In conversation with,

Ms. Vidiya Amrit Khan

Vice President, BGMEA
Deputy Managing Director, Desh Group of Companies

Interview by
Advocate Afrin Jahan Khan

Ms. Vidiya Amrit Khan, Barrister at law is the Deputy Managing Director of **Desh Group of Companies**, one of Bangladesh's pioneering business conglomerates. After a brief career as a Barrister practicing before the hon'ble High Court of Bangladesh, she joined the family enterprise founded by her father, the late Noorul Quader, whose establishment of Desh Garments in 1977 laid the foundation for Bangladesh's Ready-Made Garment (RMG) industry and export-oriented industrialization.

A respected business leader, Ms. Khan currently serves as Vice President of the **Bangladesh Garment Manufacturers and Exporters Association (BGMEA)**, having previously been elected twice to its Board of Directors. She has also completed two terms as a Director of the Bangladesh Employers' Federation (BEF), serves on the Executive Committee of the Switzerland-Bangladesh Chamber of Commerce & Industry, and has served as an Advisor to the Bangladesh Alliance for Worker Safety. She is a member of the Honourable Society of Gray's Inn, UK and a recipient of the Duke of Edinburgh's Gold Award.

1. How do you assess the recent amendment of the Bangladesh Labour Act, 2006 for the benefit of the workforce and the country at large?

The recent amendments to the Bangladesh Labour Act represents a positive step towards strengthening worker's rights and aligning Bangladesh's labour framework with international standards and expectations. The changes demonstrate the country's commitment to promoting decent work, improving industrial relations, and sustaining responsible business practices.

From the manufacturer's perspective, a stable and harmonious industrial environment is essential for ensuring productivity and maintaining Bangladesh's competitiveness in the global market. Enhanced provisions relating to freedom of association, dispute resolution, and worker's welfare contribute to fostering trust between employers and employees and reinforce the confidence of international buyers and stakeholders.

At the same time, successful implementation of these reforms should carefully consider the prevailing economic realities of the RMG sector, which is currently experiencing significant challenges arising from rising operational costs, energy shortages, wage increases, inflationary pressures, and persistent price competition from global brands. Therefore, labour reforms should strike a balance between improving workers' welfare and preserving the sustainability and competitiveness of the industry, which employs millions of workers and contributes significantly to the national economy.

2. What are the areas in the BLA that you consider need to be further improvised or create significant burden, particularly to the RMG sector?

While appreciating the overall intent of the Labour Act, certain provisions may benefit from further refinement to ensure smooth implementation and avoid unintended burdens on enterprises.

- Greater clarity and streamlined procedures regarding trade union formation and industrial dispute resolution are needed to promote constructive social dialogue and prevent unnecessary disruptions.
- Some compliance requirements, reporting obligations, and procedural formalities may create administrative burdens, especially for small and medium-sized enterprises. Digitalization and simplification would improve efficiency and compliance.
- There is a need for greater flexibility in working arrangements, overtime management, and employment practices to address seasonal fluctuations and urgent export requirements.
- Additional guidance on implementation, transitional arrangements, and harmonization with other laws and regulations would facilitate better compliance and reduce uncertainty.
- Any future amendments should be accompanied by impact assessments and consultations with industry stakeholders to ensure that the cumulative cost implications do not undermine Bangladesh's competitiveness in the international apparel market.

3. What are the major 3 challenges in terms of implementation of the labour laws in Bangladesh and how the same may be overcome?

- **Limited awareness and capacity at enterprise level**

Many factories, particularly SMEs, face challenges in understanding and implementing evolving legal requirements. For example, RSC and BNBC Guideline.

Way forward: Strengthen capacity-building programs, develop practical implementation guidelines, and encourage public-private collaboration.

- **Economic and operational pressures**

The industry is currently facing increasing production costs, utility shortages, inflation, and persistent price pressure from buyers, which limits the capacity of manufacturers to absorb additional compliance costs.

Way forward: Promote responsible purchasing practices among international brands, incentivize compliant factories, and adopt phased implementation mechanisms.

LABOUR REFORMS SHOULD BE PURSUED THROUGH TRIPARTITE DIALOGUE AMONG THE GOVERNMENT, EMPLOYERS, AND WORKERS, ENSURING THAT SOCIAL PROGRESS AND ECONOMIC COMPETITIVENESS ADVANCE TOGETHER

- **Weak institutional coordination and enforcement consistency**

Variations in the interpretation and implementation of labour laws and compliance requirements among different authorities and stakeholders often create uncertainty, increase administrative complexity, and result in duplication of efforts. In addition, the proliferation of diverse buyer-specific codes of conduct and audit requirements places a significant burden on manufacturers, who need to comply with multiple standards despite having similar objectives.

Way forward: Strengthen coordination among relevant government agencies and promote a more transparent, predictable, and harmonized enforcement mechanism supported by clear implementation guidelines. Considering that Europe remains Bangladesh's largest export destination and that several upcoming EU regulatory frameworks—including the Corporate Sustainability Due Diligence Directive (CSDDD), Ecodesign for Sustainable Products Regulation (ESPR), and other sustainability-related requirements—are moving towards greater due diligence and value chain transparency, there is a pressing need to work towards a unified and mutually recognized code of conduct. Such an approach would facilitate alignment with emerging EU requirements, reduce audit fatigue and compliance duplication, lower costs for manufacturers, and enable more effective and consistent implementation of labour and sustainability standards across the sector, thereby strengthening Bangladesh's long-term competitiveness in the global market.

4. Any other comment that you consider relevant.

Bangladesh's RMG industry has made remarkable progress over the past decade in improving workplace safety, social compliance, environmental sustainability, and workers' welfare. Manufacturers remain committed to continuous improvement and responsible business practices.

However, sustainable compliance requires shared responsibility among all stakeholders. While manufacturers continue to invest heavily in workers and workplace improvements, international brands and buyers should also support fair pricing and responsible purchasing practices.

Going forward, labour reforms should be pursued through tripartite dialogue among the government, employers, and workers, ensuring that social progress and economic competitiveness advance together. A balanced and pragmatic approach will help preserve Bangladesh's position as a leading sourcing destination while promoting decent work and inclusive economic growth.