

Weekly News Update from BANGLADESH (1 June to 7 June 20)

Date	Name of Newspaper	Headline	Summary
Workers Related			
June 1, 2020	Textiles Today	Bangladesh RMG export declines for 3rd month due to COVID-19	Bangladesh readymade garments (RMG) export declined by more than 62% in May 2020 compared with the same period last year. For the recent coronavirus pandemic in most countries across the globe, the demand and prices of apparel products decreased in the global market. BGMEA President Rubana Huq opined that COVID-19 has changed the global business face and has taken it to a point of uncertainty. To explain the reality. All export markets experienced fall between 8% and 22% and unit value decreased by 0.90% from the U.S and 1.87% from the European Union during the pandemic, Rubana Huq added. 'Most factories were closed in April and gradually reopened from April 26 but could not utilize full of their capacity for opening partially with fewer workers, so the units could not ready their goods for export.
4 June 2020	Bdnews24	Coronavirus crisis may trigger layoffs in Bangladesh, BGMEA chief Rubana fears	The readymade garments factories can now use only half their workforce due to the coronavirus crisis, which may lead them to shed jobs from June, Rubana Huq fears. According to Rubana, as many as 1,926 of the 2,274 factories registered with the BGMEA are operating after the foreign buyers cancelled or postponed orders due to the pandemic that has hit global consumption as well. This means a number of factories are closing.
4 June, 2020	The Business Standard	Apparel sector to see massive job cut this month, BGMEA warns	Factories do not have money to pay workers their salaries as RMG leaders fear work order loss of \$5 billion. Order cancellations and withdrawals by global brands and retailers may be an early sign of the job losses for many more apparel workers. The apparel factories are now unable to pay employees for June and onwards as the western retailers and brands are not taking the orders they placed before the Covid-19 pandemic. Expecting a bleaker future, BGMEA President Rubana Huq said, "There is no new export order. So, more job cuts are inevitable." She said, "From June, workers will be terminated. Almost every factory is running at up to 55 percent capacity now. And we do not know what lies ahead.

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June 5, 2020	Prothom Alo	RMG worker 'killed after rape' in Bogura	A garment worker was allegedly killed after being raped in Gandagram village of Bogura's Shajahanpur upazila early Friday. The deceased was Mim Aktar, 19, a garment worker of Ashulia industrial area. The victim's mother said divorcee Mim was returning to her mother in Bogura on Thursday night.
June 5, 2020	Prothom Alo	BGMEA president urged to withdraw 'anti-worker' statement	The leaders of Bangladesh Confederation of Labour (BCL) on Friday said the national disaster caused by the coronavirus pandemic will be intensified if the owners start laying off readymade garment workers. They stated this while addressing a human chain in front of the National Press Club in the capital. The labour rights body demanded social safety, ration, residential and health service facilities, including industrial area-based hospitals for the RMG workers. BCL president Sultana Begum said, "Labourers have been passing miserable days as they didn't get dues accordingly while owners have been laying off labourers from factories.
June 5, 2020	RMG Bangladesh	COVID-19 testing lab for RMG workers launched	A COVID-19 testing lab for the country's readymade garment workers was launched at Chandra on Thursday. The lab has the capacity to test 400 samples daily. BGMEA in cooperation with Diabetic Association of Bangladesh took the initiative to set up three PCR (Polymerase Chain Reaction) laboratories at Chandra, Tongi and Naraganganj. As part of the joint move, the first PCR COVID-19 testing lab at Chandra was launched through a video conference. The rest two will be launched shortly.
5 June,2020	The Business Standard	'Stop termination of garment workers'	Bangladesh Garment Industry Workers Federation has called for stopping the termination of apparel workers, protesting the statement issued by the president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA). On Thursday, BGMEA President Rubana Huq said a good number of garment workers might lose their jobs owing to the Covid-19 fallout. Md Touhidur Rahman, president of the Bangladesh Garment Industry Workers Federation, also former secretary general of Industry. In his statement, Touhidur Rahman said, "The garment industry and the workers are now passing a crucial time because of the Covid-19 pandemic.

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June 5, 2020	RMG Bangladesh	Tex-Ebo supports RMG sector for COVID-19 test	Tex-Ebo, a Singapore-based multinational company who has operation in Bangladesh, extended support to the garment sector to test readymade garment workers in Bangladesh for COVID-19 to ensure their health safety during the coronavirus pandemic, said a press release on Wednesday. Tex-Ebo donated USD 25,000 to BGMEA, who established a taskforce to test RMG and textile workers for coronavirus in different zones in Dhaka, Narayanganj and Chattogram.
June 07, 2020	The Daily Star	PPE a silver lining for ailing garment industry	The country's garment industry could benefit from the ongoing coronavirus pandemic due to the soaring demand for certain products, said KI Hossain, president of the Bangladesh Garment Buying House (BGBA), yesterday. Similarly, the domestic markets also saw a sharp increase in demand for these goods. Therefore, garment manufacturers should exploit this opportunity to make better business, according to the BGBA president.
June 7, 2020	Bdnews24	Fashion app sells off unwanted stock to aid Bangladeshi workers	A British shopping app is raising money to help hard-pressed garment workers in Bangladesh by selling off clothes ditched by global fashion brands as the coronavirus crisis decimated their sales. Under Mallzee's Lost Stock initiative, boxes of clothes - with brand labels removed - are sold for 35 pounds (\$44), with 37% of the retail price donated to a charity supplying food and other goods to clothing workers hit by layoffs and unpaid wages.
Factory Related			
June 1, 2020	Textiles Today	Brother initiates '1 Line Assessment' project to build the post-COVID-19 apparel industry capacity	Among the export-oriented industries, the apparel industry hit hard all over the world due to the Coronavirus pandemic. Bangladesh also lost more than \$3 bn order and related to the textile and apparel industry, all parties are suffering immensely. We are also planning a very important project namely '1 Line Assessment' in the garment's factory. That will show the benefits by connecting Brother IoT into one of the production lines in the garment's factory for one day as a demo. In this assessment program, we will collect cycle time, machine working time & much other information to visualize and recognize the issue in the production line, and we will advise how to utilize the benefits. It takes just a few hours to connect Brother IoT into the factory to experience the IoT world.

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June 3, 2020	RMG Bangladesh	<u>Still no sign of relief for Bangladesh apparel industry as more factories close</u>	Apparel factories in Bangladesh are still running at half-capacity after orders dried up, and bosses remain pessimistic about the likelihood of new orders any time soon. Amid the impact of the Covid-19 pandemic, factories which laid-off part of their operations are struggling to make a full comeback, leaving hundreds of workers jobless. And this week several more factories terminated hundreds of workers, as they are not receiving enough orders from western buyers. President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Dr Rubana Huq told <i>The Loadstar</i> only 50% of normally expected orders were coming in now. And she is not expecting a return to full capacity soon. “
June 4, 2020	The Financial Express	<u>RMG factories may slash workforce from June: BGMEA chief</u>	The readymade garments (RMG) factories can now use only half their workforce due to the coronavirus crisis, which may lead them to shed jobs from June, Rubana Huq fears. She says the owners are ready to work with the government for the rehabilitation of the workers who are losing their jobs. The chief of BGMEA, the apparel exporters' lobby, took questions from the media about the situation during a virtual news conference on Thursday. The media call was organized to mark the inauguration of a coronavirus testing lab for the workers. According to Rubana, as many as 1,926 of the 2,274 factories registered with the BGMEA are operating after the foreign buyers cancelled or postponed orders due to the pandemic that has hit global consumption as well. This means a number of factories are closing.
Jun 4, 2020	RMG Bangladesh	<u>Action sought against 1,258 garment factories for non-payment of wage, allowance</u>	Sammilita Garments Sramik Federation has submitted a petition to the labour ministry secretary demanding legal actions against 1258 garment factories for not paying wage of April, or Eid festival allowance, or the both. The application submitted on Wednesday stated that 1258 members of BGMEA located at six industrial zones of the country did not pay salary for April and Eid allowance. ‘We learned from the industrial police sources that 161 factories did not pay both bonuses and salaries to their workers, 920 factories did not pay salary, when 358 members did not pay the allowance,’ SGSF president Nazma Akter told.

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<i>Brands Related</i>			
6 June, 2020	The Business Standard	<u>Suppliers to sue Sears if it refuses to pay outstanding debt</u>	Some Bangladeshi factory owners have threatened to take legal action against the American buyer Sears Holdings after it allegedly refused to settle more than \$55 million of outstanding debt. If the buyer does not agree to pay the total outstanding amount within a stipulated time, the suppliers will file a lawsuit against it in court. Factory owners said they have already shipped \$21 million's-worth of their client's products, which are being stored by Transform Co's carriers at US ports. Sears Holdings owes money to some two dozen companies, among which are: Savannah Fashion Ltd (\$6.87 million), Combined Apparels Ltd (\$2.68 million), Apparel Sourcing Ltd (\$2.52 million), Pimkie Apparels Ltd (\$4 million), Starlight (\$13.5 million), and Prudent International (\$7.4 million). Some exporters were surprised when Sears told them to cancel orders that had been shipped even three months ago.
June 07, 2020	The Daily Star	<u>BGMEA dispels confusion over job cut comment</u>	The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday vehemently denied it has announced any job cut in the apparel sector amid a slump in work orders because of the coronavirus pandemic. "The news was not presented correctly. The BGMEA, as an organization, has no scope to make such an announcement," it said in a statement. What the BGMEA president had articulated was her deep concern and apprehension of possible job losses because of the fallout of the coronavirus pandemic. The global pandemic has badly impacted Bangladesh's apparel shipments and inflow of work orders. For instance, apparel shipments fetched just \$378.40 million in April, down from \$2.26 billion in March. Work orders worth more than \$3 billion were either cancelled or put on hold by international retailers and brands from March, the statement said.

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7 June, 2020	The Business Standard	Nirapon is leaving Bangladesh	Nirapon – an alliance of North American buyers for the security, supervision, inspection, and reform of ready-made garment factories – is leaving Bangladesh. Moushumi M Khan, chief executive officer of Nirapon – the successor to the Accord and Alliance – confirmed the matter to The Business Standard on Sunday afternoon. She said security operations in Bangladesh would be conducted from the office in North America soon. The newly-appointed chief safety officer there will manage Bangladesh's activities while a technical team in Bangladesh will perform the activities.
7 June, 2020	The Business Standard	Li & Fung 'unlawfully' downsizing its Bangladesh office	As part of massive worldwide downsizing to survive the virus fallout, Li & Fung is set to bring its Bangladesh office manpower to 30 percent. The company is set to slash 70 percent of its workforce. In Bangladesh, Li & Fung has already terminated 25 percent of its staff members while mid-level workers face a 15 percent salary cut amid the pandemic. According to company sources, the layoff began before Eid and the company will have cut off 50 percent of its manpower in Bangladesh by July.
<i>National Economy Related</i>			
June 3, 2020	RMG Bangladesh	Garment sector requests EU to postpone EBA withdrawal	Representatives of apparel, footwear and travel goods producers and the EU business community in the Kingdom on Tuesday requested the European Commission (EC) to postpone its withdrawal of the Everything But Arms (EBA) scheme for 12 months. The Garment Manufacturers Association in Cambodia (GMAC), the Cambodia Footwear Association (CFA) and the European Chamber of Commerce in Cambodia (EuroCham) submitted a joint letter to the EC. The letter said the Covid-19 pandemic has halted production and slowed global demand to a crawl, delivering a devastating blow to Cambodia apparel, footwear and travel goods manufacturers and workers. It said some 250 Cambodian apparel, footwear and travel goods factories have had to suspend operations and more than 130,000 workers in the sector,

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June 3, 2020	RMG Bangladesh	Chinese company to invest \$1.02m in Chittagong EPZ	Chinese company Ms Unicorn Leather Goods Factory Limited will establish a leather and artificial leather products manufacturing industry in Chittagong Export Processing Zone (EPZ). The foreign owned company will invest \$1.02 million, which will create employment opportunity for 764 Bangladeshis, as per a Bangladesh Export Processing Zones Authority (Bepza) press release issued on Wednesday. Unicorn Leather Goods Factory will produce one million bags, belts, wallets and various leather items annually.
June 7, 2020	Textiles Today	Functional items emerge as an opportunity for BD textile and apparel industry, BGBA President	Functional items have emerged as an opportunity for the textile and apparel industry for soaring global demand of masks, personal protective equipment, hospital bed sheets and isolation fabric. Due to the Covid-19 pandemic situation domestic and foreign consumers are looking for functional products more and more, so we should explore this opportunity where backward linkage industries also will be benefited said, BGBA President. The market size of these items is worth billions of dollars so that Bangladesh can easily grab this market as the country already has the set-up at the garment factories. About four lakh employees are working in 826 apparel buying houses in the country. In this crisis moment buying houses are facing trouble to bear their cost including office rent, employee salary.
7 June, 2020	The Business Standard	EU plans to pay 1m RMG workers for 6 months	The European Union (EU) may sanction a €90-million grant for one million Bangladeshi readymade garment (RMG) workers who have either been laid off or will permanently lose their jobs because of the Covid-19 pandemic. Each of the 10 lakh workers will get cash support of Tk3,000 for three months in the first phase – from June to August – when export orders in Bangladeshi factories might fall further due to a demand shrinkage in western markets. The grant is likely to be extended for a second three-month phase afterwards. We are in discussions and hope things will be settled shortly," said Dr Gauranga Chandra Mohanta, additional secretary and the Europe wing chief of the Economic Relations Division. BKMEA Director Fazlee Shamim Ehsan, who also attended those discussions, said the total size of the grant could be further increased to €500 million.

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June 7, 2020	RMG Bangladesh	Sears Owner Faces \$40 Million Lawsuit from Bangladeshi Suppliers: Report	<p>The parent company of Sears Holdings has been threatened with legal action after allegedly refusing to settle more than \$40 million of outstanding debt with its garment suppliers in Bangladesh. Lawyers for 19 factory owners, as reported exclusively by Apparel Insider, are demanding that Transformco, a privately held company owned by by American billionaire Eddie Lampert's ESL Investments hedge fund, are demanding immediate payment amid claims that Transformco "willingly misrepresented" its finances to convince suppliers to extend it credit. Transformco did not immediately respond to requests for comment. According to lawyers, more than \$21 million of their clients' products have already been shipped and are being stored by Transformco's carriers in U.S. ports. "I sent the shipment worth \$6 million for [Transformco] but the company suddenly called me for cancelling the order," Rakibul Alam Chowdhury, managing director of Combined Apparel, told local news agency Bangladesh Sangbad Sangstha in May. More than two dozen Bangladeshi suppliers are in similar "deep trouble" after Sears Holdings allegedly canceled or withheld orders.</p>