

ETHICAL TRADING INITIATIVE PRESS RELEASE
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BANGLADESH GARMENT PROTESTS A 'WAKE UP CALL'

Recent violent protests by Bangladesh garment workers are a wake up call for all those involved in the Bangladeshi ready-made garment industry to address shockingly low pay and poor working conditions, said a delegation from the Ethical Trading Initiative (ETI) today (8 June 2006).

The delegation has just returned from a fact-finding trip to Bangladesh, where garment workers are going back to work after nearly two weeks of violent protest over pay and conditions.

Proposed measures to restore calm and address workers' grievances include an agreement by the Bangladeshi Government to take steps to increase the minimum wage and, together with the two trade associations, the BGMEA and the BKMEA, to tackle other urgent issues including excessive working hours and poor health and safety.

ETI Chair Alan Roberts, who led the delegation, called on UK retailers and brands sourcing from Bangladesh to continue supporting the garment industry, which provides a source of income for up to 20 million of Bangladesh's poor, as long as the proposed measures are implemented.

Says Roberts:

"ETI member companies, including Gap Inc., Zara owners Inditex, Marks & Spencer, Next, Tesco and Asda and account for a significant proportion of Bangladesh's garment exports and have committed to continuing to source from Bangladesh as long as the Government and trade associations keep to their commitments.

"Only last month they urged the Bangladeshi Government to increase the minimum wage. If all UK retailers and brands now put their collective weight behind these new initiatives, they will help sustain the livelihoods of up to 20 million of the world's poor."

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Further information

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Notes to editors

1. The Ethical Trading Initiative (ETI) 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.

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Background information on Bangladesh, its garment industry and ETI involvement

- ETI's corporate, trade union and NGO members have been working to improve working conditions and competitiveness in the Bangladesh textile and garment industry for over a year as part of a broader alliance of organisations called the MFA Forum. The MFA Forum seeks to mitigate the impact on workers of the end of the Multifibre Arrangement (see next point).
- 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 has brought fears of large-scale job losses as well as downward pressures on working conditions.
- Garments represent 68% of all Bangladesh's product exports. Experts predict that in the post MFA period, Bangladesh garment exports will fall by as much as 25%. Up to 20 million people depend on the garment industry, directly or indirectly, for an income. Predictions of the number of jobs that could be lost in Bangladesh in the wake of MFA phase-out range from 100,000 (Oxfam) to 1 million (UNDP) workers.
- The minimum wage in Bangladesh has not been raised since 1994. It is now equivalent to £7.16 a month – two and half times less than its value of £18 in 1994. ETI corporate members of the MFA forum recently called upon the Bangladesh Government to increase the minimum wage.
- Protests in Bangladesh started at the end of May 2006 and continued for two weeks, resulting in the deaths of at least two workers, hundreds of injuries, the torching of over 200 factories and scores of arrests.
- Much of the unrest was based around garment factories, and ETI members account for a significant proportion of Bangladesh's garment exports.
- The ETI led three-day fact-finding delegation (4-6 June 2006) to establish the underlying causes of the unrest. The delegation ETI Chair Alan Roberts; General Secretary of the International Textile Garment and Leather Workers' Federation (ITGLWF) Neil Kearney and representatives of Gap Inc. and Inditex. The team met with manufacturers associations, local unions, NGOs and the Government, and carried out fact-finding visits to some of the affected factories in and around Dhaka.
- On his return to the UK ETI Chair and delegation leader Alan Roberts reported back "The minimum wage is equivalent to just over £7 a month and has not increased since 1994. In addition to that over the past three months the price of essential commodities- like rice, sugar, cooking oil and water - has risen by 200 per cent and has made it virtually impossible for workers to support their families".

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