In 2002, Bangladesh's garment export to the EU was 3 billion euros and it reached 24 billion euros in 2022. The photo was taken from an exposition held in Dhaka recently.

PHOTO: STAR

Protection of environment, labour rights key to future growth of RMG

EU, US envoys say at Sustainable Apparel Forum

STAR BUSINESS REPORT

Both the European Union and the United States yesterday reiterated their calls to protect labour rights and the environment for the sustainability of the apparel business in Bangladesh.

Sustainability has different aspects like environmental, supply chain, recycling and energy uses, said Peter D Haas, the US ambassador to Bangladesh.

"But I want to focus my remarks on one specific aspect: the role of workers."

He spoke at the inauguration of the 4th edition of the Sustainable Apparel Forum (SAF) organised by the Bangladesh Apparel Exchange at the Radisson Hotel in Dhaka.

Haas described the role of workers as one of the main driving forces in the sustainability of the garment sector.

In this regard, he called for labour law reforms since many workers don't get the chance to exercise labour rights, freedom of association and collective bargaining.

He also expressed concerns as the workers in the export processing zones don't get the opportunity to exercise the freedom of association as well.

"An empowered workforce is directly related to sustainability. Sustainability and economic growth go hand in hand."

He said protection of the workers does not just mean the protection of them in terms of wage, safety and child care. "It is also giving a voice, making them partners in the supply chain."

Charles Whiteley, the EU ambassador to Bangladesh, suggested improving labour rights in order to obtain the trade benefit under the new EU Generalised System of Preferences (GSP).

The bloc is finalising the new GSP rules to be effective from January for the next decade.

Whiteley said it is needed to intensify the rules of the EU, the government and civil society in a bid to ensure a smooth transition of the country as Bangladesh is yet to become a centre of excellence in terms of compliance.

The EU wants the implementation of the National Action Plan to improve the labour standard and the country's garment sector to raise the use of renewable energy to 40 per cent by 2041, Whiteley also said.

In 2002, Bangladesh's garment export to the EU was 3 billion euros and it reached 24 billion euros in 2022.

Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association, said Bangladesh is the champion in green garment factories as the country hosts 53 out of 100 top green apparel factories in the world.

Another 550 garment factories are waiting to be certified as green factories by the United States Green Building Council.

"Local entrepreneurs have invested a lot of money for green manufacturing," Hassan said.

"As a large buyer in Bangladesh, we recognise our responsibility to be at the forefront in driving the sustainability agenda," said Ziaur Rahman, regional country manager for production at H&M for Bangladesh, Pakistan and Africa, while speaking at the plenary session.

According to Rahman, the most pressing issue right now is climate change.

"H&M, like other brands, has set ambitious targets in line with the Paris Agreement. We need to come together to find solutions to make our industry more sustainable."

He said the fashion industry needs to reduce its carbon footprint and most of the emissions are coming from the production of garments. There is a pressing need for the use of more renewable energy in the manufacturing hubs like Bangladesh.

"Textile waste recycling is also becoming increasingly important, and we see the need for policy support to scale up the recycling capability and capacity locally."

Some 60 speakers and 20 exhibitors from across the world gathered at the forum.

"Bangladesh has already achieved a lot in sustainability in the garment supply chain. This type of events will help international retailers and brands know about the progress," said Mostafiz Uddin, organiser of the SAF.

Commerce Minister Tipu Munshi also spoke.

Food packaging needs to embrace new tech: experts

STAR BUSINESS REPORT

In Bangladesh there is an urgent need to upgrade from obsolete and unsafe food packaging practices to advanced and safe techniques, said speakers at a discussion yesterday.

Ensuring compliance to packaging guidelines is a complex challenge as it necessitates collaboration of stakeholders in the supply chain, they told the event, "Safe Food Packaging for a Better Tomorrow", at The Westin Dhaka.

It was organised by the Foreign Investors' Chamber of Commerce and Industry in association with Bangladesh Food Safety Authority, the Bangladesh Standards and Testing Institution (BSTI) and SIEGWERK, a provider of printing inks and coatings for packaging applications and labels.

"Bangladesh is fast-evolving in consumption of packaged food and we need new and higher standards for food packaging," said Ashish Pradhan, president of SIEGWERK's Asia region.

In order to develop safe food packaging with appropriate and safe solvents, pigments and other components, the need for a regulatory approach and its adherence across the entire supply chain is imperative, he said.

Because cooperation along the value chain is crucial to ensure maximum product safety, Pradhan added.

Packaging safety still remains a highly

important topic and no food is safe without proper packaging, said Joerg Peter Langhammer, head of global product safety and responsibility of the SIEGWERK.

However, ensuring packaging safety requires the entire supply chain to be transparent and follow an integrated approach, he said.

The packaging value chain is complex and the responsibilities must be shared, he said.

Considering the safety of packaged food, the BSTI has taken an initiative to formulate a standard for printing ink for food packaging, informed Nilufa Hoque, director of the standards wing of the BSTI.

The BSTI has taken steps to protect customers from fake products as well as to develop conventional systems, she said.

It has enabled use of "Real Time Quick Response" codes for various issues such as online BSTI licencing, renewal, cancellation, suspension and verification, customs clearance certificates and test reports of the BSTI laboratories, she said.

China to create powerful financial watchdog run by Communist Party

REUTERS, *Beijing*

China will set up a financial watchdog run by the Communist Party, state media reported on Thursday, as part of a broad reorganisation of governing bodies set to give the ruling party direct control and supervision over financial affairs.

The creation of the Central Financial Commission will see the dissolution of the state-run Financial Stability and Development Committee (FSDC), a powerful body set up in 2017 and headed by former Vice Premier Liu He to curb risks in China's complex and often opaque financial system.

The new watchdog will be responsible for the top-level design, development and supervision of the financial sector, strengthening "unified leadership on financial work", according to a plan published by state media.

To strengthen the ideological and political role of the party in China's overall financial system, a separate Central Financial Work Commission will also be established.

The reorganisation of party and state-run financial bodies comes after Xi Jinping secured a precedent-breaking third term as party leader in October and also a new term as president earlier this month, making him China's most powerful leader since Mao Zedong.

"The line between the party and the government has become decisively blurred, so there is no way that the new financial watchdogs will contradict with what the party wants," said Yan Wang, chief China strategist at Alpine Macro, a global investment firm based in Montreal.

Reuters previously reported that Beijing was planning to resurrect an elite party financial watchdog that operated between 1998 and 2003 to increase political control over the financial sector. It would be headed by a member of the seven-member Politburo Standing Committee, the party's top decision-making body helmed by Xi, sources previously said.

The revival of the high-level oversight body comes as Chinese leaders race to inject new momentum in the world's second-largest economy battered by three years of heavy COVID-19 curbs, a protracted property slump and weak external demand for the country's exports.

"From investors' point of view, the near-term impact of the regulatory overhaul is unlikely to be significant. Promoting growth is clearly Beijing's top priority, so it is unlikely to upset the market and hurt the economy with drastic policy changes," Wang said.

A detailed reform plan for state institutions was released during China's annual parliamentary meeting that concluded on Monday.

Under the State Council, helmed by the new Premier Li Qiang, China will establish the National Financial Regulatory Administration tasked with regulating the country's $57 trillion financial industry, excluding the securities sector.

The banking and insurance regulator will be abolished, and certain functions of the central bank and securities regulator will be transferred to the new financial administration.

Separately, China will establish a new Central Technology Commission to strengthen the party's centralised leadership over science and technology.

A company displaying products at the International Poultry Show-2023 at the International Convention City Bashundhara in Dhaka. The show comes to an end tomorrow.

PHOTO: RASHED SHUMON

Refrain from overpricing for profit

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Moshiur Rahman, president of the WPSA-BB, said poultry prices have become costlier due to price corrections by farmers.

"Many farmers have left the business or are under producing for incurring loss," he added, citing how the ongoing Russia-Ukraine war mainly drove up input costs.

Rahman also said poultry farmers should not sell premature chicken alluring to higher prices as it could lead to a supply shortage in the market.

Among others, Nahid Rashid, secretary to the Ministry of Fisheries and Livestock, Md Emdadul Haque Talukder, director general of the Department of Livestock Services, and Md Rafiqul Islam, a professor at Bangladesh Agricultural University, also spoke at the event.

Export to UK may jump to $12b by 2030

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Standards related to product safety and ESG (Environmental, Social, and Governance) factors are not complied properly in the case of producing products for the domestic market, he added.

"After the country's graduation from the LDC group, the government would not be able to provide much protection. So, entrepreneurs should try to stand on their feet and become competitive from now onwards," said Tapan Kanti Ghosh, senior secretary of the commerce ministry.

"The government is talking to the private sector and asking them to prepare accordingly. We will also help entrepreneurs solve their problems."

The UK always focuses on environmental and sanitary and phyto-sanitary issues, so producers should be aware of it, said AHM Ahsan, vice-chairman of the EPB.

He requested producers not to resort to any malpractices when it comes to maintaining the quality of goods so that the UK remains a good export destination for Bangladesh.

Duncan Overfield, deputy development director at the Foreign, Commonwealth and Development Office, said Bangladesh must explore the necessary policy options and support to ensure the best utilisation of the DCTS.

He said the perception of goods originating from Bangladesh would become more positive over time, much like how the perception of goods from Hong Kong and China changed over the years.

Md Faizul Islam, chairman of the Bangladesh Trade and Tariff Commission, said both public and private sectors need to work together to ensure export diversification.

Prof M Abu Eusuf, executive director of the RAPID, presided over the event.

Inflation, economic volatility top threats

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They also face disconcerting near-term challenges, starting with the local economy, which, nearly 69 per cent think, will see a declining growth during the year ahead.

The CEOs cited multiple challenges to the profitability of their industry over the next 10 years. The most prominent challenge, analogous to that of the global findings of the survey, is the changing customer preferences (69 per cent).

In contrast with their global peers, CEOs in Bangladesh are more concerned about the ongoing global supply chain disruption than regulatory changes due to the country's significant reliance on the import of raw materials as well as strong dependence on exports and remittances.

Technological disruption, regulatory changes, labour or skill shortages, the threat of new entrants and the transition to new energy sources are also believed to have a significant impact on business profitability, said the survey report.

In terms of monetary investments, nearly three-fourths of the CEOs consider workforce upskilling and process automation as priority areas.

With technology being one of the major disruptors to business viability, 66 per cent of the companies are making investments in deploying advanced technologies such as cloud and artificial intelligence. Apart from this, nearly 41 per cent of CEOs expect to invest significantly in adjustments to their supply chains in the next 12 months.

Only 9 per cent of CEOs have forecast investments in the relocation of company operations due to climate risks in the year ahead.