

EMBASSY OF THE UNITED STATES OF AMERICA

PUBLIC AFFAIRS SECTION

TEL: 8802-8855500

FAX: 880-2-9881677, 9885688

E-MAIL: DhakaPA@state.gov

WEBSITE: <http://dhaka.usembassy.gov>



**STATEMENT TO BE READ ON BEHALF OF U.S.
AMBASSADOR TO BANGLADESH DAN MOZENA
“BANGLADESH GARMENTS: A REVIEW MEETING WITH
THE US CONGRESSIONAL LEADERS”
HOSTED BY THE BANGLADESHI AMERICAN DEMOCRATIC
CAUCUS
WASHINGTON, D.C.
JULY 15, 2014**

Something good can come out of something bad; life’s darkest tragedies can have silver linings. The horrible tragedies of the Rana Plaza building collapse and the Tazreen Fashions fire have a silver lining; they launched a process that will transform Bangladesh’s apparel sector and bring the industry to international standards of fire safety, factory structural soundness, and respect for workers’ rights to freely associate and organize. Bangladesh can create a new standard for to the global garment industry by success in transforming its own industry – one which contributes greatly to eradicating poverty and empowering women.

When President Obama decided to suspend Bangladesh’s GSP privileges, he gave the Bangladesh government an Action Plan for restoring these benefits by transforming the apparel sector. Many elements of the Action Plan were incorporated into the Sustainability Compact between Bangladesh, the U.S., and the EU with the International Labor Organization.

Brands have set competitiveness aside to help Bangladesh bring the apparel sector up to international standards, and contributed around \$100 million for safety inspections of over 2,000 factories. Those inspections are underway and should be completed soon. Thanks to generous international contributions, the ILO is inspecting the remaining factories, ensuring all factories comply with agreed standards for fire safety, factory structural soundness and respect for workers’ rights. The results of these inspections will be posted in a publicly accessible database, specifying inspection findings, necessary remediation efforts, and remediation implementation status. Buyers, the IFC, the Bangladesh Central Bank, and the international community are making available hundreds of millions of dollars at concessionary interest rates to help finance remediation work.

The ILO launched the largest Better Work program in its history to help up to 800 factories come up to standard. Workers are key to the transformation. The government has registered over 150 unions in the past 18 months, the first step toward an effective worker voice on safety and labor rights. America, through diplomacy, aid, and interagency engagement – with strong Congressional support – has played a key role in this union growth and historic transformation.

Most importantly, the Government of Bangladesh is leading transformation efforts. In the “3+5” process, the secretaries of commerce, labor and foreign affairs partner with five key ambassadors – including the U.S. – to review, drive, and energize progress on the GSP Action Plan and the Sustainability Compact. The government’s continued and consistent leadership is critical to success in transforming the sector and ensuring there will never again be another Rana Plaza or Tazreen Fashions disaster.

Nonetheless, significant obstacles remain. The government has yet to hire 200 new labor inspectors. The publicly accessible inspection results database, an essential element of the transformation, remains unpopulated. Unless the database functions with full transparency and covers each and every factory, the transformation cannot succeed. The implementing rules for Labor Act reforms of 2006 and 2013, though being circulated in draft, have yet to be promulgated. The status of legal changes to bring the Export Processing Zones into conformity with Bangladesh’s national labor law and international commitments remains unclear.

Some owners are fully committed to bringing their factories and the entire sector up to international standards. Others reject change, preferring business as usual whatever the risks to their workers, and ignoring the devastating costs to the industry of another disaster. More fundamentally, no owner has the right to self-enrichment by risking the lives and well-being of workers. All owners must be part of the apparel sector transformation.

Another major challenge is the active and often violent opposition by some owners to workers’ attempt to organize – which is the workers’ right by Bangladeshi law. Such crackdowns are unacceptable and must stop immediately. The government and industry associations must engage directly to stop such abuses and hold the perpetrators accountable. The government also should quickly establish a mechanism to resolve labor disputes in real time and ensure workers can freely and safely exercise their rights. If, instead, mounting pressure on the government from recalcitrant owners thwarts the transformation process, renewed tragedies will needlessly cost more lives and destroy Brand Bangladesh in the global apparel marketplace.

This cannot be allowed to happen.

Government and owners must stay the course to transform the apparel sector, to make Brand Bangladesh the finest in the world, and to ensure that Bangladesh takes its place as the world's largest apparel exporter.

=====