



*We are delighted to welcome as a new, regular columnist well known industry commentator **Sam Setter**, who will be writing exclusively in World Leather from now on.*

Bangladesh: a view from the ground



Some of you may have read my articles already and will know what to expect, whereas for others this will be new: please prepare yourselves to read about what I think is going well or wrong in the leather industry. In some months you can expect kind articles describing which countries or industries or industry groups are doing well, whereas in other months there will be some strong criticism, which usually spares nobody.

This column is meant to be a mirror in which the industry is supposed to be able to look at itself, not because what I say is necessarily right, but because these articles aim to open up closed eyes and create some self-criticism that may help the industry become more conscious of its flaws, and or to see examples of virtue that can be adopted more widely.

A short time ago I was in Bangladesh and I want to pick on the shift of the industry there from Hazaribagh to Savar. Yes, the common effluent treatment plant (CETP) is not ready yet and tanners have only just started to construct their new factories. The government said in October 2015 that the tanneries had to move before the end of last year; threatening that the power supply to the tanneries in Hazaribagh would be cut off. Like all similar threats issued before, this one proved impossible to impose. Just by taking a look at the picture above taken in November 2015, one can see that the Savar CETP was quite far from being ready. True, the majority of the basins have reached an advanced stage but a couple are still closer to the start than to completion. Therefore I think that it will take a minimum of half a year to a year to complete the concrete structures alone.

After that pumps and other equipment and machinery must be installed, started and tested, which will in my view take at least until the end of 2016, being optimistic. In the meantime the

drainage system from the tanneries to the CETP has to be put into place and installed, which right now seems challenging because the pipes that are still on the surface seem more for the distribution of water than for drainage. The pipes are of the black heavy plastic variety with a blue stripe, which indicates to me water supply, not effluent, and though not being an expert, the pipes look a bit small in diameter. Running the effluent from about 20 or 30 high-capacity tanneries through a small-diameter pipe may become challenging, although two such pipes may be laid for the general effluent and another two for the chrome effluent to the chrome recovery plant.

If I have understood correctly, the company constructing the CETP has officially estimated that it could have the plant up and running in about six months' time, but have asked for an official start-up date towards the end of 2017, which seems much more realistic. Not all the tanneries will be happy with a two-year delay. Some tanneries like Reliance Tanneries, which have already installed the soaking and tanning drums, and Dhaka Hides and Skins are ahead of the pack. Apex is following, but then there are many others like, for instance, Karim Leather Ltd which have just started their construction adventure.

So I can imagine that there are three different interest groups and that those who have made significant progress in the construction of their tanneries will push for a quick shift and a prompt power cut in Hazaribagh, damaging direct competitors who are lagging behind. Those that have just started or are about to start their construction projects will try their best to make the government extend the deadline by as much as possible, which damages those that have been virtuous and have invested their money trying to stick to the government's



deadlines. But then if the CETP isn't operating they cannot expect to be allowed to start-up their production in Savar.

The third interest group is the government itself. It has commissioned a Chinese engineering firm to construct the CETP, setting a precise deadline. This deadline has passed and been renewed a number of times already. To avoid showing that the government has no control over the construction of the CETP, it has put pressure on the tanners to move, threatening all kinds of measures if they don't, but unless the CETP is functioning, how can the tanners be forced to move? The government can't take it out on the Chinese construction company because it would be embarrassing for a number of public officials if the Chinese contractor were to reveal how it was able to win the contract in the first place.

The actual start-up of the CETP and the ironing out of technical issues that will doubtlessly arise will dictate the timings of the transfer of the tanning activity from Hazaribagh to Savar. Once the CETP works, if it works, and does the job it was designed for, then Bangladesh will be able to close Hazaribagh and open a new chapter. Certification that the plant is functioning properly ought to be carried out by an objective international body rather than by a local survey team that may be open to "economic stimulations" to provide a report that reflects the theory but not the reality.

Workers as well as machines must move from Hazaribagh to Savar. Housing, schools and social infrastructure are necessary

and must be provided for them and their families. In short the move of the tanneries is only a part of the equation and, from what I understand, nobody has as yet seriously thought about this social aspect of the move. If tanners expect their Savar workers to live in unacceptable circumstances like the huts or below-minimum-standard housing that you can see in and around Hazaribagh, then they are missing an opportunity to do the right thing for workers, who have been treated in a rather questionable way for decades.

It would also mean that they have not understood the requirements of their buyers nor those of bodies such as the Leather Working Group. Some tanners have already asked if their new facilities will qualify them for LWG certification. Buyers want workers to be properly treated, properly remunerated, protected from hazardous materials and from accidents. Proper job training needs to be provided, infirmaries equipped to handle health challenges. An attitude towards workers' rights that does not take these issues into consideration will backfire and might endanger the enormous sums and resources being invested by the tanners.

I think that the buyers of Bangladeshi leather and leather products must do their share and put tanners and manufacturers on notice that if they trample workers' rights, they risk losing the market. This should be done now as a pre-emptive strike because once chaos reigns in Savar it will be extremely difficult to bring the situation back under control. ☹



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