Labour court backlog demands urgent action

Minister says

STAR BUSINESS REPORT

Labour and Employment Minister Ariful Haque Choudhury has stressed the need for an effective roadmap to clear the backlog of cases in labour courts and ensure timely justice for workers.

The backlog poses a major challenge to the justice system and the protection of workers' rights, making its resolution an urgent priority, he said at a stakeholder consultation held with support from the International Labour Organization (ILO) at Pan Pacific Sonargaon hotel in the capital on October 17.

Speaking via video call, the minister called for an increase in the number of labour courts, the filling of vacant posts and the introduction of a fully IT-based e-court system.

He also stressed the need to ensure the regular attendance of employer and worker representatives at court proceedings and make more effective use of alternative dispute resolution.

Labour Secretary Md Abdur Rahman Tarafdar said an effective labour justice system was essential to protect workers' rights and employers' interests and promote cordial industrial relations.

SM Arshadul Alam, additional secretary of the law ministry, and Md Abdur Rahim Khan, additional secretary of the labour ministry, were also present at the meeting.

Participants identified a shortage of judges, procedural delays, the absence of representatives from tripartite benches and the limited use of alternative dispute resolution as key causes of the backlog.

Investors reassess safe havens amid market turmoil

REUTERS, *London*

Demand for safe-haven assets is strong as AI jitters hurt tech stocks, the Iran war continues and keeps energy prices elevated, while worries about high government debt loads persist.

Yet traditional safe havens have not performed as well as expected this year: Gold sold off after the start of the Iran war as investors ditched top-performing assets given losses elsewhere. Government bonds, once considered one of the world's safest assets, are volatile.

Here is a look at how some safe havens currently stack up.

LOVE/HATE RELATIONSHIP WITH THE DOLLAR

Breaking with last year's 'sell US' theme, the dollar has rallied since the Iran war started, up 4 percent since late February. That has reinforced its role as a go-to safe haven at times of global stress. A strong economy, higher rates, and the US's energy-exporter status have helped. But factors that caused traders to question the dollar's long-term safe-haven status, such as a more than $40 trillion debt pile and policy uncertainty, have not dissipated.

The dollar is also vulnerable to tech selling as it has benefited from record capital inflows into US shares on optimism over the AI investment boom.

The dollar could be nearing the back end of a bull market, Societe Generale chief FX strategist Kit Juckes said. "It hasn't got that much further to go," he noted, but said it was hard to justify a sustained bet against the dollar at present because the "big global story is that the dollar is a petrocurrency and we're in the middle of an energy crisis".

EUROPE WOBBLES, BUY SWISSIE

One takeaway from France-driven bond turmoil is that the Swiss franc is a haven of choice when Europe wobbles. It is up over 2 percent so far this month against the euro, poised for its biggest monthly jump since late 2023. "Concerns about France's public finances and election uncertainty in France and Spain have supported the franc," said Georgette Boele, senior FX & oil strategist at ABN Amro. She added that investors were also becoming less keen to use the franc to fund carry trades, preferring not to position against a currency with safe-haven qualities.

Swiss rates at 0 percent make the franc popular in trades where investors borrow in a currency with low rates to invest in higher-yielding assets elsewhere. The AI jitters should also benefit the Swiss franc, analysts said.

GERMAN BONDS A RELATIVE WINNER

Government bonds' reputation as a safe haven has been battered by fiscal concerns. Borrowing costs from the US to Japan recently hit multi-decade highs. The tech-driven stocks selloff has, however, renewed some demand for bonds.

There is another noticeable development. When US and French 10-year bond yields hit 24-year peaks earlier this month, German yields fell as their prices rose. Investors say that is a clear sign that triple-A rated German Bunds stand out as safe havens among major economies.



An employee wraps gold bars for customers at a shop in Chinatown, Bangkok. After hitting record highs at $5,595 per troy ounce in January, gold price fell after the Iran war started as investors tapped the precious metal, given losses elsewhere. PHOTO: AFP/FILE

Bundesbank President Joachim Nagel said Germany would remain the anchor of stability in Europe amid bond turmoil and was "getting fit" after years of stagnation. "Everyone worries about contagion in Europe and whether the Bund just gets dragged along with (French) OATs, (Italian) BTPs, so it's good that the Bund has acted as that European risk-off instrument," said Johnathan Owen, a portfolio manager at TwentyFour Asset Management.

DID YOU FORGET SHORT-DATED BONDS?

Overall, high debt among major economies will continue to hurt long-dated bonds' safe-haven status, investors said. But short-dated government bonds provide some shelter because they are less sensitive to debt worries.

"We really like short-dated bonds," said Rory McPherson, chief market strategist at Wren Sterling. "Because of all the concerns over debts and deficits, we haven't been buying longer-dated bonds."

GOLD KEEPS ITS SPARKLE

Gold, another traditional safe haven, has had a bumpy ride. After hitting record highs at $5,595 per troy ounce in January, it fell after the Iran war started as investors tapped the precious metal, given losses elsewhere. Gold rallied again in August as inflation fears and concern that the Federal Reserve was not doing enough to contain price pressures returned.

It is trading around $4,175. Central bank buying and safe-haven demand support prices above $4,000, analysts say. While high interest rates should limit gold's upside, a tense geopolitical backdrop and US fiscal worries should bolster the safe-haven metal further out.

"In the longer term, gold should again benefit from continued strong central-bank buying and renewed concerns over US debt and its rising interest burden," said Julius Baer analyst Carsten Menke.

Why garment

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She also highlighted the confusion between minimum and living wages. A living wage should cover a decent standard of living through normal working hours, without relying on overtime.

The government must establish a clear framework, manufacturers must implement it, and buyers should help cover the extra costs.

THE PRICE OF HIGHER WAGES

MA Jabbar of DBL Group acknowledged that inflation justified a wage adjustment but questioned how manufacturers could afford another increase amid rising raw-material and energy costs and fierce competition for export orders.

He said manufacturers had raised pricing concerns with international buyers for more than a decade. While demanding stronger labour and sustainability standards, buyers also pressed suppliers to increase productivity, reduce waste and offer discounts. Jabbar questioned why buyers could not pay even five or ten US cents more per garment to help cover rising costs.

Fakir Kamruzzaman Nahid of Fakir Fashion also supported an inflation-based adjustment but questioned the scale of the current demand and continued protests as preparations for another wage board were under way. Citing higher energy and logistics costs and international competition, he said some factories had already closed.

Kamruzzaman also acknowledged the industry's weaknesses, saying Bangladeshi factories lacked bargaining power with major retailers, especially when operating below capacity. Greater investment in design, research, product diversification and marketing could help exporters negotiate better prices, he said.

Kalpona, however, blamed manufacturers for giving international brands too much leverage and failing to build stronger negotiating positions. Fear of losing orders, she argued, could not indefinitely dictate how factories responded to workers' wage demands.

A 2016 International Labour Organization survey found that Bangladeshi suppliers said only 17 percent of their buyers were willing to reflect minimum-wage increases in purchasing prices. Across the countries surveyed, suppliers waited an average of 12 weeks for price adjustments to cover higher wage costs.

A STITCH-BRAC University study found that 67 percent of surveyed garment factories outside export processing zones (EPZ) received no price increase from international brands after the 2023 minimum-wage revision. Even when buyers raised prices, the increases covered only part of the additional production costs.

Separately, the Centre for Policy Dialogue estimated that a seven-cent increase in the price per garment could have accommodated its proposed minimum wage of Tk 17,568 in 2023 without reducing manufacturers' profit margins.

International brands offered a different account. In responses collected by the Business & Human Rights Resource Centre in 2024, nine of the ten responding brands said they had adjusted purchasing prices to account for higher wages. H&M, Inditex, Next and BESTSELLER reported including wage costs in their pricing arrangements. However, the responses did not establish how much of the additional wage expenditure buyers had actually covered.

WAGE DECISIONS AND THEIR IMPLEMENTATION

Following unrest in 2024, workers, manufacturers and the then interim government agreed on 18 demands. In December, the government approved an additional 4 percent increment on top of the regular 5 percent.

However, implementation of the previous minimum-wage revision was inconsistent. A STITCH consortium and BRAC University study, published in April 2025, found that 32 percent of 385 factories surveyed had not fully implemented the revised wages as of September 2024. All non-compliant factories in the sample were outside EPZ.

Separately, a labour ministry report presented in November 2024 said more than 99 percent of BGMEA-member factories had implemented the revised wages. The studies covered different groups of factories and periods, so their findings cannot be directly compared. However, they raise questions about compliance across the wider industry, particularly among factories outside BGMEA membership.

In November 2024, the labour ministry said a committee would assess minimum wages against inflation and recommend by April 2025 whether another review was needed. The outcome remains unclear.

A 2026 amendment to the Labour Act shortened the interval between minimum-wage reviews from five years to three. The government has now sought nominations from employers and workers for a new wage board.

The Minimum Wages Board chairman told The Daily Star that he would facilitate discussions under the prescribed process once the relevant committee was formed.

Kalpona questioned the lack of a clear timetable for relief, while Kamruzzaman said workers should allow negotiations to proceed. Both recognise the need to account for inflation but disagree on manufacturers' ability to pay and how the additional costs should be financed.

Not all garment-sector unrest stems from minimum wages. Unpaid salaries, dismissals and factory closures have separate causes that a revised wage structure alone cannot address.

As another round of wage talks begins, the new board may help resolve the dispute. But two questions remain: will agreed wages reach workers, and can manufacturers afford them without securing better prices from buyers?

BFIU issues

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stakeholders, take steps to implement them and review them periodically based on their risk exposure and operational realities.

The circular also places responsibility on the boards, chief executives and senior management of insurance companies to ensure compliance with the relevant laws, regulations and BFIU instructions.

Each insurer's chief executive must issue an annual commitment to all officers, employees and agents to prevent money laundering and terrorist financing.

Under the guidelines, insurance companies must establish a central compliance unit at their head offices, led by a senior official designated as the chief anti-money laundering compliance officer (CAMLCO). The officer must be no more than two levels below the managing director or chief executive officer.

The unit must formulate institutional strategies and programmes to address money laundering and terrorist financing risks and ensure their implementation.

The circular also requires insurers to appoint an adequate number of officers and employees to the central compliance unit, considering the size of the business, the scope of operations and the number of customers.

The compliance unit must submit an annual report covering the company's measures, implementation progress and recommendations to the managing director or chief executive and, where applicable, the board of directors.

The report must be presented to the board or the highest management committee, along with the chief executive's observations and instructions. A copy must be sent to the BFIU by February each year.

Insurance companies must also issue compliance instructions for their branches, agencies, business units, underwriters, claims settlement agents and commission agents. These instructions must cover customer identification, transaction monitoring, internal controls and other relevant compliance procedures.

The circular further requires insurers to designate branch- or unit-level anti-money laundering compliance officers. Such officers must be senior officials with at least three years of experience. Insurance agents must also have designated anti-money laundering compliance officers.

The BFIU issued the guidelines under the authority granted by the Money Laundering Prevention Act 2012 and the Anti-Terrorism Act 2009.

Insurance providers must collect complete and accurate customer identification data and use modern electronic know your customer (KYC) technology introduced by the BFIU, ensuring zero tolerance for anonymous or pseudonymous policy accounts.

Detailed customer due diligence must be conducted when establishing a relationship, renewing a policy and whenever suspicious transactions arise. For high-risk jurisdictions, politically exposed persons and influential persons, enhanced due diligence procedures are compulsory.

Insurance companies must report cash transactions amounting to Tk 10 lakh or more in a single day, conducted without banking or mobile financial services channels, to the BFIU via a dedicated web portal within the first seven working days of the following month.

Staff members are required to remain vigilant for unusual or complex transactions lacking an economic or apparent lawful purpose and promptly report them through internal channels to the CAMLCO for onward submission to the BFIU.

Insurers must regularly screen policyholders and beneficiaries against lists provided under United Nations Security Council (UNSC) resolutions and lists of entities proscribed by the Government of Bangladesh to prevent the proliferation and financing of terrorism.

All KYC documents, transaction records, audit reports and training logs must be securely preserved for a minimum of five years after a policy is closed or a claim is settled.

Islamic banks'

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Meanwhile, the number of specialised employees in Islamic banking rose 2.47 percent year-on-year to 580 in August 2026 from 566 in July 2025. The figure stood at 578 in July 2026.

In Islamic non-bank financial companies (NBFCs), however, the number of specialised employees remained unchanged at 11 in August 2026 from a year earlier.

The report attributed the increase in specialised Islamic banking personnel to growing awareness of Islamic finance and demand for professionals with certifications such as Certified Shariah Adviser and Auditor (CSAA) and Certified Islamic Professional Accountant (CIPA).

It also stressed the importance of shariah governance, compliance and risk management in developing professional expertise across the industry.

Islamic NBFCs also recorded a decline in employment, with total manpower falling 10.44 percent year-on-year to 326 in August 2026 from 364 a year earlier.

The report linked the decline to cautious operations amid persistent economic challenges, including high inflation, rising funding costs, liquidity pressures and slower expansion of financing activities.

"In addition, the increasing adoption of digital financial services and operational automation may have reduced the need for workforce expansion in the sector," the report said.

The report highlighted the need to raise awareness of Islamic finance, increase demand for qualified professionals with relevant certifications, and strengthen shariah governance, compliance and risk management across Islamic financial institutions to build a more skilled and sustainable workforce.

International air traffic

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"Passenger traffic has grown significantly since the Covid-19 pandemic. More Bangladeshis are working abroad, people's living standards have improved, and air travel is no longer as expensive as it used to be," said Captain Aminul.

CAAB Member (Air Traffic) Air Commodore Md Noor-e-Alam said the increase in international passenger traffic is broadly in line with regional growth.

"It is difficult to pinpoint any specific reason for the sudden increase," he said. "Passenger traffic has been growing across the region, and Bangladesh is witnessing a proportionate rise."

FOREIGN AIRLINES ENJOYING MOST OF THE GROWTH

Captain Aminul said foreign airlines are benefiting significantly from rising international travel demand, partly because Biman and other domestic carriers have limited fleets.

Strong demand for flights to Jeddah and Madinah often leaves some passengers unable to secure direct-flight tickets, prompting them to use alternative connections offered by airlines such as Flynas and Jazeera Airways, he said.

"The demand has grown so much that passengers are looking for alternative connections to reach their destinations," Captain Aminul said.

He added that delays in expanding Biman's fleet could allow foreign airlines to secure a larger share of the market.

"By the time we add more aircraft, it could take another five years. By then, other airlines may have already captured the market," he said.

Industry operators identified Saudi Arabian Airlines and Emirates as two major foreign carriers operating a significant number of flights to and from Bangladesh.

Biman has 19 aircraft, mainly Boeing jets and Dash 8 turboprops, and plans to add 35 more -- 25 from US aircraft manufacturer Boeing and 10 from European manufacturer Airbus. Boeing is scheduled to begin deliveries between 2031 and 2035, while Airbus deliveries are due to start in 2033.

The government has requested earlier deliveries to support Biman, which serves slightly more than 20 percent of the country's air passengers, Reuters reported earlier, quoting Civil Aviation and Tourism Minister M Rashiduzzaman Millat.

ARE THE AIRPORTS ADEQUATE?

Bangladesh has eight airports, three of which -- Dhaka airport, Shah Amanat International Airport in Chattogram and Osmani International Airport in Sylhet -- handle international arrivals and departures.

Dhaka airport handles the bulk of international passenger traffic, but its annual capacity of 80 lakh falls short of the numbers now passing through the airport.

In January-June this year, Dhaka airport handled 92 percent of the 79 lakh international passengers recorded nationwide, according to CAAB.

"We see various kinds of mishandling of passengers because of overload. Complaints of trolley shortages are frequent, while travellers have to wait to get their luggage," he said. "We cannot give travellers a good experience until we improve overall facilities and services."

Dhaka airport also has only one runway, adding to concerns about the capacity of the country's main international gateway.

An airline official said countries worldwide planned airport infrastructure with the next 50 years in mind.

"We did not adequately prepare for this growth. As a result, a large number of passengers are now being accommodated within a limited space, making the problem more visible," he said.

CAAB Member Air Commodore Noor-e-Alam said the third terminal at Dhaka airport has been designed to accommodate more than 1.20 crore passengers, with capacity potentially increasing to 2.4 crore.

"We have made our preparations keeping this growth in mind," he said, adding that passenger numbers are already putting pressure on the existing terminal and causing overcrowding.

Last month, Civil Aviation and Tourism Minister Rashiduzzaman Millat said the third terminal was expected to partially open on December 16 this year, with around 20 flights initially operating from the facility.

The government built the terminal at a cost of Tk 21,300 crore, mostly financed by loans from the Japan International Cooperation Agency (JICA).

A soft inauguration of the terminal was conducted in early October 2023, nearly four years after construction began. Full operations were originally scheduled for 2024.

Clothing brands

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Sarees and salwar-kameez sets are among the biggest draws, traders said.

Fashion brands, apparel retailers and consumer electronics chains typically introduce new collections and offer discounts and other promotions during festive seasons, including Durga Puja.

Beyond fashion, the sweets business also typically benefits from festive demand during Durga Puja, but Mahbubur Rahman Bokul, head of Bangladesh operations at Ontario-based Premium Sweets, said sweet sales were lower than during last year's Puja. Restaurant footfall, however, remained strong.

He said consumer confidence needed to improve for sales to recover, adding that people needed to feel more secure and optimistic about their circumstances.