

Her Excellency Sheikh Hasina
Honorable Prime Minister
Government of the People's Republic of Bangladesh
Prime Minister's Office
Old Sangsad Bhaban, Tejgaon
Dhaka
1215, Bangladesh

Brussels, 23rd August, 2018

Subject: Concerns about business sustainability in the RMG sector of Bangladesh

Your Excellency Sheikh Hasina,

amfori, based in Brussels, is the leading business association for open and sustainable trade. We bring together over 2,300 retailers, importers, brands and associations from more than 40 countries in promoting and defending international trade and offering practical solutions towards more sustainable global supply chains. Our members' combined annual turnover currently exceeds two trillion USD.

In 2003, we created the Business Social Compliance Initiative (amfori BSCI) to provide companies with a practical and efficient system to improve social compliance in their supply chains. In 2014, we unveiled the Business Environmental Performance Initiative (amfori BEPI) to support companies committed to improving environmental performance. Many of the workers and factories who have since benefitted have been Bangladeshi.

Bangladesh is among the top three sourcing countries for our members, and as such we have followed your nation's impressive and sustained growth with great interest. As the world adapts to the urgent need for sustainable business practices, Bangladesh has made gradual progress towards the demand for more sustainable supply chains.

I have had the pleasure of visiting Bangladesh many times before. In March last year I was offered an insight into your Vision 2021 when I met with the honourable Commerce Minister Tofail Ahmed. Not long afterwards amfori held a stakeholder forum at which your honourable advisor Professor Dr Rizvi spoke.

One of my organisation's foremost objectives is to expand our level of cooperation and contribute to responsible business relations.

As such, despite Bangladesh's promising progress, amfori and our members are seriously concerned about the RMG sector's sustainability for the following two reasons:

- Minimum Wage revision
- Extension of the 2018 Transition Accord to continue operations in Bangladesh

I would like to take this opportunity in writing to expand upon each of these concerns.

Minimum Wage: The Minimum Wage Board has had two meetings to discuss a new minimum wage for the RMG sector. We understand another meeting will be held on 29 August. While Trade Unions are actively campaigning for 16,000 – 18,000 Taka; the Owner's association (BGMEA) proposed only 6,300 Taka. Other parties propose to settle somewhere between 10,000 – 12,000 Taka. We hope that a hasty and amicable solution, which also takes into account the progressive values of freedom of association and collective bargaining, can be reached.

Accord's Extension: The Accord has facilitated good progress in ensuring a safe and healthy ready-made garment industry in Bangladesh. In May last year the Remediation Coordination Cell (RCC) was set up through the collaboration of the Bangladesh government, BGMEA, BKMEA and ILO to take over the tasks of the Accord. The Accord is currently running on an extended tenure of six months and can operate until November, 2018. Many industrial experts urge that the Accord be enabled to continue its operations until the RCC is deemed fully ready with functional staff, equipment, systems and expertise in place – based on the Transition Monitoring Committee agreement from 2017.

Honorable Prime Minister, our members take the matter of complying with international guidelines on workers' rights with the utmost seriousness. Therefore, we respectfully encourage your government to move forward and take timely actions.

To summarise, we are asking that you consider:

- Passing a necessary order and guidelines to the wage board to immediately set and circulate a reasonably acceptable wage scale for workers of the RMG sector. And also implement a yearly revision mechanism that would commensurate the need and demands accordingly.
- Extending the mandate of '2018 Transition Accord' for at least another six months, in recognition of the fact that the RCC is still undergoing preparatory processes to be fully capable of assuming the responsibilities.

Our members are committed to adhering to international guidelines on workers' rights, including the right to freedom of association and collective bargaining. They take such commitments very seriously when considering where they source products. As such, we kindly ask that you consider the points made in this letter. I have also sent a letter to the

Minimum Wage Board, detailing similar points for their consideration ahead of the upcoming review.

We trust that you share our desire for sustainable economic relations and a prosperous future for the people and industries of Bangladesh, and we look forward to continuing our longstanding cooperation with your country.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Ewert', with a stylized flourish at the end.

Christian Ewert
President, amfori