

Collaboration key for inclusive, sustainable garments sector

Speakers say at ILO discussion

STAFF CORRESPONDENT, Chattogram

The garments industry of Bangladesh still suffers from a huge wage gap between male and female workers, with the latter holding just 5 percent of all supervisory positions in the sector, according to experts.

So, collaborative and sustained efforts aimed at promoting gender equality and advancing women's leadership are required for a more inclusive and sustainable garments industry, they said.

Speaking at a discussion, styled "Gender Equality and Returns: Advancing Women Leadership, Skills Development and Productivity in the Supply Chain", they expressed concern over several challenges hindering women's advancement in the garments sector.

These include adverse and unfriendly work environments, wage gaps, huge workloads, low wages, and lack of accommodation and transport facilities.

Besides, women's capabilities are often underestimated or undermined, driving them out of the workforce, the speakers said.

They also underscored the need for collaborative efforts from the government, factory owners, buyers, and all other stakeholders to create a more equitable garments industry, one free of barriers and challenges for women.

The event was organised by the International Labour Organisation (ILO) and International Finance Corporation (IFC) in collaboration with Bangladesh Apparels Exchange.

Held at the Chittagong Boat Club in Chattogram, the event was aimed at showcasing the achievements of Gender Equality and Returns (GEAR), a joint initiative of the ILO and IFC.

GEAR was launched in 2016 to promote gender equality and economic enhancements in the country's garments sector. While providing an overview of the initiative, ILO Programme Coordinator Shamsul Hoque said GEAR has trained 800 female workers of 101 factories since its inception.

Quoting an impact assessment on GEAR by Oxford University, Hoque said the initiative led to a 5 percent boost in terms of line efficiency and 39 percent wage hike for female workers in supervisory positions.



The older generation of farmers is in a dilemma -- happy to see their children opting for off-farm jobs instead of arduous agricultural livelihoods, yet they themselves are being left behind to care for their families amidst uncertainties over the availability of labour during peak farming seasons. The photo was taken at Gobindaganj upazila of Gaibandha at the end of last month.

PHOTO: MOSTAFA SHABUI

Solely farming not cutting it, even for landowners

Researchers say on concluding day of annual BIDS conference

STAR BUSINESS REPORT

Households whose income for subsistence comes only from farming, including leasing out cropland, are now going through tough times, according to researchers.

"Land-owning families meet capital needs via leasing out and mortgaging land," said MA Sattar Mandal, professorial fellow of the Bangladesh Institute of Development Studies (BIDS).

With no non-farm or remittance income, this has translated to restricted occupational mobility, he said.

He was addressing a session on "Agrarian change in contemporary Bangladesh" on the concluding day of an Annual BIDS Conference on Development (ABCD) 2023 organised by the BIDS at Lakeshore Hotel in Dhaka yesterday.

Leasing out land for long periods while not being there in person can lead to the rise of threats to the land ownership, said Mandal, also a professor emeritus of

Bangladesh Agricultural University.

Younger generations of farmers love off-farm jobs and do not want to engage in crop cultivation and this is nowadays leading to severe shortages of labour in rural areas during peak farming seasons, he said.

While commercial farms are shifting to mechanisation, their use of chemicals and pesticides has increased, he added.

Though machines are increasingly being used in farming, the labour shortage still puts pressure on elderly male farmers, said Mandal.

The older generation is in a dilemma as they are happy to see their children free from arduous farming jobs but they themselves are being left behind to care for the family through cultivation amid uncertainties over the supply of labour.

Now, feminisation in cultivation is increasing and schoolchildren also helping their male counterparts, he added.

In another presentation on "Choice of tenancy in rural Bangladesh: Evidence from BIDS-BARD micro survey", Binayak

Sen, director general of the BIDS, said owner-operated and owner-managed farming should become more profitable in course of the modernisation of agriculture.

The increase in the share of cultivable area under tenancy and the unpredictable rise of landless tenants have been brought about by a confluence of several factors that underpin rural structural transformations in Bangladesh, he said.

However, the spread of education, expansion of regular jobs, and urbanisation (domestic migration) have encouraged land-rich households to lease out agricultural lands.

According to neo-classical views, owner-operated and owner-managed farming is more efficient than tenant-operated farming because sharecroppers usually give less work effort to farming, said Sen.

This moral hazard of imperfect monitoring leads to sharecroppers failing to obtain the full benefit of their inputs.

Already feeling negative impact of global slowdown

Says FBCCI president

STAR BUSINESS REPORT

The business community needs to be united to advance the country's economy on the path of prosperity, keeping in mind the motto "Politics belongs to everyone, economy belongs to everyone", said Mahbubul Alam, the president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

He was speaking at the annual general meeting of the FBCCI held at the Bangmata Sheikh Fazilatunnesa Convention Hall in the capital today.

He said that there is no alternative to moving the country's economy forward other than by forgetting political violence and differences. He thus urged everyone to refrain from intolerant activities ahead of the national elections to keep the country's business, trade and economy moving.

Alam further reiterated that negative impacts were already being felt as a result of the economic crisis, with businesspeople suffering the biggest losses.

Alam also said, in line with the prime minister's determination to build a smart Bangladesh, the current board of directors took responsibility for the manifesto of building a smart FBCCI to ensure participatory representation of the private sector.

FBCCI's future plans include opening a new branch office in Old Dhaka, the establishment of a vocational center in Uttara, opening FBCCI's extended office in Gulshan, inaugurating the FBCCI Innovation and Research Center, receiving a maximum installment of Tk 50 lakh for women entrepreneurs without a male guarantor, and extending the income tax submission deadline by two months.

STOCKS		WEEK-ON-WEEK
DSEX ▲	CASPI ▲	
0.47%	0.31%	
6,252.56	18,537.17	

COMMODITIES		AS OF FRIDAY
Gold ▼	Oil ▲	
\$2,004.55	\$71.21	
(per ounce)	(per barrel)	

Stocks moribund for far too long

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For example, in India, the benchmark Nifty jumped to a new high of 20,969 on Friday. The Sensex surged to hit a record high of 69,825.

Pakistan's main index breached the 60,000-point mark to trade at an all-time high of 62,507 on Tuesday. It further climbed to 66,248 on Friday, data on the Pakistan Stock Exchange showed.

Nepal's NEPSE Index rose to its highest level in 2021. After the war broke out, it slipped below 1,800. Last year, the index surged to 2,300 and now it is hovering around 1,950.

Even, the Sri Lankan market soared to a historic high in 2022 after overcoming the deep shock stemming from the island nation's worst economic crisis in history.

Ahmed, a former chairman of the economics department at the University of Dhaka, said the floor is violating the basic rights of investors as they can't sell shares at will.

"Who will come to invest in such a market?"

Ahmed said economic instability is another reason for the current state of the market.

Kazi Ahsan Maruf, managing director of Ekush Wealth Management, also blamed the floor price as well as the ineffective monetary policy for the bearish trend in the market.

"India took proper

percent as the government raised the benchmark rate for the eighth time in 19 months as inflation has kept surging.

But experts said the country had not raised the rate as aggressively as it should have. Besides,

REASONS FOR BEARISH TREND IN STOCK MARKETS IN BANGLADESH

- » Floor price
- » Thin presence of buyers
- » Gloomy macroeconomic scenario
- » Fear of further drop of the index
- » Foreign investors cut their investment

WAY-OUT

- » Lifting of floor price
- » Ensuring good governance
- » Bringing well-performing companies to market

policies and hiked interest rates on time to tackle higher inflation. Besides, its exchange rate has not been kept at an artificially higher level. On the other hand, Bangladesh did not manage the situation properly."

Last month, the policy rate was hiked to 7.75

the exchange rate is not market-based yet.

As a result, the economy is still struggling to absorb the shocks brought on by the Ukraine war since inflation has stayed at over 9 percent, the forex reserves dropped to a record low level and the taka is staring at a further

loss after shedding a value of about 30 percent since January last year.

"The economic pressure has not eased yet," said Maruf.

Therefore, many investors are waiting for an opportunity to buy stocks at far lower prices as they think that the index may plunge after the lifting of the floor price since the economy is not in good shape.

"When such expectations prevail in the market, money will not flow in," said Maruf.

A common nature of a stock market is its moves in line with the health of the economy, so it was obvious that the indexes would drop in Bangladesh when the war erupted since the crisis hit hard the import-dependent country, said a stockbroker.

He says when an index drops, a group of investors invest in the stocks whose value has declined. The investment goes on to support the index. So, intervention in the price mechanism is not required.

"The market should be allowed to operate on its own."

The broker said owing to the floor price, turnover has

plummeted and the market has lost its vibrancy.

"Investors' funds are stuck now and market intermediaries are struggling to survive due to a low turnover. This has hit the confidence of institutional and foreign investors."

At the DSE, turnover is currently hovering around Tk 500 crore after rocketing to as high as Tk 1,400 crore in November last year.

Prof Abu Ahmed urged the BSEC to lift the floor price. "The market may plunge in the aftermath of the withdrawal, but it will bounce back ultimately."

A merchant banker said the floor price is hurting the image of the market and this may lead to the downgrade of the regulator.

The International Organization of Securities Commissions, a Madrid-based association of organisations that regulate the world's securities and futures markets, elevated the BSEC's status to the "A" category from the "B" category in 2013.

The merchant banker recommended the regulator lift the floor price in phases.



PHOTO: MERCANTILE BANK

Akram Hossain Humayun, sponsor director of Mercantile Bank, and Md Quamrul Islam Chowdhury, managing director and CEO, attend an agricultural machinery distribution programme at the Sindurpur area of Dagonbhuiya upazila in Feni yesterday.

No chance for a fully floating

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He made these comments during a session titled "Policy Challenges in the Context of Global and Domestic Uncertainty" on the concluding day of the three-day "Annual BIDS Conference on Development" at the Lakeshore Hotel in Dhaka yesterday.

An elevated level of inflation, exchange rate volatility and higher non-performing loans are three major challenges facing the economy, according to the governor.

Rouf Talukder said he has discussed the present economic situation with many eminent economists, which helped him identified the problems and find solutions to them.

In response to

economists' call aimed at ensuring political commitments to solve these problems, the governor assured that the present government is playing a supportive role.

Ahsan H Mansur, executive director of the Policy Research Institute (PRI), described higher inflation and fixed exchange and interest rates as short-term challenges and lower revenue mobilisation as a medium-term problem.

The tax-to-GDP ratio is not adequate to transform Bangladesh into an upper-middle-income country, he said.

He said the financial sector is also being hurt in multiple ways whether it is the stock market, the bond market or the insurance

market.

"All of the indicators are pointing that the financial sector is going down."

The economist said after the election, political leaders should push ahead with the reform programme.

"If they think that the economy will be okay without doing anything, then it will collapse within two to three years."

Bangladesh is currently implementing a programme under the International Monetary Fund (IMF). Mansur, a former official of the lender, termed the programme a timely one.

"However, the country does not need money. Rather, it needs the policy reforms that the IMF has prescribed. So, the

country should follow the reforms for its own interest."

According to the governor, inflation may fall to 8 percent in December.

"It will hopefully drop to 6 percent point-to-point basis by the end of June."

Rouf Talukder said the central bank is now seeing a strong political commitment to reform the financial sector.

"As a result, bank and financial institutions related acts have been amended while habitual default loans were defined which will be helpful in reducing NPLs."

Zaidi Sattar, chairman of the PRI, said the country has more than 1,609 non-RMG exporting products, so the government should

put in place supportive policies for them.

"If it continues the protection years after years without any targets, local industries will not be competitive and export diversification will be on paper alone."

Selim Raihan, executive director of the South Asian Network on Economic Modeling, said no endeavour was seen in reducing the NPLs, so it is hurting the sector badly.

"The legal system is also not conducive to curbing the NPLs. We want to see a strong political will and a roadmap to bring it down."

Tapan Kanti Ghosh, senior commerce secretary, said whenever there is a shortage of goods, hoarders try to make quick bucks.

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