



Members of Bangladesh Army and Industrial Police are seen taking up position outside a garment factory in Ashulia's Narasinghapur area. The Ashulia area, which houses over 1,800 factories, has been a hotbed for unrest in recent weeks as workers demonstrate to have their demands met. The photo was taken recently. PHOTO: AKLAKUR RAHMAN AKASH

Act fast to address labour unrest

Says Razekuzzaman Ratan, president of Socialist Labour Front

MAHMUDUL HASAN

Prompt steps are needed to address the workers' demands and quell the ongoing labour unrest, said Socialist Labour Front President Razekuzzaman Ratan.

"The workers should have been promised that their demands would be met as soon as possible and that their jobs would not be threatened," said the labour leader.

During an interview with The Daily Star, he said that if the authorities had established control over the trade of fabric waste or 'jhut' generated during apparel manufacturing in major industrial belts just after the August 5 regime change, the situation could have been tackled more easily and promptly.

When asked if the interim government's steps regarding worker unrest are appropriate so far, he said, "The interim government is taking a little longer to understand the situation."

According to him, workers take to the streets, they protect both jobs and sometimes fall prey to outside provocation. They soon realise it, but by then, some complexity has already been created," he added.

He said the workers want to see an authority that will listen to them, understand their problems empathetically and take steps to solve them.

"The absence of these things (authority) has sustained the unrest over the last month."

"But now, the workers have received employer promises of payment for arrears, attendance bonuses and other allowances, which has created an atmosphere of trust among them," he added.

He said the apparel worker participation in the nationwide student movement was significant. Similar to the latest one, workers were vocal against unfairness and for their rights, and made supreme sacrifices too.

Razekuzzaman Ratan said four workers were killed in the Ashulia garment belt during a wage hike movement in 2023.

During the student protests, the workers' demands resurfaced as they faced layoffs, abuse by owners and unpaid arrears.

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Workers' demands are not unjust

Says Kalpona Akter, president of Bangladesh Garment & Industrial Workers Federation

SOHEL PARVEZ

The workers' demands are logical so owners should sit together to address this and restore stability to the garment industry, the country's largest export earner, said Kalpona Akter, president of Bangladesh Garment & Industrial Workers Federation.

This will help avert the risk of business losses, she said.

"We cannot afford to lose business. We cannot afford to lose our jobs," she said in an interview with The Daily Star against the backdrop of lingering unrest in the single biggest industry in terms of employment in the country.

The current stalemate has raised concerns about buyers shifting orders away from Bangladesh.

The world's second-biggest garment exporting nation faced disruptions to production and shipment in July and August due to deadly nationwide protests led by students over the quota system for public jobs, security concerns, and devastating floods in eastern regions.

Garment exports fell five percent year-on-year to \$36 billion in fiscal year 2023-24 compared to the year prior.

Kalpona said buyers currently lack confidence although factory owners claim everything is on track. She warned that Bangladesh must avoid the "fate of Sri Lanka", which lost a lot of business during its economic meltdown in 2022.

"We need collective efforts."

She said workers are demanding higher night allowances, tiffin bills, attendance bonuses and incentives for achieving production targets. They also want factory authorities to implement

a four-month maternity leave and provide light work to expecting mothers in their fifth month.

Other demands include senior officials refraining from using abusive language in factories and an end to the arbitrary termination of workers by factory authorities. Furthermore, they want due benefits to be paid as per the law if an employee resigns.

"All these demands are in the law. Workers are not asking for anything beyond that," Kalpona said.

There is a provision for a five percent increment in the labour law. However, workers are now demanding a 15-20 percent increment.

"If you consider persistent inflation, a 15 percent increment is reasonable," she said.

Kalpona added that the government hiked the minimum wage for garment workers to Tk 12,500 in November last year, up from Tk 8,000.

"But the spike in wages fell short of the workers' demands," she said.

The trade union activist said bonuses, incentives and allowances currently vary among factories from Tk 450 to Tk 800 and it should be standardised.

"We urge factory owners to sit together and formulate a plan incorporating labour demands that all factories can follow," she said.

Kalpona said one could argue that the economy is passing through a turbulent time and this is not the right moment for protests.

"However, workers' demands are logical," she maintained.

The labour leader said there was no voice for the people during the past government. So, they began placing their demands after the political changeover on August 5.

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Restoring trust in the banking sector

MAMUN RASHID

Lately, I have been receiving calls from friends and family asking which banks are safe or if they should withdraw their deposits from a particular bank. There were reportedly some bank branches, which couldn't encash small cheques from their clients and even clearing cheques were returned by a few banks for a shortage of funds.

The situation has worsened with Bangladesh Bank Governor Ahsan H Mansur listing 10 commercial banks as bankrupt. Of course, depositors even with some good banks are panicked, apprehending a dent in the overall banking sector. Newspapers have reported of huge cash being held in the family vaults and beneath the pillow i.e. outside banking. An adviser to the interim government was also heard to be in problems with their very large government deposits being stuck with much scandalised Padma bank.

The extent of scourge left on the banking sector during the past regime is truly shocking. Despite frequent media coverage of irregularities, civil society's voice raised, and more transparency emerging after the mass uprising that brought down the regime, the true scale of corruption in the banking sector during the previous regime seems unfathomable. This just shows how daunting the challenge will be for the interim government as it sets its sights on reforms, restructuring and recovery.

The new administration has already taken some positive steps. The decision to form a taskforce to undertake reforms is a move in the right direction, though we are yet to see much visibility about their laundry lists. According to media reports, the Bangladesh Bank has also decided to rescue struggling banks, including some Shariah-based banks formerly controlled by a particular group, by injecting liquidity or merging a few.

The old regime had also promised similar objectives. However, instead of working towards that, it gave preferential treatment to corrupt, politically linked bank owners and stakeholders, which further compromised the health of these banks and put depositors' funds at risk.

Though Mansur in his past incarnation was heard to be not subscribing to the idea of providing liquidity to ailing banks (it usually happens to many while you are on other side of the table), the present authorities are heard to be supporting these banks for three main reasons: to safeguard the country's economy, protect depositors, and facilitate business continuity.

We strongly support these measures as these are the real issues that should drive all reform decisions. Though many of the banks were mired in corruption, their bankruptcy would cause significant harm to both depositors and the economy. The central bank is therefore obligated to try the "rescue path". But it must do so in the right way and for the right reasons.

However, the central bank has now decided to avoid providing liquidity support by printing money, as was done before, and instead allow lenders to access support through inter-bank money supply, with it acting as the guarantor. Additionally, the central bank must ensure that these banks take every possible measure to recover default loans in order to lessen their liquidity crisis.

Reportedly, out of the Tk 70,000 crore that went outside the banking channel, Tk 30,000 crore has been recovered. This, along with the government's decision to insure up to Tk 2 lakh for each depositor, should help restore some confidence in the sector. While we appreciate the overall direction of the banking sector under the interim government, coordinated efforts involving various agencies are essential to recover or bring back the remaining funds into the coffers. Besides, we should be expecting closure of the few investigations into large wrong doings in the banking sector.

The author is chairman of Financial Excellence Ltd

Revenue target for FY25 to be left unchanged

Interim govt aims to reduce external debt

STAR BUSINESS REPORT

The interim government will not bring down the revenue collection target for the current fiscal year as it aims to mobilise more domestic resources to reduce reliance on foreign loans, according to Finance and Commerce Adviser Salehuddin Ahmed.

The government faces a budget deficit every year and requires foreign loans to cover this shortfall, thereby increasing the country's external debt.

"So, as much as possible, we have to rely on domestic sources," Ahmed said while explaining why they decided against slashing the revenue collection target.

"Besides, we must also reduce the wastage of public money to this end," the finance and commerce adviser added.

Ahmed made these remarks at a discussion, styled "Seminar on Specific Changes/Modifications Made in Direct Taxes (Finance Act 2024)", organised by the Bangladesh Civil Service (Taxation) Association of the National Board of Revenue (NBR) yesterday.

The event was held at the NBR's multipurpose hall in the Agargaon area of Dhaka.

Around a month before it was ousted by a mass uprising on August 5, the Sheikh Hasina-led Awami League government had tasked

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US finalises sharp tariff hikes on Chinese EVs, other goods

AFP, Washington

The United States locked in tariff hikes on billions of dollars worth of Chinese goods Friday, with a 100 percent duty on electric vehicles and 25 percent on EV batteries taking effect in two weeks.

The White House announced the steep tariff increases in May, targeting key sectors including EVs, semiconductors, batteries and solar cells – drawing a fiery response from Beijing.

It also comes ahead of November's presidential election, where both Democrats and Republicans are seeking to show a tough stance on China as competition between both countries intensifies.

"Today's finalized tariff increases will target the harmful policies and practices of the People's Republic of China that continue to impact American workers and businesses," said US Trade Representative Katherine Tai in a statement.

Apart from tariff increases that take effect later this month including those on solar cells, the US Trade Representative's office confirmed that a 50 percent duty on semiconductors – a sharp rise from before – would start in 2025.

A 25 percent tariff on lithium-ion

batteries that are non-EV take place January 2026, said the USTR.

The tariff hikes on about \$18 billion worth of goods were taken after a review of levies imposed under then president Donald Trump, which impacted some \$300 billion in goods from China.

The moves this year impact both products already targeted by earlier Trump tariffs as well as additional ones.

But the Biden administration's moves go beyond tech for green energy, also impacting goods like cranes and medical products.



This photograph shows cars for export waiting to be loaded on the "SAIC Anji Eternity" vessel, at Yantai port, in eastern China's Shandong province.

PHOTO: AFP/FILE