

Star

BUSINESS

Stone crushers have long been overlooked when it comes to ensuring fair wages and suitable working conditions.

Story on B4



ILO calls for transparency in fixing RMG wages

STAR BUSINESS REPORT

The International Labour Organization (ILO) has underscored the necessity of adopting a minimum wage determination process for Bangladesh's garment sector founded on transparency, fairness and evidence to ensure a decent living wage for the workers. Demonstrations and instances of violence over wage levels in the sector give rise to concerns, it said. In a statement on Wednesday, it called for calm and restraint to avoid any further loss of life and damage to livelihoods. "We strongly encourage all parties involved to engage in constructive dialogue and negotiations with the objective of reaching a consensus on a minimum wage," said the ILO.

**"We strongly encourage all parties involved to engage in constructive dialogue and negotiations," said the ILO**

"...that not only assures workers of a decent standard of living but also considers the sustainability of businesses within the RMG sector," it said. "We acknowledge the work of the minimum wage board and encourage the parties to continue to discuss in good faith," it said. "...and to take into account the concerns of workers and employers alike as part of the confirmation process of the minimum wage," it added. Moving forward, it is imperative for Bangladesh to establish a national wage policy and an evidence-based system for wage determination, said the ILO. "Preliminary discussions in this regard are ongoing, and we welcome the establishment by the government of a committee to explore this avenue," it said. The ILO has released the statement at a time when a minimum wage board formed with representation from all sides concerned has already finalised the minimum wage for the garment workers after consultations on November 7.

READ MORE ON B3

Can Bangladesh exploit its under-utilised workforce?

MD ASADUZ ZAMAN

Forhad Hossain has been looking for a permanent job since earning his master's degree in management from Abdullah Al Mahmud Degree College in Sirajganj in 2019. Although he manages his expenses based on the income generated from providing private tuition, he considers himself unemployed.

But according to the Labour Force Survey 2022 of the Bangladesh Bureau of Statistics (BBS), he is not unemployed. Rather, he is employed and categorised as under-utilised workforce.

A person is considered unemployed if he or she did not work at all during the previous week (not even for an hour) or was temporarily absent from work.

Raihan Uddin, who recently graduated from Chittagong University, is another example. He works on a part-time basis for an online portal in the port city. He works for four hours a day, five days a week.

Like Hossain and Uddin, around 68 lakh people in Bangladesh were under-utilised in 2022 since the country could not use them fruitfully despite their potential.

Labour under-utilisation is a type of mismatch between supply and demand and is seen when individuals engaged in the labour market are not satisfied with the work they do.

Alarmingly, around 41 lakh individuals aged 15 to 29 were under-utilised in 2022. Of them, 74 percent were living in rural areas, according to the Labour Force Survey 2022.

In total, the number of under-

utilised workforce comprises 40 lakh males and 27.6 lakh females in both rural and urban areas.

Prof Selim Raihan, executive director at the South Asian Network on Economic Modeling, said Bangladesh is yet to exploit its labour force properly as it could not provide the right kind of education and training and make it productive.

"As a result, we still have a huge number of under-utilised workforce."

Along with unemployment, there are two more components consisting the under-utilised workforce: time-related

underemployment and potential labour force.

Time-related underemployment is when a person works less than 40 hours a week and this type of employment is insufficient in relation to an alternative situation in which they are willing and available to engage.

Potential labour force refers to persons not in employment and finding the existing conditions to be limiting their active job search and/or their availability although they have expressed an interest in this form of work, according to the BBS.

The number of under-utilised workers has risen over the years. For example, around 2 lakh people have remained under-utilised in the last five years.

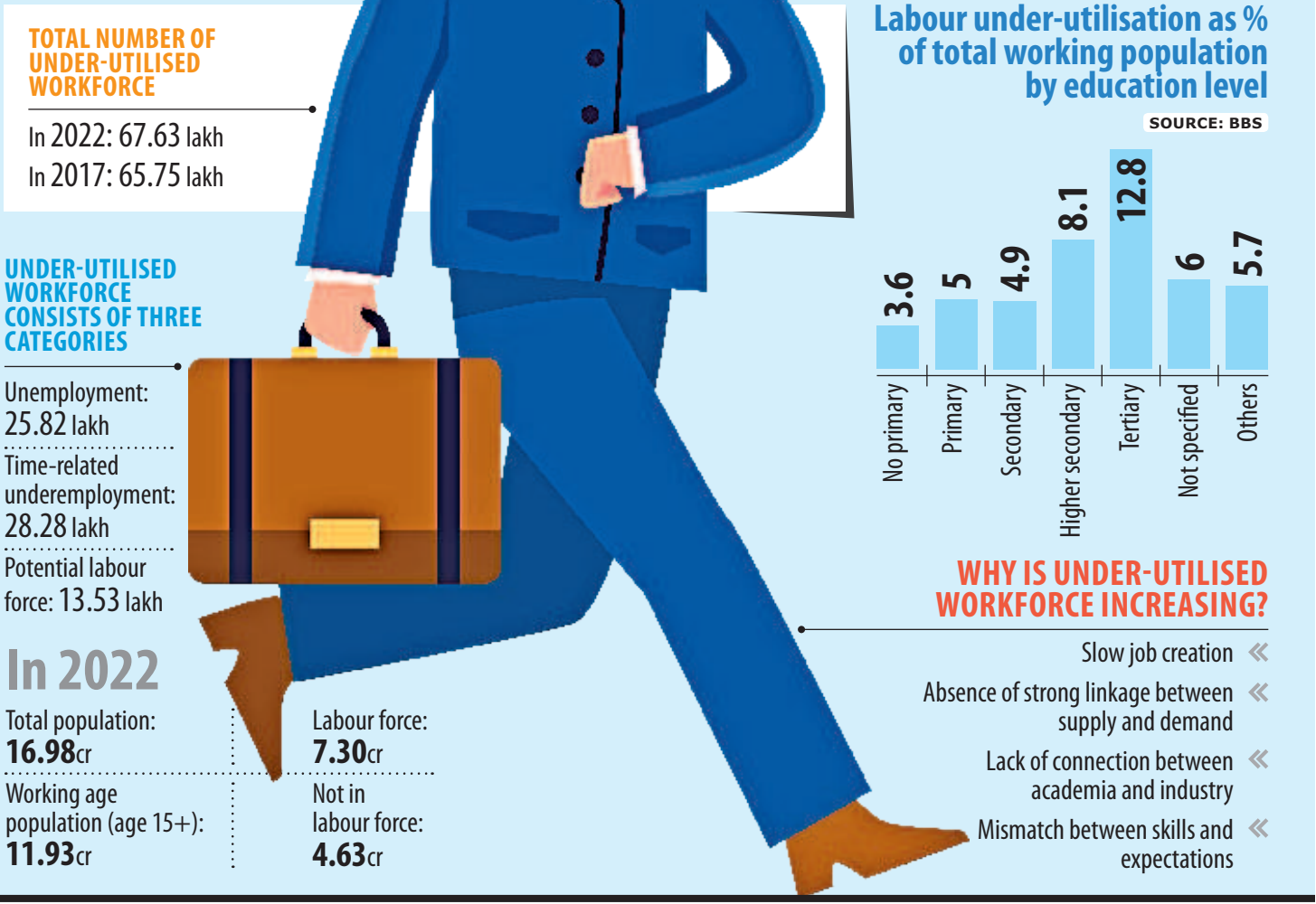
"The number of under-utilised workforce may not be apparently alarming," said Rushidan Islam Rahman, executive chairperson of the Centre for Development and Employment Research.

"But one has to keep in mind that this is a gross underestimation because the BBS uses a very restrictive definition of the concept. Moreover, the number has increased significantly among the male labour force."

The former research director of the Bangladesh Institute of Development Studies, however, said there is a lack of sufficient hours of work due to low productivity of the activities where they are engaged or employed on a casual or daily basis. "This is a matter of concern."

Low productivity, inadequate hours of work and low wages in casual employment

READ MORE ON B2



Eskayef signs deal for export of high-tech bio products

STAR BUSINESS DESK

Eskayef Pharmaceuticals Ltd signed an agreement with a multinational biotech company in Dhaka yesterday for the export of high-tech biological vial products.

Under this agreement, Eskayef will export biological vial products to different parts of the world.

Eskayef will supply millions of biological vials annually to the global supply chain. This export agreement is a milestone for Bangladesh's pharmaceutical sector as it signifies the biggest ever annual export contract made by any pharmaceutical company in the country, according to a press release.

Simen Rahman, group CEO of Transcom Limited and managing director and CEO of Eskayef Pharmaceuticals, said, "Exporting biological vials is not just a milestone for Eskayef, I believe it is a great step taken to serve millions of patients."

"It is a moment to be proud of for the country as this achievement marks the level of advancement of Bangladesh's pharmaceutical industry now that high-tech biological products are being made in Bangladesh for export," she added.

READ MORE ON B2

Revenue collection growth slows

REJAUL KARIM BYRON and AHSAN HABIB

Government revenue collection in the July-October period, the first four months of the current fiscal year of 2023-24, slowed to 12.68 percent despite higher income tax growth.

From July to October, the National Board of Revenue (NBR) collected revenue of Tk 102,445 crore compared to Tk 90,917 crore in the same period of the previous year, according to the NBR's provisional data.

In the first four months of the previous fiscal year, revenue collection growth was 14 percent. In October this year, revenue collection growth stood at 8 percent.

The target for revenue collection for the period was Tk 116,294 crore, meaning there was a deficit of Tk 13,849 crore.

A top official of the NBR said the business sector enduring a sluggish period due to the foreign exchange crisis was the prime reason for the relatively slower growth.

Adding to that was the central bank adopting a contractionary monetary policy, resulting in credit growth also slowing down, and a drop in government expenditure due to austerity measures amid macroeconomic pressure stemming from Russia's invasion of Ukraine.

READ MORE ON B3



FUEL IMPORT BILLS

Private power plants seek Tk 4,000cr in excess

REJAUL KARIM BYRON and ASIFUR RAHMAN

Owners of the country's private power plants have sought the power division's assistance in settling their claim of Tk 4,000 crore on top of their overdue fuel import bills.

Bangladesh Independent Power Producers' Association (Bippa) reasons that they were having to incur huge losses for currency devaluation as the government had not paid them on time.

According to the organisation, the overall overdue bills amount to over Tk 23,000 crore.

"We are suffering greatly from delayed payments from the PDB," said Bippa President Faisal Karim Khan yesterday.

"Gas plants are now receiving January's payments and HFO (heavy fuel oil) plants March's payments. The PDB is contractually obligated to pay within 30 days," he said.

It is becoming impossible to open letters of credit, he said.

"While we receive revenue at the Sonali Bank rate of Tk 111 per US dollar, banks are charging us over Tk 120 per US dollar for LC settlement and loan repayment. This is not sustainable," he added.

On November 5, Bippa sent a letter to the Prime Minister's Office seeking an appointment with the prime minister to share the "unprecedented set of challenges in recent times".

They mentioned one of the challenges to be the PDB's delayed payments.

"We would like to humbly bring to your kind attention the specific issues

**The power producers' association reasons that they were having to incur huge losses for currency devaluations as the government had not paid them on time**

and obstacles hindering the efficiency and sustainability of power generation due to the extremely delayed monthly bill payments by the PDB," stated the letter.

The delayed payments by the PDB are bankrupting the independent power producers as they are bearing high interest costs for working capital to continue operations as well as suffering from the depreciation of the taka against the US dollar, it added.

READ MORE ON B3

Renewables the cheapest long-term option for Bangladesh

CPD says citing Bloomberg report

STAR BUSINESS REPORT

Renewable energy is going to be the cheapest option for Bangladesh to meet growing electricity demand in the long term, the Centre for Policy Dialogue (CPD) said, citing a Bloomberg report.

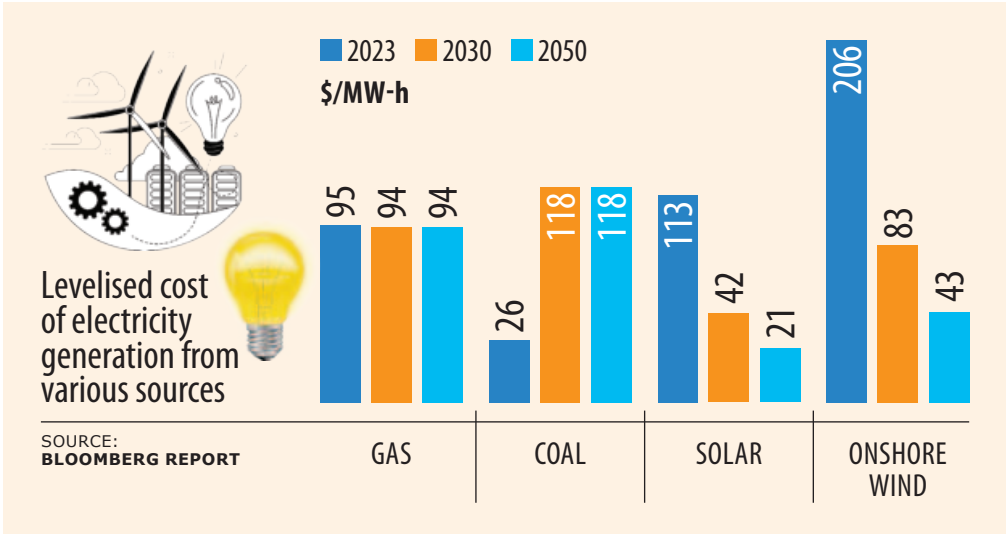
The independent think-tank said Bloomberg carried out an analysis of the cost of electricity generation from different sources in Bangladesh last month.

The report, titled "Bangladesh Power Sector at the Crossroads", found that the Levelised Cost of Electricity (LCOE) from renewable sources is expected to significantly decrease by 2030 and 2050 if Bangladesh continues progressing at the current pace.

LCOE measures lifetime costs divided by energy production. It calculates the present value of the total cost of building and operating a power plant over its assumed lifetime.

"Renewable energy is the future for Bangladesh in the long term," said CPD Research Director Khondaker Golam Moazzem at a briefing to mark the launch of a quarterly report on Bangladesh's power and energy sector, titled 'Currents of Change', at its office.

Citing the Bloomberg report, the CPD said the LCOE for a new utility-scale solar project in Bangladesh ranges from \$97-135



per Megawatt hour (MWh) today compared to \$88-116 per MWh for a combined cycle gas turbine plant, and \$110-150 per MWh for a coal power plant.

By 2025, solar will become the cheapest option thanks to continued technology cost reductions. By 2030, solar with batteries will also achieve a cheaper LCOE than thermal power

plants, according to the Bloomberg report.

The CPD, citing the report, said building more thermal power plants in Bangladesh and incorporating co-firing ammonia or blending hydrogen by 2030 is unlikely to be cost effective for emission reduction compared to alternative renewable energy solutions like solar or wind.

READ MORE ON B3