

Why the delay in fixing unsafe RMG factories?

The RSC must hold factories accountable

We are extremely concerned by the lack of progress made by more than 1,000 RMG units in becoming "fully safe," since the Accord on Fire and Building Safety in Bangladesh closed its operations in the country in May 2020. After the Accord left the country, the responsibility of making the factories structurally safe and compliant with the international standards was handed over to the RMG Sustainability Council (RSC). However, it seems the RSC hasn't made any significant headway in terms of factory inspections and other safety-related matters.

According to the RSC's website, over 70 factories from the Accord and RSC's list still haven't implemented even half of the remediation measures recommended by Accord. Moreover, there are a few factories that are just getting started with their preliminary inspection after the RSC took over. Even though around two-thirds of the listed un-remediated factories had implemented over 90 percent of the remediation measures recommended at the time of Accord's departure, even the minor work that has been left incomplete can cause major accidents—as made evident by the fire at Zaheen Knitwear Ltd in late January this year.

The RSC has said that it faced many drawbacks in carrying out its safety-related inspection work and other matters due to the pandemic. However, the fact remains that ignoring such work can be extremely costly in terms of human lives—as proven by a number of past tragedies. Moreover, the goodwill that Bangladesh has been able to develop with foreign brands and other customers since the tragic events of Rana Plaza will also be at risk if RMG factories across the country now start to ignore safety standards in the absence of Accord. And that could be very costly economically in the long run, particularly for Bangladesh's balance of payment, which relies so heavily on RMG exports.

Many experts and activists believe that the fact that the RSC cannot legally force brands to stop buying from factories that are not making progress in remediation—which the Accord agreement had the power to do—is among the main reasons why this process has slowed down so significantly.

At the end of the day, factories that do not strictly enforce all the necessary safety measures have to be held accountable in some way. Otherwise, why would they have the incentive to implement them—especially when it is cheaper for them to not do so? We believe that it is time the RSC started acting like an independent and empowered institution that prioritises the issue of workers' safety.

Extrajudicial killing is a blot on our credentials

Purge this gruesome culture

THE news of extrajudicial killings, or reports that expose the percentage of "kills" by the various elements of law enforcement agencies is always unsettling. Much as we would like to shun the issue, it keeps coming back to haunt us. A report in this newspaper gives us the chilling statistics of a study by the Centre for Governance Studies (CGS) on extrajudicial killings. Between 2019 and 2021, 562 people became victims of extrajudicial killings, the study has found. That amounts to nearly 85 persons every year. The police were involved in 51.24 and Rab in 28.64 percent of the cases.

The issue has stained our credentials as a country that claims to be run by the rule of law—not of men. It is disturbing to read which among the law enforcement wings has outdone the other in circumventing the law and taking lives of people in the most arbitrary manner. That the percentage of such crimes is higher among the police is even more disconcerting as this is a force that is responsible for the overall security of all citizens.

However, it must be mentioned that the number of such killings has gone down remarkably since December last year; in fact, there have only been two since (though still too many). Coincidentally, it was in December 2021 that the US imposed a sanction on Rab. That begs the question: Is there a link between the December sanction and drop in extrajudicial killings, or is this merely a coincidence? Have all the "crooks" decided to be good boys and the law enforcement agencies have found no scope for using their weapons in the manner they used to before then? Without venturing a value judgement, let's say that law and order can be maintained just as well and with equal efficiency, if not more, without resorting to such deviant practice, which the administration chooses to euphemistically call "crossfire." Let's restate and re-emphasise that extrajudicial killing is immoral, illegal and unethical. It not only subverts the judicial system of the country; it also reveals a lack of confidence of the administration on the judiciary. Every alleged offender, even though he may be a noted criminal, deserves his day in court. The law enforcement agencies can just as well perform their duties effectively without being the judge, jury and executioner at the same time. We should run the system as per law and of our own volition, not because of strictures from abroad.

CORRIGENDUM

In an editorial titled "No more carte blanche to errant cops" published in The Daily Star on March 11, 2022, "jail custody" was mistakenly written as "police custody." We sincerely apologise for this error.

Inflation could dent Covid recovery



MACRO MIRROR

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The struggle of the poor and low-income group that began with the outbreak of Covid-19 in early 2020 is now worsened by the unabated rise in the prices of essentials. These people are still grappling with their limited budgets as the pressure of price hikes continues to mount. Of course, the global economy is also under tremendous pressure. With the pandemic persisting for more than two years, economies across the world have lost pace and, in some cases, stalled. Supply disruptions, logistical interruptions, shipping and airline charges and port congestions have led to higher prices of commodities. This is affecting the economic recovery process as a large section of people are still struggling to stay afloat. On the other hand, demand is on the rise as countries strive to recover from the pandemic fallout. The capacity of economies to meet the demand remains unfulfilled in view of the economic shrinkages during the pandemic.

Indeed, Bangladeshi consumers began to feel the inflationary pressure in June 2020. High commodity prices in Bangladesh are often connected with high global prices, but that is not always the reality. In Bangladesh, there is a tendency to blame external factors for high prices even if certain commodities do not have any connections with the global demand. As the country imports a few important commodities, higher prices of those will be passed onto the consumers. Unfortunately, such pass-through is reflected only in the case of price hike. When global prices decline, it does not get reflected in our domestic market. So, when global prices of fuels and other commodities go up, their prices in our domestic market are raised correspondingly, but the opposite does not happen. While importers pay less for their imports, the end consumers continue to pay the elevated prices.

Bangladesh is dependent on imported oils. The oil prices for Brent crude oils have

increased by 83.9 percent over the last 12 months. This increase is worrisome since the share of Brent oil in the globally traded crude oil is more than 50 percent. The price is expected to continue to rise in the face of the ongoing Russia-Ukraine war. Therefore, the Bangladesh government will have to prepare to face such price



COLLAGE: STAR

Unscrupulous market players have always been active to take advantage of difficult periods, by stockpiling and creating artificial crises in the market. Efficient market management will be critical to keep prices under control during Ramadan and beyond.

hikes strategically—without any delay. The demand for fuels has been high as countries have been striving to recover from the pandemic slowdown. Bangladesh should make advance purchases to reduce the pressure of high prices. High payment for expensive fuel will be a stress on the country, given the shrinking fiscal space.

Bangladesh also imports edible oil, food, sugar, intermediate goods and raw materials for production. Using the excuse of the ongoing Russia-Ukraine war, prices of these items, particularly of edible oil, have skyrocketed. The government recently withdrew VAT from a few items such as edible oil, chickpeas, sugar and lentils till June this year. This has been a right move, given that the demand for these products will increase ahead of Ramadan, which is less than a month away. However, the need for strong market intelligence is critical. Unscrupulous market players have always been active to take advantage of difficult periods, by stockpiling and creating artificial crises in the market. Efficient market management through close monitoring and supervision will be critical to keep the commodity prices under control during Ramadan and beyond.

The other measure that the government should put in place is the enhancement

of support for poor and low-income groups. The volume of sale of essential commodities through the open market system (OMS) should be increased. In a welcome move, the government has decided to supply edible oil, sugar, lentils, and chickpeas at an affordable price to 50 million people across the country. Distribution of these commodities must be managed effectively and without any corruption, so that the eligible people have access to these items at low prices. Indeed, the government should provide direct cash support to the poor, enhance social protection for low-income families, and extend stimulus to the small businesses for their survival during difficult times.

Besides, the government should prepare for maintaining adequate food stock not only through better agricultural production, but also through importing food. The high fertiliser price would lead to higher cost of production and higher prices of agricultural commodities, including rice. Due to the impact of climate change, the global projection of agricultural production is not promising. Natural disasters such as flood, cyclones, drought and wildfire will continue to disrupt agricultural production, resulting in continued inflationary pressure. Because of uncertain climatic conditions, high input costs, and the pandemic, the international food market is predicted to be unstable in 2022 by the Food and Agricultural Organisation (FAO).

In Bangladesh, despite bumper production, the rice market has been observed to be volatile during the past years. Despite the claim of being self-sufficient in food, we have to import food from the international market to meet the local demand. Also, Bangladesh's vulnerability to climate change is high. In these circumstances, there is a need for actual demand estimation of rice and other food items in the country. During a crisis, food exporting countries would not export food without meeting their domestic demands first. If they decided to export, the prices would be exorbitant. Therefore, planning the production and import of food should be done early on. And again, the government must monitor the market closely to curtail any attempt to manipulate the prices. Otherwise, the pain of the inflationary pressure cannot be relieved in the short term. It will hamper a sustainable and inclusive pandemic recovery, since the real purchasing power of many people will decline, causing further inequality.

For RMG, digitisation is the way to go



RMG NOTES

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NEW developments in technology, robotics, automation and digitisation are something all garment manufacturers need to be mindful of. Knowledge, as they say, is power.

There are two ways of looking at this. The first is from the perspective of how we can use technology to drive productivity and other improvements—sustainability being an obvious example in our own factories. The second aspect is the extent to which "Industry 4.0" represents a threat to Bangladeshi garment manufacturers and how much we should view it as a new form of competition.

This week, I read about a garment manufacturing social enterprise called Fashion-Enter Ltd (FEL). FEL has recently entered into a collaboration with a well-known digital printing company, Kornit Digital, to open what is being described by some as the world's most sustainable and efficient end-to-end garment micro-factory.

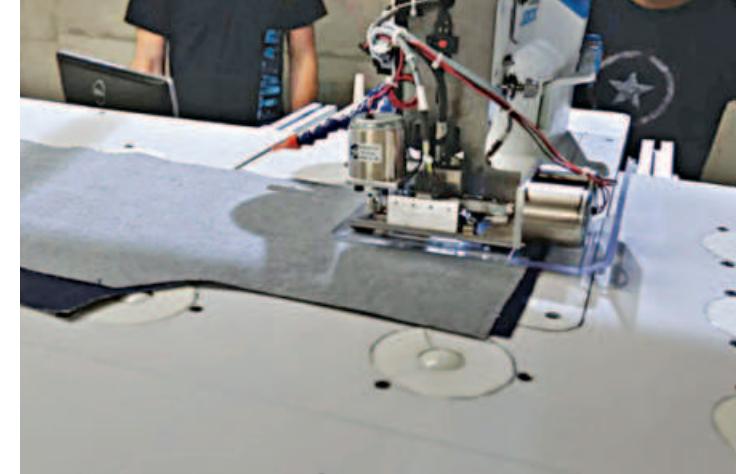
The factory, based in London, United Kingdom, uses direct-to-fabric and direct-to-garment digital printing machines and according to press reports, these can take a dress "from pixel to parcel," or from a design on screen to being ready to be shipped, in as little as 25 minutes. All of these processes take place at the same site in one seamless, efficient, sustainable operation, although it must be stressed that we are only talking about product samples at the present time.

It is also claimed that Kornit Digital's process removes the requirement for harmful textile chemicals (a huge concern for global fashion retailers) and uses a minimum amount of water.

Not surprisingly, there is already talk of this "factory of the future" being

replicated across the UK. Every fast fashion retailer in the world is now looking at ways to decrease the time it takes to get the latest fashion styles into the wardrobes of consumers. That said, most wise observers believe this kind of sophisticated, fully digitised production will remain in the domain of mid-to-high end apparel for the foreseeable future.

Should we, as garment makers, be



concerned about such developments? And how can we capitalise on the opportunities these amazing new technologies can offer our industry?

Of course, we cannot simply ignore the concept of "near-shoring," especially given our heavy dependence on garment exports. And we cannot turn a blind eye to or shrug off new developments in digitisation like this. After all, we are seeing a rapid shift to online purchasing of clothing and the e-commerce business model would dovetail well with a move towards digitisation in supply chains. Industry 4.0 is coming whether we like it or not.

Simultaneously, it is worth considering that talk around near-shoring has been around for a great many years. The costs involved in producing clothing along fully digital and automated lines are also unclear.

Ultimately, if the garment factory of

the future could be scaled effectively in a major western country, it is hard to believe somebody would not have capitalised on this opportunity before now. Perhaps I am being cynical, but experience tells me ours is a conservative industry in many ways, and change comes slowly.

All that said, as garment makers, we must be abreast of these issues and give consideration to how we can incorporate aspects of Industry 4.0 into our own operations. If the sustainability gains on offer are as great as being claimed, our customers will soon be knocking on our doors asking how we, as suppliers, can take advantage of these emerging technologies.

To this end, surely it could do no harm for some of our more progressive garment factories to think about introducing pilot lines which incorporate full digitisation. If nothing else, such lines, perhaps launched in collaboration with a major fashion retailer, would offer garment makers a chance to show what is possible and would certainly be a worthwhile exercise from a public relations perspective.

A key benefit of digitisation is speed to market and responsiveness. Our geographic location negates these potential advantages. Therefore, Bangladeshi manufacturers should consider setting up satellite operations in target markets. We are the experts in garment manufacture, and I passionately believe that if anybody is to build the factory of the future, surely it should be us.

One other possible avenue for incorporating these digital technologies would be via the formation of a strategic partnership with a global apparel maker. This could see the offering of real-time sampling to customers abroad, even providing short trial runs to test what sells. All of this could be supported by upscale manufacturing in Bangladesh.

Embracing these kinds of new business models and routes to the end consumer will be vital for Bangladesh to ensure our apparel industry remains ahead of the game in a rapidly evolving market.