



MARKAZ: S&P PAN ARAB INDEX ENDED AT 0.6%



GAZIPUR: Bangladeshi rescuers stand on the debris after a Monday evening boiler explosion at a garment factory owned by export-oriented Multifabs Ltd. at Kashimpur area. — AP

BLAST IN BANGLADESH GARMENT FACTORY KILLS 10 MULTIFABS FACTORY WAS BEING RESTARTED AFTER EID HOLIDAYS

KONABARI: A boiler explosion at a Bangladeshi garment plant near the city of Dhaka killed 10 people and injured dozens, emergency workers said yesterday, the latest industrial tragedy to hit one of the world's biggest garment producers. The blast, late on Monday, occurred at a plant operated by local Bangladeshi firm Multifabs while maintenance work was going on, company and fire brigade officials said. The explosion at the boiler, located in a tin-roofed shed, partially damaged a nearby three-storey factory building.

"I heard a big bang when I was having tea outside," factory driver Hafiz Mostafa said, as dozens thronged the factory site and firefighters moved rubble in search of missing persons. "I saw windows, doors, glasses, machinery and a section of the wall of the building go flying." Families scoured the scene for missing people. The plant had been shut for 10 days for Eid holidays at the end of the Muslim holy month of Ramadan and was being readied to resume operations yesterday, when the accident occurred.

"We're looking for my brother. We checked all the hospitals, but have not found him," said Nazim Uddin, whose brother Ershad Ullah worked as an electrician at the plant

for the last decade. Multifabs has many clients in Europe, its website says. The company started operating in 1992 and reached \$70 million in exports in 2016. Its top buyers include fashion chain LindeX, which is part of Finland's Stockmann, German supermarket chain Aldi, and Rexholm of Denmark, Faruqi said.

The company said the plant was functioning well and the six-year-old boiler, procured from Germany, had just been serviced. "The boiler was running well," Mahiuddin Faruqi, Multifabs' chairman told Reuters. "After servicing when workers were trying to restart it, it went off." Firefighter Faruk Hussain said a body had been retrieved from the rubble in the morning and that the search was still on for more victims.

Investigation underway

Bangladesh's roughly \$28 billion garment sector, the biggest in the world after China, employs 4 million people and generates about 80 percent of the country's export earnings. It came under scrutiny after the collapse of the Rana Plaza factory complex in 2013 that killed more than 1,100 people, and a fire at a garment factory in 2012 that

killed 112 workers. The Rana Plaza disaster sparked demands for greater safety and put the onus to act on foreign companies sourcing clothing from Bangladesh. A spokeswoman for Stockmann said it was investigating the disaster, but was still seeking more information. She said Stockmann is a member of the industry body Business Social Compliance Initiative (BSCI), and that said Multifabs had cleared a BSCI audit in May 2016 that was valid for two years.

LindeX said Multifabs was one of its main suppliers and said it was monitoring the situation. The Multifabs site hurt by the blast made 100,000 garments a day, generated around \$6 million of revenue a month and employed about 6,000 workers, said Mesba Faruqi, factory and operations director in the family-run business.

Numerous concerns

Two international coalitions were formed after Rana Plaza to help fund improvements to building and fire safety at thousands of garment factories across Bangladesh. One of the coalitions, signatories to the Accord on Fire and Building Safety in Bangladesh, inspected the Multifabs site in 2015

and noted among numerous concerns that Multifabs' boiler was not separated by fire-rated construction.

As of last week, however, the Accord's updated corrective plan on the facility listed that issue as having been corrected. But the coalition itself does not inspect boilers, which are monitored by the Bangladesh government. Bangladesh's chief boiler inspector Mohammad Abdul Mannan said his department had inspected the Multifabs' boiler a year ago and that the next inspection had been due this month. Sulav Chowdhury, chief executive of the Bangladesh Knitwear Manufacturers and Exporters Association, of which Multifabs is a member, said the industry had gone through a "huge shift" since the Rana Plaza disaster. "There has been structural change, and we've worked hard for it," he said. "So I'd say this is a stray incident." Still, critics say more work needs to be done. "There is still an enormous amount to be done to improve safety in the Bangladesh garment industry," said the IndustriALL Global Union, a signatory to the Bangladesh Accord and a member of the Steering Committee. It added that union signatories to the Accord would demand that it be expanded swiftly to include boiler safety. — Reuters

MALAYSIA MUSLIMS BOYCOTT STARBUCKS OVER LGBT STANCE

JAKARTA: Muslims in Indonesia and Malaysia were urged to boycott Starbucks yesterday by major Islamic groups accusing the coffee chain of being pro-gay rights, as concerns grow over rising religious conservatism in both nations. Leaders from Muhammadiyah, Indonesia's second biggest mass Muslim organization, also urged the government to revoke the company's business licence for its stance on lesbian, gay, bisexual and transgender (LGBT) issues. "The ideology, business and view that they support are against our ideology," Anwar Abbas, Muhammadiyah's head of economic affairs, told AFP.

Another Muhammadiyah leader, Yunahar Ilyas, said the group was calling on "Muslims to not drink in Starbucks so that the income is not used to strengthen LGBT campaigns". Starbucks Indonesia did not immediately respond to AFP requests for comment. The firm is among a slew of US companies to have spoken up against discrimination in the US, with representatives signing a letter to North Carolina's Republican governor protesting legislation targeting transgender people last year.

Hardliners and Islamic groups have led a growing backlash against Indonesia's LGBT community over the past year, which activists believe was triggered by widespread media coverage of a decision in the United States to legalize same-sex marriage. The group Pribumi Perkasa Malaysia this week also called on the government to "re-evaluate the trading license given to companies that support same-sex marriages and LGBT," spokesman Amini Amir Abdullah said in a statement.

The Muslim leaders said concerns about Starbucks arose after reading Starbucks chairman's comment when tackling a shareholder's complaint in 2013 that the company were losing customers due to the firm's stance on LGBT. At the time, Chairman Howard Schultzman, then the chief executive, responded by asking the shareholder to sell the shares. Homosexuality has long been taboo in Malaysia, where 60 percent of the population is Muslim, and where sodomy is a crime punishable by up to 20 years in prison. — AFP

SAMSUNG TO INVEST \$18 BN IN MEMORY CHIP BUSINESS

SEOUL: Samsung Electronics will invest nearly \$18 billion in its chip business, the South Korean firm said yesterday, as it seeks to expand its lead in the global memory chip and smartphone markets. The world's top maker of smartphones and memory chips will invest 20.4 trillion won (\$17.7 billion) by 2021 to expand and upgrade its chip plants in the South Korean cities of Pyeongtaek and Hwaseong, it said in a statement.

The factory in Pyeongtaek, 70 kilometers south of Seoul, is the world's biggest and has recently started production after Samsung Electronics spent 15.6 trillion won over the past two years to build it. The company also plans to expand its NAND chip plant in the Chinese city of Xian to meet booming demand for the chips used in high-end storage products, it said. It did not elaborate on when and how much money it plans to invest there. In

smartphones, Samsung has been increasingly sandwiched by smaller Chinese rivals in the low and mid-end markets, and by Apple's iPhone in the high-end segment.

Samsung—which accounted for more than 40 percent of global memory chip sales in the first quarter of this year—posted in April its biggest quarterly net profit in more than three years. "Our clients are having difficulty securing enough semiconductor chips due to growing global demand for high-tech gadgets," it said. "We plan to actively respond to those demands by making aggressive investments on our production lines at home and abroad," it said.

Analysts say a global shortage of chips may persist throughout 2017, driving prices higher and benefiting major suppliers such as Samsung and another South Korean chipmaker, SK Hynix. Average prices for DRAM chips used in PCs and servers, and

NAND flash chips used in handsets are expected to jump 53 percent and 28 percent respectively this year, according to market researcher IC Insights. The announcement also came after newly elected South Korean President Moon Jae-In set tackling rising unemployment as his top priority. Samsung said its investment would eventually help create as many as 440,000 jobs through 2021, including indirectly, and help bolster Asia's fourth-largest economy.

Samsung to sell recycled Note 7

Elsewhere Samsung Electronics plans to recycle and sell its recalled Galaxy Note 7 phones starting this week in South Korea, salvaging their unused parts. The Galaxy Note FE phone will go on sale in South Korea on Friday at 700,000 won (\$611), about three quarters of its original price, the company said late Sunday.

Samsung said the Note FE has "perfect safety" — unlike the recalled versions that were found to be prone to overheating and catching fire. The supply will be limited to 400,000 units. Overseas sales plans will be determined later, the company said in a statement. The original Note 7 was one of the biggest black eyes in Samsung's history. When it was launched in August 2016, the Note 7 was Samsung's answer to Apple's upcoming iPhone. It was also one of the most expensive Samsung phones with the price starting at \$850. After reports emerged that its batteries were prone to overheat and catch fire, Samsung recalled the phone in less than a month of its launch and released another one with replaced batteries. The second batch also tended to overheat, prompting Samsung to discontinue the Note 7.

The debacle dealt a blow to Samsung's corporate image. Aviation authorities around the world banned the pricy phone on flight and photos of scorched Note 7 circulated on social media. Samsung spent billions of dollars to recall the Note 7 and fix its damaged brand. The company released investigation results that blamed flaws in design and production of batteries supplied by two battery makers.

After the recall of millions of Note 7 phones, environmental activists have pressured the South Korean tech giant to reuse the electronics parts to reduce waste. Samsung said the Note FE is part of its effort to minimize waste. Like the previous Note series, the Note FE, short for "Fan Edition," features a jumbo screen measuring 5.7 inches (14.48 centimeters) diagonally and a stylus. — Agencies



PYEONGTAEK, South Korea: This undated handout aerial photo provided by Samsung Electronics yesterday shows its new semiconductor plant. — AFP