy lifts out of crisis

Afp, *Brdo Kranj*

European governments have spent hand over fist, despite ballooning public debt, to prevent the coronavirus pandemic from triggering economic calamity.

Now, the European Union faces calls to loosen its budget rules to allow the largesse to continue, but the topic is a sensitive one for many member states.

The European Commission, the EU executive that oversees the budgets of 27 nations, is doing its utmost to prevent a political fistfight that could spill into this month's election campaign in Germany.

EU finance ministers are meeting on Friday and Saturday and will gingerly broach the topic at talks at the scenic Brdo castle in Slovenia. "We will have to find different rules, a different return to budgetary balance," French Finance Minister Bruno Le Maire as he arrived for the talks.

At the heart of the issue is the EU's stability and growth pact, a set of rules on budget spending that ties member states -- at least on paper -- to public debt of just 60 per cent of gross domestic product.

Yearly deficits must stay below three percent.But the threshold has been breached by many countries and some member states asked the commission to propose ways to bring the rules closer to reality even before the pandemic.

In the 19 states that use the euro single currency, the average debt is expected to reach 102 per cent of GDP at the end of the year. Most alarmingly, France and Belgium have deepened their membership to the heavy-debt club with debt mountains expected to rise to 120 per cent of GDP.

This nears the eye-watering levels seen in Greece (200 per cent) and Italy (160 per cent). But a strict application of the budgetary pact would lead to a brutal reduction in public investment for these countries, with the risk of plunging the whole of Europe back into recession and rekindling the dark days of the eurozone debt crisis.

Former Afghan central bank chief warns of economic collapse

Afp, *Washington*

With the Taliban in control and foreign aid blocked, Afghanistan's economy is likely to contract sharply as it faces a shortage of cash, the nation's former central bank chief said Friday.

"I don't want to say economic collapse, but I think it's going to be (an) extremely challenging or difficult economic situation," Ajmal Ahmady said, predicting GDP would shrink by 10 to 20 per cent.

Ahmady, who fled the country just after Kabul fell to the Taliban in mid-August, said international sanctions that block aid funding and restrict access to $9 billion in reserves also could create a shortage of domestic currency.

"Obviously, the access to dollars is going to be severely curtailed. But there's also the question of local currency afghanis" since the country has no local printing press, he said in a discussion hosted by The Atlantic Council.

The central bank was expecting a shipment of two billion afghanis from a Polish firm, and had signed a contract for another 100 billion from a French company, but it is unlikely they will be able to deliver the bills, Ahmady said. Amid the cash crunch, "You're going to see the currency depreciate (and) inflation rise because we import significant amounts of food," he said.