

NEWSLETTER

2024' Chapter 4

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Bangladesh Economy makes a
Strong Turnaround: *says World Bank*

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- says World Bank

Bangladesh's economy made a strong turnaround from the COVID-19 pandemic while policy reforms can help address the surrounding challenges to put Bangladesh back on track for faster growth, said the World Bank (WB). The World Bank in its twice yearly update also said post pandemic recovery continues to be disrupted by high inflation, a persistent balance of payments deficit, financial sector vulnerabilities, and global economic uncertainty.

Released recently, the latest Bangladesh Development Update says that urgent monetary reform and a single exchange rate regime will be critical to improve foreign exchange reserves and ease inflation.

The World Bank said greater exchange rate flexibility would help restore balance between demand and supply in the foreign exchange market. Structural reforms will be key to diversify the economy and build resilience over the medium and long term, including measures to raise government revenues to support investments in infrastructure and human capital. Persistent inflation eroded consumer purchasing power, while investment was dampened by tight liquidity conditions, rising interest rates, import restrictions, and increased input costs stemming from upward revisions in administered energy prices. Private sector credit growth slowed further in FY24, reflecting a broader slowdown in investment. The non-performing loan (NPL) ratio in the banking sector remains high and understates banking sector stress due to lax definitions and reporting standards, forbearance measures, and weak regulatory enforcement.



The Balance of Payments deficit moderated over the first half of FY24 driven by a surplus in the current account. The report's companion piece, the latest South Asia Development Update - Jobs for Resilience, was also released recently, which said South Asia is expected to remain the fastest-growing region in the world for the next two years, with growth projected to be 6.0% in 2024 and 6.1% in 2025. Growth in South Asia is expected to be driven mainly by robust growth in India and Bangladesh, and recoveries in Pakistan and Sri Lanka.

The World Bank said the GDP growth rate in Bangladesh is projected to slow to 5.6 percent in FY24 and improve marginally to 5.7 percent in FY25. The report said strong outlook is deceptive as for most countries, growth is still below pre-pandemic levels and is reliant on public spending. Persistent structural challenges threaten to undermine sustained growth, hindering the region's ability to create jobs and respond to climate shocks. Private investment growth has slowed sharply in all South Asian countries and the region is not creating enough jobs to keep pace with its rapidly increasing working-age population.

Fire Safety Obligations and Consequence of Violation



29th February 2024 –while rest of the world was busy celebrating leap-year night, the capital of Bangladesh had to witness loss of 46 human souls in a horrific battle with fire blazes. The fire originated from gas cylinder explosion. The next night, a restaurant’s kitchen in Dhaka’s Wari area caught on fire originating from a similar source, i.e. gas cylinder explosion. Within 10 days on 11th March, again fire broke out at Old Dhaka's Chawkbazar Shoe Factory at Suarighat and the following day at Uttara Sector-11 Kacha Bazar, near Zamzam Tower, causing noteworthy property damage. On 13th, Gazipur gas cylinder explosion claimed 17 human lives, and on 28th, Damrai Gas cylinder explosion claimed 4 from the same family.

Fire break-outs, unfortunately, is no longer anything new to Bangladeshi people. However, the last 30 days of 2024 has made us realize more strongly than ever that one of the main reasons for such explosions is failure to maintain fire-safety rules and a severe lack in supervisions with regard to the implementations of these rules. Absence of law is not the problem as there already are multiple laws in effect that clearly defines the obligations of the regulatory bodies in terms of not only building new structures but also for alteration of existing ones

The following table reflects a list of provisions under the Bangladesh National Building Code that determine the rights and obligations of the establishments’ owners as well as the regulatory authorities:

Category	Content	Reference
Alteration of Existing Establishment	Existing establishments cannot go for any “Additions, alterations, modifications or repair” without confirming that it already is “not in full compliance with the provisions of this Code”.	s.4(3)
	The only exception to s.4(3) is when as a result of such addition or alteration the existing establishment will no more remain hazardous or at least become less-hazardous than it already was, in terms of “life safety, fire safety and sanitation”	s.4(3)
	Fire resistance materials will be used for “non-structural alterations or repairs” to ensure that it does not affect any structural member adversely, or do not “reduce the strength of any part of the building or structure” in such ways that can lead to unsafe conditions”.	s.4(5)
	Any change in use or occupancy can be made only if “such change complies with the requirements of this Code for a new building” and if it “does not render any part or the whole of the affected building or structure any more hazardous based on life safety, fire safety and sanitation than it was”	s.4(6)
Repairing Historical Structures	Repair and restoration of historical places must be done in such manners that makes it no more hazardous in terms of life safety, fire safety and sanitation than it already is.	s.5(c)

Continued on next page

Category	Content	Reference
Establishments that are Yet to be Built	The owners of structures, including agencies, who are about to build new ones, are instructed by the Code to obtain permit for fire safety first before proceeding with their building them	Part-II, chapter-2
	All buildings must be constructed with fire-resistant materials that can withstand the spread of fire as per the guideline laid down in the Code regarding which materials can be used for what type of structures.	Part-III, Chapter-1
	Buildings must have “multiple means of escape, such as staircases, corridors, and exits, to enable occupants to evacuate quickly in case of a fire”	Part IV, Chapter 3
	When multiple connecting structures are erected with no public or a private road or street directly connecting with each buildings, the a list of requirements must be complied, which includes ensuring access facilities for fire service vehicles and engines as well as sufficient space for turning back. There’s also a direction for specific minimum measurement of the connecting path between the building and road/street.	PART II, Appendix D
	structures need to be equipped with firefighting equipment such as “fire extinguishers, fire hoses, and sprinkler systems to help control and extinguish fires”.	Part IV, Chapter 4
	The fire detection and alarm systems must be such that can detect smoke, heat, and fire and alert occupants in case of a fire.	Part IV, Chapter 5
	Buildings need to have smoke management systems such as smoke vents, exhaust fans, and pressurisation systems to control the spread of smoke in case of a fire.	Part IV, Chapter 3
	building owners and occupants must conduct regular fire drills and training sessions to ensure that everyone is prepared to evacuate safely in case of a fire.	Part IV, Chapter 1, Appendix B

Despite having such clear instructions, the main reason for repeated fire tragedies is lacking in implementations and failure to take action for violations.

People need to become aware of their rights and needs to come forward to bring actions against those who are responsible. While the building owners can be held liable under the Penal Code for causing death by negligently violating duties with regards to fire-safety, the regulatory authorities can be compelled through PILS to pay compensation for failure to implement the existing rules and regulations, conferencing in violation of multiple fundamental rights of the citizens. Bringing tortious claims against the building owners can also be an option for remedy.

The more we keep ignoring these, the more lives we keep losing. It is high time we take actions!

LEGISLATIVE UPDATES

Law and Order Disruption (Speedy Trial) Amendment Bill, 2024

Law and Order Disruption (Speedy Trial) Act, first enacted in 2002 as a provisional law to be effective for two years and was, after being extended in 07 different phases, finally gets passed as a permanent Act of Parliament in March 2024. The proposal to make it permanent was placed before the Parliament on 29th February. MPs from Jatiyo Party had opposed the proposal and requested it to be sent to a committee for “eliciting public opinion”, which got rejected by voice vote.

The original purpose of the Act was to provide speedy trial in sensitive crimes. One of the reasons for making it permanent, as per the Law Minister, is to keep addressing offences related to vandalism and obstructions to public movement promptly.

Previous History:

The Act was first enacted in 2002 with the objective of disposing trials for serious offences like “extortion, creating obstacles during the movement of vehicles, damaging vehicles, destroying immovable and immovable property, robbery, banditry, creating terror and anarchic situations” speedily.

It was later extended 7 times in 7 different phases.

The latest extension was made in 2019, making it effective till April 2024.

In February 2024, the Law Minister proposed to make it a Permanent Act of Parliament to ensure is offences related to vandalism and obstructions to public movement keep getting addressed efficiently.

Provisions for Punishment:

Range of punishment:

From 2 to up-to 7 years of rigorous imprisonment, with fine. There’s also scope for realizing compensation for causing any loss to the Government.

Reference: s.4

Punishment for aiding or abiding in crimes under this Act: Same as principal offender.

Reference: s.5

Punishment for false allegation: From 2 to up-to 5 years of rigorous imprisonment, with fine

Reference: s.6

Other Mentionable Provisions:

S.10 of that Act requires the trial process to be wrapped with 30 working days for offenders, who voluntarily surrenders or get caught red-handed. For others, the time limit is up-to 60 working days. To ensure speedy disposal, in case of accused being on absconding, there are provisions for delivering judgments in his absence.

Another appreciable feature is that still pictures and recorded video/audios are admissible evidences for offences tried under this Act.

The 2024 Bill does not recommend for any amendment to the Act and presented it as it is, with the aim of having it enacted as a permanent law.

CASE UPDATE

Jesmin Ara Begum and others Vs. Bangladesh

Fact:

The Petitioner filed a writ petition challenging the amendment of the contents of serial No.3 of কর্মকর্তা কর্মচারী (মহিলা বিষয়ক পরিদপ্তর) নিয়গ বিধিমালা ১৯৯০ (hereafter, Service Rules 1990), through a gadget notification published on 13.12.2018 and claiming the new contents as being ultra-vires and in violation of the Constitution itself. The High Court Division (HCD) found it to be intra vires instead. The matter is now brought before Appellate Division. The new question to determine by the Court now is whether HCD was right is allowing the writ to be maintainable in the first place.

Issue:

Whether such writ is maintainable by a Govt. servant.

Held:

In this case, the petitioner is a Government Servant. It is well established that when Government servants are aggrieved by any action, their remedy lies in the Administrative Tribunal. Therefore, allowing the writ to be maintainable in this case, particularly while concluding that the petitioner's rights were not adversely affected by the said amendment makes the judgment suffer from legal infirmity and illegality.

It therefore, even though set aside the judgment by the HCD, took away the benefit of maintaining such writs by the Petitioner. It was held that – "It is well settled that the Government servants cannot be entitled to invoke writ jurisdiction when their remedy is available in the Administrative Tribunal. Mere challenging Service Rules ipso facto does not make it amenable to the writ jurisdiction."

In Other News:

Bangladesh's Exports sees 12.04% Growth in February

Bangladeshi manufacturers exported products worth \$5.19 billion in February of the current financial year (FY24), fetching a 12.04% year-on-year (YoY) growth, according to data published by the Export Promotion Bureau (EPB). During the same period last year, the country earned \$4.63 billion from export earnings.

The export sustained its positive trends after a negative trend for several months. However, the February export figure was 0.98% lower than the month's target, which was fixed at \$5.24 billion. Bangladesh bagged over \$5 billion worth exports earnings for three consecutive months in the ongoing FY24 in December, January, and February.

Earlier, the country reached the similar milestone in November, December, and January months of last FY23. In February, the readymade garment (RMG) sector -- the highest export earner -- earned \$4.49 billion, fetching a growth of 13.93% from \$3.94 billion in the mentioned period of last FY23.

According to the EPB data, the earnings in the first eight months (July-February) of the current FY24 experienced a narrow YoY growth of 3.71% to \$38.45 billion, higher than \$37.07 billion in the mentioned period of the last FY23. However, the July-February export figure is 6.48% lower than the target of \$41.12 billion, EPB data stated.

During the first eight months of FY24, the RMG sector bagged \$32.86 billion, fetching a narrow YoY growth of 4.77% from \$31.37 billion in the same period of FY23. Among apparel products, knitwear export reached \$18.59 billion, while export from woven items was \$14.26 billion with 9% positive growth and 0.26% negative growth respectively, compared to FY23.



Principal Office:

Mukti Bhaban (Third Floor)
2 No Comrade Monisingh Sharak
21/1 Purana Paltan. Dhaka
Phone: +88 02 22 33 81 540
Fax: 88 02 22 33 81 476

Gulshan Office:

Gulshan Palladium, 3rd Floor,
Road: 95, Madani Avenue, Gulshan 2,
Dhaka, Bangladesh

Shamoli Office:

29 Probal Housing, 3rd Floor Ring Road,
Mohammadpur. Dhaka-1207,
Bangladesh

Court Address:

Room No 101 (Ground Floor) Supreme Court
Bar Association Building
Supreme Court of Bangladesh Ramna, Dhaka

Website: www.as-associates.net

E-mail: info@as-associates.net