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## Garment makers want more stimulus

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Garment factory owners are demanding more stimulus funds from the government to pay three months' salaries alongside festival allowances to workers.

"We demanded that the government give low-cost funds to us for paying salaries for April, May and June and festival allowance to the workers," said Faruque Hassan, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The newly elected BGMEA leaders made the demand at an emergency meeting at the trade body's Uttara office on Saturday.

Hassan said they did not mention any specific amount to the government but that for three months' salaries and allowances for workers.

Workers of export-oriented garment factories receive around Tk 3,000 crore every month as salary. "So, the amount is already estimated and only the allowance money would be added," Hassan told The Daily Star over the phone.

"We called the emergency meeting with our board members as we are learning that some of the factories would be facing difficulties to pay the workers' salary and allowances in the upcoming Eid time," Hassan said.

But at the same time, it is not expected that the workers will not be paid during such a crucial moment, he said.

"So, I suggested the factory owners take preparation for paying the workers on time so that no untoward incident takes place in the sector ahead of Eid or in the time of Covid-19," Hassan said.

Many, especially small and medium scale garment factories, are in trouble as they are struggling to survive with lower quantity of work orders from international retailers and brands during the time of Covid-19.

"So, they need help from the government," Hassan said. "I also urged the banks to continue their supports to the suppliers."

The commercial banks affiliated with garment factories have already enabled mobile financial service (MFS) accounts through which workers are already receiving their salaries and allowances.

Last year, the government provided Tk 10,500 crore in stimulus funds to the export-oriented garment, leather and footwear sectors for the payment of salaries and allowances at only 2 per cent service charge.

However, the factory owners have been lobbying with the government for a moratorium and deferral of repayment as most of the apparel exporters could not make a comeback to normal business practices because of the second wave of Covid-19.

The garment sector has been going through a tough time as many of the major export destinations in Europe and the US were in lockdown because of Covid-19.

However, while economies of some supplier countries like China and Vietnam started reopening, Bangladesh went into a lockdown, although the garment sector is out of its purview.

The local apparel suppliers have been running their factories amidst challenges since March last year for a dearth of work orders from the international retailers and brands.

Last year, the local suppliers have faced work order cancellations or hold-ups worth \$3.18 billion and unusual payment deferrals.

So far, some 90 per cent of work orders were reinstated through intense negotiations of the BGMEA, government and suppliers with the international retailers and brands.

But still the uncertainty persists as the retailers and brands did not confirm when they will complete making payments to the local suppliers.