



ethical
trading
initiative

PRESS RELEASE

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Ethical Trading Initiative welcomes key output of Dhaka conference

- ETI members pledge to help promote international labour standards in Bangladesh on eve of Make Poverty History campaign

Ethical Trading Initiative (ETI) Chair Alan Roberts today (1 July 2005) welcomed the key output of the recent UNDP/MFA Forum conference: 'Textiles and Garments: Forum on the Future', held in Dhaka on 27 and 28 June. The conference saw the Bangladesh Ministry of Commerce pledge to work with a wide range of organisations to carry out urgent actions aimed at improving the textile and garment industry's compliance with national law and with international labour standards.

The Bangladesh Government has committed to expand the brief of the newly formed National Forum on Social Compliance – a body charged with improving working conditions in the textiles and garments industry - to include not only government and textile and garment manufacturers, but also trade unions, NGOs, global brands and retailers and UN agencies the World Bank and UNDP. This is an unprecedented action in a country that depends on trade in textiles and garments.

"The launch of this forum and its timing are both incredibly important," says Roberts. "Up to a million jobs in Bangladesh's textiles and garments industry are threatened as global brands and retailers relocate production to lower-cost countries like China and India. It was inspiring to see such widespread agreement at the conference that Bangladesh's attempts to become competitive must not be at the expense of the nearly three million people whose livelihoods depend on the industry.

"I am delighted that the ETI members present at the conference are maintaining their commitment to sourcing from vulnerable countries like Bangladesh where possible, providing they are prepared to work towards compliance with international labour standards", he adds.

ETI members Gap Inc., Marks & Spencer, the Co-op, Levi Strauss and Asda/George have all pledged their support for the new National Forum on Social Compliance, which will aim to promote compliance with international labour standards while fears of large scale job losses and downward pressures on working conditions prevail.

Says Julia Dobson of ETI member Marks & Spencer: "the commitment of the government has been really encouraging. I believe the first steps have been taken to move the industry forward".

Neil Kearney, ETI Board director and General Secretary of the International Textiles Garments and Leather Workers Federation says: "there appears to be a clear national consensus that the survival of the industry will partly depend on its compliance with international labour standards.

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Kearney calls on global brands and retailers to ensure their purchasing practices do not undermine Bangladeshi suppliers' ability to comply with international labour standards. He says "They must begin to pay a reasonable price for the products they source here, and allow them to be delivered in a realistic timeframe".

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Further information

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Notes to editors

1. The UNDP-MFA Conference in Dhaka, Bangladesh was held on 27 and 28 June with to discuss actions on issues that Bangladesh is likely to face in a post-quota world. The MFA Forum is a group of brands and retailers, international institutions, trade unions and NGOs formed in early 2004 to better understand the implications of the end of the MFA, particularly for workers and communities, and to explore how best to promote collaborative approaches to mitigating negative impacts and taking advantage of new opportunities
2. The Multi-Fibre Arrangement (MFA), also known as the Agreement on Textiles and Clothing (ATC) which governed textiles and apparel imports to the USA and the EU through a system of quotas, came to an end on 1 January 2005. For garment workers in poor countries like Bangladesh, the end of MFA brings fears of large-scale job losses as well as downward pressures on working conditions. Estimates for job losses in Bangladesh range from 100,000 (Oxfam) to 1 million (UNDP) workers.
3. Buyers committed to working within the MFA Forum in Bangladesh are ETI members Gap, Co-op UK, Marks & Spencer, Levi Strauss, Asda/George as well as Inditex, Karstadt Quelle AG, H&M, Nike and Littlewoods.
4. Garments represent 68% of all Bangladesh's product exports. Experts predict that in the post 2005 period, Bangladesh garment exports will fall by as much as 25%. Predictions of the number of jobs that will be lost in Bangladesh in the wake of MFA phase-out range from 100,000 (Oxfam) to 1 million (UNDP) workers.
5. The Ethical Trading Initiative (ETI) is a labour standards initiative. It was established in 1998 to improve the lives of workers and their families in global supply chains. It believes that companies producing, supplying and selling goods for consumer markets should observe national and international labour laws. Its purpose is to identify and promote responsible corporate practice that will help make this a reality.