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**REMARKS
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SUSTAINABILITY COMPACT REVIEW
INTRODUCTORY REMARKS
MARRIOTT RENAISSANCE HOTEL, BRUSSELS
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The Honorable Commerce Minister and longtime friend Tofail Ahmed,

Our good colleagues from the EU and ILO, who have worked so hard to organize the Compact review,

... and all of you who are here because you, like me, believe in and support transformation of Bangladesh's apparel industry.

Good afternoon!

I wish my mother were here.

I had asked her to come, but she made clear that at age 93 she was not about to trek off to Brussels.

If she were here, she would tell you that often the darkest clouds of life have a silver lining. I believe that such is the case in Bangladesh as the darkest clouds of the Rana Plaza building collapse and Tazreen Fashions fire have created an opportunity for Bangladesh to transform the apparel sector by bringing it to agreed standards for fire safety, factory structural soundness and respect for workers' rights to freely associate and organize. Thus, Bangladesh would best ensure no more Rana Plaza or Tazreen Fashions disasters; thus, Bangladesh would best promote Brand Bangladesh to become a Premium Brand in the global apparel marketplace.

This opportunity to transform the apparel sector is unprecedented.

Never before have buyers, owners, workers, ILO, development partners and the government engaged with each other as they are now to help Bangladesh effect fundamental change of the apparel industry. Indeed, the stars have nicely aligned to create this opportunity for transformation.

As pointed out earlier, important steps forward have been taken to transform the apparel industry, including:

- Agreed standards for workplace safety and respect for workers' rights;
- Agreed guidelines for assessing inspection results to determine whether to close a factory;
- Hundreds of inspections have taken place, some inspection results have been posted to a publicly accessible database, and dangerous factories have been closed;
- Implementation of safety remediation measures has occurred in a number of factories;
- Expansion of the government's capacity to conduct inspections;
- Safety training for thousands of workers;
- Passage of labor law reform; and
- Recognition of over 200 new unions.

I doubt that two years ago anyone in this room anticipated such steps. I think Bangladesh and all stakeholders can take pride in these achievements.

But we cannot be complacent. Critical steps remain to transform the apparel sector as envisioned in the Sustainability Compact and, earlier, the GSP Action Plan. Since my time will soon expire, I will list only a couple of the most important items of unfinished business:

- Disputes between management and workers are inevitable in an industry consisting of thousands of factories. Such disputes must be dealt with transparently and effectively in real time. Mechanisms for mediation and alternative dispute resolution would offer a good solution in my view and need to be established soonest.
- Threats and violence related to workplace issues are unacceptable, and such acts must be addressed expeditiously through the criminal justice system.
- The labor law reforms of 2006 and 2013 were helpful in addressing some labor concerns, but the implementing rules and regulations to effect these reforms have yet to be issued. This important shortfall should be resolved immediately.
- Laws, policies, rules and regulations governing the EPZs should be modified to ensure that workers in the EPZs have effectively the same rights as workers outside the EPZs to associate freely, organize unions, and engage in collective bargaining without fear of dismissal, intimidation or harassment from management.
- Although the Alliance and Accord have completed inspections of their source factories, thousands of other factories have yet to be inspected for safety. These factories need to be inspected to agreed standards soonest to safeguard against another Rana Plaza or Tazreen Fashions calamity.

As you can see, these are critically important challenges, but each can be overcome, provided there is sufficient will from the owners and government to do so.

I hope all stakeholders will engage earnestly and quickly to address and resolve these issues as soon as possible.

As many of my Bangladeshi friends well know, I believe Bangladesh could be and should be Asia's next economic tiger, a country where all have the means to provide their families safe housing, ample, nutritious food, good healthcare and quality education. A growing, prosperous

apparel industry is key to this progress. Such growth is possible only when Bangladesh transforms the apparel industry, as charted in both the Sustainability Compact and the GSP Action Plan.

I urge Bangladesh to move expeditiously to advance and complete the sector's transformation. Bangladesh can count on the continued support of America in this endeavor, a topic I will address later this afternoon.

Thank You.

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**As prepared for delivery*