

U.S. Set To Suspend Bangladesh Trade Privileges

Matthew Pennington, Associated Press

WASHINGTON (AP) — The United States is expected to suspend trade privileges for Bangladesh because of [concerns](#) [1] over labor rights and worker safety that intensified after hundreds died there in the global garment industry's worst accident.

Congressional aides said the Obama administration would make its announcement Thursday, the culmination of a yearslong review of labor conditions in the impoverished South Asian nation.

Democratic lawmakers have been pushing for the step. Under the Generalized System of Preferences, Bangladesh can export nearly 5,000 products duty-free to the U.S., its leading market. While the GSP covers less than 1 percent of Bangladesh's nearly \$5 billion in exports to the U.S. and doesn't include the lucrative garment sector, it could deter American companies from investing in Bangladesh.

The office of U.S. Trade Representative has said a decision would be made by the end of June whether to curtail Bangladesh's trade privileges. The office did not respond Wednesday to requests for comment.

A congressional official aware of the administration's thinking on the issue said Bangladesh won't be expelled from the program, and its suspension will come with some kind of roadmap to enable the restoration of suspended trade privileges if it makes progress on labor issues. The aide spoke on condition of anonymity because the announcement had not been made.

Bangladesh, one of the world's poorest countries, is anxious to keep the trade benefit. While the immediate economic costs may not be significant, it carries reputational costs and may sway a decision by the European Union, which also is considering withdrawing GSP privileges. EU action could have a much bigger economic impact, as its duty-free privileges cover garments.

Bangladesh's government says it is taking steps to improve worker safety after the April 24 collapse of Rana Plaza in Dhaka that killed 1,129 people, and to amend the nation's labor law.

The U.S. Trade Representative review of labor conditions in Bangladesh follows a petition filed in 2007 by the AFL-CIO seeking withdrawal of the GSP benefits. The review was expedited late last year amid concern from U.S. lawmakers over deadly industrial accidents, deteriorating labor rights and the April 2012 killing of prominent labor activist Aminul Islam — a case that has not been solved.

Calls for the benefits to be curtailed have multiplied since the Rana Plaza disaster.

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Last month, 25 House Democrats wrote to Bangladesh Prime Minister Sheikh Hasina calling for comprehensive action to improve worker safety, and this week, nine Democratic senators urged President Barack Obama to suspend trade privileges but also establish a roadmap and schedule for reinstating them to Bangladesh based on improvements in worker safety and related labor law reforms.

Lawmakers also have criticized U.S. retailers that source garments from Bangladesh for not joining the more than 40 mostly European companies that have adopted a five-year, legally binding contract that requires them to help pay for fire safety and building improvements. The Bangladeshi garment manufacturers' association says it stepping up inspections and has closed 20 factories.

The garment industry employs some 4 million people in Bangladesh, 80 percent of them women.

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