

## Business

# Dead rivers: Cost of Bangladesh's garment-driven economic boom

## Bangladesh overtakes India in per capita income

DHAKA: Bangladeshi ferryman Kalu Molla began working on the Buriganga river before the patchwork of slums on its banks gave way to garment factories - and before its waters turned pitch black. The 52-year-old has constant cough, allergies and skin rashes, and doctors have told him the vile-smelling sludge that has also wiped out marine life in one of Dhaka's main waterways is to blame.



DHAKA: In this picture, industrial effluents enter the waters of the Buriganga River as children wait to board a Ferris wheel ride along the river bank in Karanigonj, on the outskirts of Dhaka. - AFP

"Doctors told me to leave this job and leave the river. But how is that possible?" Molla told AFP near his home on the industrial outskirts of the capital Dhaka. "Ferrying people is my bread and butter." In the half-century since a devastating independence war left its people facing starvation, Bangladesh has emerged as an often unheralded economic success story.

The South Asian country of 169 million has overtaken its neighbor India in per capita income and will soon graduate from the United Nations' list of the world's least developed countries. Underpinning years of runaway growth is the booming garment trade, servicing global fast-fashion powerhouses, employing millions of women and accounting for around 80 per-

cent of the country's \$50 billion annual exports.

But environmentalists say the growth has come at an incalculable cost, with a toxic melange of dyes, tanning acids and other dangerous chemicals making their way into the water. Bangladesh's capital Dhaka was founded on the banks of the Buriganga more than 400 years ago by the Mughal empire. "It is now the largest sewer of the country," said Sheikh Rokon, the head of

byproducts of fabric dyeing have also helped to starve the river of the oxygen needed to sustain marine life.

### 'They are powerful people'

In Shyampur, one of several sprawling industrial districts around Dhaka, locals told AFP that at least 300 local factories were discharging untreated wastewater into the Buriganga river. Residents say they have given up complaining about the putrid smell of the water, knowing that offending businesses are easily able to shirk responsibility. "The factories bribe (authorities) to buy the silence of the regulators," said Chan Mia, who lives in the area.

"If someone wants (to) raise the issue to the factories, they'd beat them up. They are powerful people with connections." The crucial position of the textile trade in the economy has created a nexus between business owners and the country's political establishment. In some cases, politicians themselves have become powerful industry players. Further south, in Narayanganj district, residents showed AFP a stream of crimson-colored water draining into stagnant canals from a nearby factory.

"But you cannot say a word about it loudly," an area resident told AFP, speaking on condition of anonymity. "We only suffer in silence." The Bangladesh Garment Manufacturers and Exporters Association (BGMEA), which represents the interests of around 3,500 top factories, defends its record by pointing out the environmental certifications given out to its members. "We are going green - that's why we are witnessing big jumps in export orders," BGMEA president Faruque Hassan told a recent press conference.

But smaller factories and sub-contractors operating on the industry's razor thin margins say they are unable to afford the cost of wastewater treatment. A top garment official in the Savar industrial district, speaking to AFP on condition of anonymity, said even most high-end factories serving major US and European brands often do not turn on their treatment machinery. "Not everyone regularly uses it. They want to save costs," he said.

### 'Facing the same fate'

Bangladesh is a delta country criss-crossed by more than 200 waterways, each of them connected to the mighty Ganges and Brahmaputra rivers that course from the Himalayas and through the South Asian sub-continent. More than a quarter of them are now heavily contaminated with industrial pollutants and need to

lowering a three-day holiday weekend, but inflation jitters still fester.

Oil prices extended gains on hopes of improving energy demand in key consumers China and the United States, while the euro climbed on the prospect of rising eurozone borrowing costs. "Risk appetite has managed to recover for now, perhaps because we get a much needed-break from central bank decisions this week," IG analyst Chris Beauchamp told AFP.

"But while a bounce is overdue, it is probably only temporary." There remains an overarching sense of gloom as traders speculate that the sharp lift in borrowing costs around the world will tip economies into recession. Focus this week is on Federal Reserve boss

days on the job. He had been waiting to be formally removed at the company's next shareholders' meeting, scheduled for July. Bolsonaro, seeking reelection in October, is widely blamed by voters for double-digit inflation, polls show, on the back of skyrocketing global and local fuel prices. Bolsonaro faces an uphill battle against leftist ex-president Luiz Inacio Lula da Silva (2003-2010), remembered for presiding over a booming economy. Brazil has seen fuel prices surge by over 33 percent in a year, according to official figures. Inflation stands at 11.73 percent, far above the central bank's target of 3.5 percent.

Russia's war in Ukraine has led to a sharp rise in crude prices in recent weeks, adding to the pressure. On Friday, Petrobras announced a 5.18 percent hike in gasoline prices and more than 14 percent for diesel, blaming "a challenging scenario in Brazil and the world." Bolsonaro reacted angrily, saying Petrobras "could sink Brazil in chaos." The company reported a net profit of 44.6 billion reais (about \$8.6 billion) in the first quarter of this year-about 38 times the result of a year earlier.

Arthur Lira, the president of Brazil's chamber of deputies and a Bolsonaro ally, has proposed raising taxes on Petrobras profits-which he has described as "absurd." Congress is also mulling a Bolsonaro proposal to lower the tax on fuel. Petrobras shares were volatile in Monday trade-after a temporary halt to morning trading on news of Coelho's resignation and then a two percent drop on the Sao Paulo Stock Exchange, they finished up 1.14 percent.—AFP



COLOMBO: Autorickshaws are parked in a queue along a street to tank up petrol from a Ceylon petroleum corporation fuel station in Colombo.—AFP

## Sri Lanka allows younger women to work abroad

COLOMBO: Crisis-hit Sri Lanka on Tuesday reduced to 21 the minimum age at which women can go abroad for work and earn much-needed dollars for the bankrupt economy. Colombo imposed age restrictions on women working overseas in 2013 after a 17-year-old Sri Lankan nanny was beheaded in Saudi Arabia over the death of a child in her care. Following outrage over the execution, only women older than 23 were allowed to go abroad, while for Saudi Arabia the minimum age was set at 25. But with Sri Lanka in its worst economic crisis since independence, the government on Tuesday eased the rules, including for Saudi Arabia. "The cabinet of ministers approved the decision to lower the minimum age to 21 years for all countries given the need to increase foreign employment opportunities," spokesman Bandula Gunawardana told reporters.

Remittances from Sri Lankans working abroad have long been a key source of foreign exchange for the country, bringing in around \$7 billion per year. This number dived during the coronavirus pandemic to \$5.4 billion in 2021 and was forecast to drop under \$3.5 billion this year because of the economic crisis. More than 1.6 million people from the nation of 22 million work abroad, mainly in the Middle East. The South Asian country's foreign currency reserves are so low that the government has restricted imports even of essentials including food, fuel and medicine.

Meanwhile, Sri Lanka closed schools and halted non-essential government services on Monday, starting a two-week shutdown to conserve fast-depleting fuel reserves as the IMF opened talks with Colombo on a possible bailout. The country of 22 million people is in the grip of its worst economic crisis after running out of foreign exchange to finance even the most essential imports including food, fuel and medicines.

On Monday schools were shut and state offices worked with skeleton staffing as part of government plans to reduce commuting and save precious petrol and diesel. Sri Lanka is facing record-high inflation and lengthy power blackouts that have contributed to months of protests - sometimes violent - calling on President Gotabaya Rajapaksa to step down.—AFP

## Most markets climb as calm returns after sharp sell-off

LONDON: Asian and European stocks mostly rose Tuesday as calm returned following last week's rout, but analysts warned of more pain after central bank officials hinted at further interest rate hikes to tackle soaring inflation. Wall Street reopens later and is expected to burst higher as traders play catch-up fol-

## Petrobras CEO quits in fuel price standoff with Bolsonaro

BRASILIA: The CEO of Brazil's state-owned oil company Petrobras, who has stayed in his post despite being fired by Jair Bolsonaro in May, resigned Monday after a new fuel price hike that enraged the far-right president. Jose Mauro Coelho is the third Petrobras CEO to leave since February last year in a stand-off between the company and Bolsonaro over fuel prices. Petrobras announced Coelho's resignation on Monday. The company said Fernando Borges-its head of exploration and production-would take over temporarily until government pick Caio Paes de Andrade, an economy ministry official, assumes the top job.

Coelho was appointed for a one-year term in April after Bolsonaro fired his predecessor Joaquim Silva e Luna in March after slightly more than a year in the post. The far-right president said then that the price of fuel-set by Petrobras but tied to international market movement-was "unaffordable" and amounted to a "crime" against Brazilians. Silva e Luna, in turn, had replaced Roberto Castello Branco, fired by Bolsonaro in February 2021.

### 'Absurd' profits

In May, Bolsonaro dismissed Coelho after just 40



SAO PAULO: A man looks at a chart on display on an electronic board at the Sao Paulo Stock Exchange (B3) in downtown Sao Paulo, Brazil. — AFP

be "urgently" saved, said an April legal notice sent to the government by the Bangladesh Environmental Lawyers Association (BELA).

Authorities have established a commission tasked with saving key water bodies, upon which close to half



DHAKA: A man washes clothes along the banks of the Buriganga River on the outskirts of Dhaka, Bangladesh, the South Asian country of 169 million, has overtaken neighbor India in per capita income and will soon graduate from the UN's list of the world's least developed countries. - AFP

the country's population depend for farming, according to the UN Food and Agriculture Organization. The National River Commission has launched several high profile drives to fine factories found to have polluted rivers. Its newly appointed chief, Manjur Chowdhury, said "greedy" industrialists were to blame for the state of the country's waterways.

But he also admitted that the enforcement of existing penalties was inadequate to address the scale of the problem. "We have to frame new laws to face this emergency situation. But it will take time," he told AFP. Any action will be too late for the five rivers that circle Dhaka and its industrial outskirts. All are already technically dead, meaning they are completely devoid of marine life, said prominent environmental activist Sharif Jamil. "With factories now moving deep into the rural heartland, rivers across the country are facing the same fate," he said.—AFP

Jerome Powell's two days of testimony to lawmakers in Washington, which will be closely watched for insight into the bank's thinking and possible clues about its plans for fighting surging prices.

The Fed announced a three-quarter interest rate hike last week, after inflation data days earlier had smashed forecasts and hit a four-decade high. While the volatility of last week has gone, banks' intention to continue hiking rates could cause fresh ructions in markets. "A sprinkle of positivity is sugaring financial markets, masking the bitter taste induced as investors have been forced to assess the repercussions of surging inflation for the global economy," said Hargreaves Lansdown analyst Susannah Streeter.—AFP

## Egyptian trade delegation visits Zionist entity

JERUSALEM: A delegation of Egyptian business leaders was in Zionist entity on Monday, the first such visit in a decade, in a sign of "warming" ties between the two countries Zionist officials said. The trip was part of a trade agreement known as QIZ (Qualifying Industrial Zone), which was initiated in 1996 between Zionist entity, Jordan, Egypt and the United States to foster Middle East peace. The deal allows Egypt to export some products to the US duty free, so long as they include 10.5 percent Zionist inputs. The visiting Egyptian delegation includes executives from the textile and clothing industries, the Zionist foreign and economy ministries said in a joint statement.

Zionist Minister of Economy and Industry, Orna Barbiway, said the visit "will contribute to the promotion of shared interests for both countries".

Prime Minister Naftali Bennett met Egyptian President Abdel Fattah El-Sisi in Sharm El-Sheikh in September 2021, the first visit to Egypt in over a decade by a Zionist head of government. On Monday, Bennett said "improved" ties with Cairo had helped curb the military buildup of the Islamist Hamas movement that rules the Gaza Strip across the border from Egypt.

"They (Egyptian authorities) are stepping up controls at the Rafah border crossing (with Gaza) to prevent weapons and other equipment" from reaching Hamas, Bennett said. In the past year "Hamas's military buildup has been the slowest in years", Bennett added. Egypt was the first Arab country in 1979 to sign a peace treaty with Zionists, after decades of enmity. Jordan was the second, establishing full diplomatic relations with Zionists in 1994. Egypt now regularly serves as an intermediary between Zionists and Hamas, and worked behind the scenes last year to mediate a ceasefire during an 11-day conflict that erupted between Zionists and Gaza-based Islamist factions. Zionist-Egyptian relations have proven icy at times, especially during the one-year reign of Egypt's Islamist president Mohamed Morsi in 2012, but broad security cooperation has carried on under Sisi—AFP