



CMS POLICY BRIEF 11

Future of Bangladesh–Malaysia Labour Migration: Policy Priorities and Strategic Opportunities

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Background

Bangladesh and Malaysia have maintained a long-standing diplomatic relationship since the independence of Bangladesh in 1971. On 31 January 1972, Malaysia was the second Southeast Asian country and the first Muslim-majority state in Asia to recognise Bangladesh as an independent nation. Since then, relations between the two countries have evolved to encompass diplomacy, trade, labour migration, agriculture, energy, tourism, and other sectors (High Commission for the People's Republic of Bangladesh, Kuala Lumpur, 2025).

Bangladeshi Prime Minister Tarique Rahman's official visit to Malaysia on 21–22 June 2026 held diplomatic significance as it was his first official overseas visit since assuming office in February, 2026. The visit covered multiple agenda items, including labour migration, trade, education, agriculture, the halal industry, ICT, ports, logistics, the Rohingya crisis, regional cooperation, and Bangladesh's goal of joining the Association of Southeast Asian Nations (ASEAN) as a Sectoral Dialogue Partner and RCEP, the world's largest free trade bloc (The Business Standard, 2026). Therefore, the purpose of this visit was not solely focused on labour migration, but rather an attempt to strengthen Bangladesh-Malaysia relations. However, for labour migration, experts suggested that the main concern should focus on not just reopening the labour migration, rather opening a strict, affordable framework for recruiting Bangladeshi migrant workers in Malaysia (Reza, 2026).

During the visit, a cultural Memorandum of Understanding (MoU) was signed, and two bilateral instruments on research and capacity building to counter-terrorism and investments were exchanged (Prothom Alo, 2026). Moreover, both Prime Ministers welcomed the initiative to establish the Malaysia–Bangladesh Joint Business Council to promote private-sector dialogue and new business opportunities. During the visit, Bangladesh also invited Malaysian energy, infrastructure, agro-processing, cybersecurity and other digitalized companies to invest in Bangladesh (TBS Report, 2026). Focus was also on creating opportunities for collaboration in education and skills development, with Malaysia being one of the most sought-after destinations for Bangladeshi students seeking higher education (Tarek, 2026).

As Malaysia is another prominent destination for Bangladeshi migrant workers after the Middle East, there was an expectation of a new dimension in Bangladesh-Malaysia labour migration. As of June 2025, around 803,332 Bangladeshi workers are employed in Malaysia (Prothom Alo, 2025). Since June 01, 2024, Malaysia has restricted hiring from Bangladesh due to debt bondage, higher recruitment cost, forced labour and other significant issues that put Bangladeshi migrant workers constantly at the risk of irregular status, detention and deportation. During the visit, Bangladesh's Prime Minister, Tarique Rahman, requested Malaysia to reopen its labour market soon and address concerns about undocumented workers. He further requested regularisation and prospective repatriation of these undocumented or detained Bangladeshi workers in Malaysia (Reuters, 2026).

In this context, the Center for Migration Studies (CMS) of the South Asian Institute of Policy and Governance (SIPG), North South University, organised a live webinar titled “প্রধানমন্ত্রীর মালয়েশিয়া সফর: বন্ধ শ্রমবাজার খুলবে কি? (The Prime Minister’s Malaysia Visit: Will the Closed Labour Market Reopen?)” on 22 June 2026. The discussion brought together academics, migration experts, journalists, civil society voices, and a Bangladeshi migrant worker based in Malaysia to examine the significance of this visit, the prospects of reopening the Malaysian labour market, the challenges faced by existing Bangladeshi workers, recruitment syndicates, and the need for effective and evidence-based migration governance.

Key Challenges Faced by Bangladeshi Migrant Workers in Malaysia

Uncertainty in Reopening the Labour Market

Although Malaysia has been one of the top destinations for Bangladeshi migrant workers, this labour market for Bangladeshi workers has remained sensitive in recent years. In 2024, the recruitment of Bangladeshi workers in Malaysia was restricted over mass reports of debt bondage, labour exploitation and forced labour, high recruitment cost and syndicates. Bangladeshi PM Tarique Rahman’s visit to Malaysia brought a ray of hope to workers and other stakeholders. Although it was widely anticipated that this visit would reopen the Malaysian labour market to Bangladeshi workers, other issues were also raised. In the end, Prime Minister Tarique Rahman urged the Malaysian Prime Minister Anwar Ibrahim to reopen the market by recruiting more Bangladeshi workers. In this regard, during the visit, it was also mentioned that, if reopened, a proper and complete framework, bilateral and other formal agreements, and evaluation by the Malaysian government should be prioritised rather than an automated response to the visit.

Irregular Status of Bangladeshi Migrant Workers in Malaysia

Many Bangladeshi workers who currently reside in Malaysia are living with an irregular status as they encounter several document-related challenges, along with uncertain legal status, complications regarding visa calls, delays in payment, delays in securing work permit, and limited access to legal and consular support. This situation puts the Bangladeshi workers in extremely vulnerable situations. Back in 2023, many workers in Malaysia found themselves in an irregular status after losing their jobs or having their contracts renewed despite holding the necessary documents. In several cases, Bangladeshi workers were reported to have arrived in Malaysia with promises of secure jobs. However, upon arrival, they found themselves stranded without a job or, in most cases, without legal status (Reuters, 2026).

The Prime Minister's visit to Malaysia has addressed the struggles of undocumented Bangladeshi migrant workers, as during the bilateral discussion, possible repatriation of detained Bangladeshi workers was also discussed. However, alongside diplomatic intervention, the situation requires a well-designed structural framework to identify undocumented workers, investigate their circumstances, and provide legal and other support.

Existing Syndicates and High Migration Costs

The migration cost for Bangladeshi workers in Malaysia is significantly affected by persistent syndicates in the recruitment system, resulting in limited transparency and accountability within agencies. It was reported that, between 2022 and 2024, around 450,000 to 476,672 Bangladeshi workers entered Malaysia through 101 recruiting agencies. However, this journey resulted in high migration costs, irregularities, and exploitation of migrant workers. Hence, without solving these issues, the reopening of the Malaysian labour market could further exacerbate the entire situation. (The Daily Star, 2026)

Earlier, the Bangladeshi government fixed recruitment costs for prospective migrant workers willing to work in Malaysia. Although the official costs were relatively low, set by BMET and both the governments of Bangladesh and Malaysia, many workers were reportedly forced to pay higher amounts, around Tk. 300,000 to Tk. 400,000, to secure employment. Usually, these migrants pay this huge amount through loans, escalating debt dependency and put the workers in vulnerable positions to forced labour, wage theft, employer abuse, and acceptance of exploitative working conditions (Khan & Hasan, 2026). Therefore, without prioritising workers' benefits through strict monitoring of employers and agencies, reopening the Malaysian labour market to Bangladesh would benefit recruitment agencies more than migrant workers.

Weak Institutional and Consular Support

One of the main issues Bangladeshi workers working in Malaysia face is the sudden change of their legal status. While working, workers often face sudden job loss, job switching, termination, and manipulation of work, contracts, etc. Hence, it can be said that workers' legal status is often dependent on employers, leaving them at risk of exploitation. Unfortunately, there are no designated and dedicated helplines for the struggling migrant workers in Malaysia. At the same time, some tend to avoid legal channels to avoid detention, deportation and other kinds of harassment.

The Bangladesh High Commission in Malaysia aims to assist Bangladeshi migrants in Malaysia for passport renewal, legal and documentation support, emergency and employer-related services. However, these essential services are reported to be inaccessible and slow. Without improving the already existing institutional support, Bangladeshi workers will continue to be exposed to vulnerability and exploitation. Moreover, priorities should be given to existing workers rather than prospective workers. Otherwise, reopening the labour market will only increase the number of migrant workers without improving migrant welfare.

Changing Demand in the Malaysian Labour Market

Bangladesh needs to adjust its migration policies and priorities in Malaysia in line with Malaysia's evolving economic structure, moving beyond the traditional recruitment of low-skilled labour. Malaysia's demand for labour is slowly transitioning into high productivity, technology, manufacturing, services, digital transformation, and other sector-specific technical skills. Hence, Bangladesh must prepare its workers to meet the requirements of a diversified and skills-based Malaysian labour market.

During the Prime Minister's visit to Malaysia, there were discussions of possible collaborations in telecommunications, energy, infrastructure, ports and logistics, tourism, the halal industry, Islamic finance, agro-processing, education, skills development, the digital economy, semiconductors, and smart manufacturing, along with emerging technologies, including artificial intelligence, fintech, cybersecurity, and digital governance. Malaysia's expertise in the halal food industry can also help Bangladesh develop its own halal-focused sector. During the visit, the importance of regional connectivity and trade relations through ASEAN and RCEP was also addressed (Dhaka Tribune, 2026). Therefore, it is high time that Bangladesh diversified its prospective export and manufacturing sectors rather than focusing solely on exporting low-skilled manpower.

Skill Mismatch amid Changing Demand in the Malaysian Labour Market

At present, one of the major challenges that Bangladeshi migrants face in Malaysia is the gap between the existing skills of the Bangladeshi workers and Malaysia's changing labour demand. The majority of Bangladeshi workers in Malaysia are employed in low-skilled or semi-skilled jobs with lower salaries, and in sectors with limited bargaining power. Meanwhile, the Malaysian economy is experiencing rapid change as it is focusing on technology-driven construction, manufacturing, services, and advanced specialized sectors.

Hence, to keep pace, Bangladesh must rethink its migration strategy by investing on sending better-trained and more competitive workers through vocational training, language skills, digital competencies, and internationally recognized certification. Bangladesh and Malaysia should work together for joint venture-based skill training. Such arrangements may help in producing skilled workers in line with the demands of the job market in Malaysia.

Lack of Data and Weak Migration Governance

Although Bangladesh has been sending migrant workers abroad and relies on remittances for robust economic growth, there is no systematic, integrated, worker-focused database to track them abroad. Hence, it is often inconvenient to track exactly how many people are living with an irregular status for document-related issues and how many serving in prison. Since these workers are not recorded, there are no records of their employers, job details, working environment, wages, etc. Hence, these workers are deprived of the government and consular supports they need abroad. This allows recruitment agencies to exploit workers, as it becomes difficult to hold them accountable for their actions. In this context, the governments of both countries should collaborate in establishing governance frameworks and solid databases.

Key Quotes from the Webinar

Dr. Selim Reza

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The Prime Minister's visit to Malaysia has brought Bangladesh's labour migration governance back into sharp policy focus. The real question is not only whether the Malaysian labour market will reopen, but also whether it will reopen through a fair, transparent, affordable, and worker-centred system.

Ashraful Alam Bangladeshi Migrant Worker, Malaysia	<i>Many Bangladeshi workers in Malaysia continue to struggle with documentation, work permit renewal, employment, and other issues. Bangladeshi migrants living with an irregular status or detained in prison need immediate attention from both governments. In addition, the services of the Bangladesh High Commission in Kuala Lumpur also need to be more accessible, responsive, and worker-friendly by providing legal support, documentation assistance, and clear information during a crisis.</i>
Dr. Md. Mahbubul Haque Senior Lecturer Universiti Sultan Zainal Abidin, Malaysia	<i>So far, there is no official confirmation of a specific MoU on reopening the Malaysian labour market for Bangladesh. Although the visit has created expectations, there must be a practical and clearly defined policy framework to address the situation of undocumented and detained Bangladeshi migrant workers, and Rohingyas living in Malaysia.</i>
Dr. Mohammad Jalal Uddin Sikder Associate Professor and Member Center for Migration Studies (CMS) North South University	<i>Bangladesh and Malaysia already have several MoUs and cooperation frameworks. Hence, the discussion should focus not only on labour migration but also on exploring new areas of economic cooperation. The halal industry should be explored through investment, certification, food processing, trade, and service-sector development.</i>

Emrul Kayes Special Correspondent BanglaVision TV	<i>The focus of the Bangladeshi government should not be limited only to sending new workers to Malaysia. It prioritises the rights, safety, documentation, welfare, and everyday struggles of Bangladeshi workers already living and working there. Recruitment of new workers also needs to be transparent, accountable, and cost-effective so that syndicates cannot dominate the process.</i>
S N Azad Senior Lecturer and Member Center for Migration Studies (CMS) North South University	<i>The Bangladeshi Prime Minister's meeting with workers has created hope among Bangladeshi migrants in Malaysia. However, the visit itself cannot resolve the existing labour market crisis without strong and effective policy action. Weak preparation, excessive discretionary control, inadequate data, and lack of institutional transparency remain major governance challenges; hence, civil society organisations in both Bangladesh and Malaysia should work hand in hand to protect the rights of migrant workers.</i>
Ambassador Sufiur Rahman Senior Research Fellow South Asian Institute of Policy and Governance (SIPG) North South University	<i>The Prime Minister's visit to Malaysia should not be viewed only through the lens of labour migration. This visit also carries broader significance for trade, investment, regional cooperation, the proposed free trade agreement, and overall bilateral engagement. On the other hand, as Malaysia's economy continues to evolve, Bangladesh needs to prepare its prospective migrant workers with higher-end skills to match Malaysia's changing demand.</i>

Policy Recommendations

- Reopen the Malaysian labour market for Bangladeshi migrant workers after developing a structural framework to ensure transparent and ethical recruitment, accountability of employers, and protection of workers' rights.
- Develop a low-cost recruitment system to ensure migrant workers are not burdened by unethical and excessive migration costs.
- Streamline the recruiting agencies by keeping records of their performance to uproot the syndicate in the recruitment process. Employ strict punishments and penalties for malpractice by recruiting agencies.
- Prioritise the already existing Bangladeshi workers in Malaysia, dealing with detention, physical, mental and financial exploitation along with documentation-related issues.
- Prioritise strengthening consular services at the Bangladeshi High Commission in Kuala Lumpur. Develop emergency services and provide legal, social, and other support for Bangladeshi migrant workers, if needed.
- Keep a record of existing and new Bangladeshi migrant workers in Malaysia on a digital database, including their name, address, visa status, recruiting agency, employer name, emergency contacts, and other relevant details.
- Develop a system to verify jobs before working for Malaysian employers by tracking employers' details, workplace addresses, medical insurance, accommodation, and other relevant information.
- Prioritise skill-based training for prospective migrant workers in Malaysia by developing customised training in technical skills, ICT, language, caregiving, halal, and manufacturing.
- Bangladesh and Malaysia should develop a joint skills development programme to provide demand-driven technical, linguistic, digital, safety, and workers' rights training. Along with the training, they should also provide certificates recognised by Malaysian employers. This would further reduce skill mismatch while improving employability, wages, and worker protection.

- Align the prospective labour market with the changing demands of the Malaysian economy, which prioritises the halal economy, education, ICT, agriculture, tourism, and other service sectors.
- Create job portals or dedicated websites for prospective migrant workers to access verified jobs in Malaysia, recruiting agencies, and hotlines governed by the Bangladeshi and Malaysian governments.
- Encourage the civil society of Bangladesh and Malaysia to acknowledge the struggle of Bangladeshi workers and come forward to build a support system.
- Implement a strict monitoring and evaluation mechanism for recruiting agencies and create a transparent, well-designed ranking system based on their performance. These evaluations should be accessible and open for all to ensure fair treatment for prospective workers, recruiting agencies, research organisations, NGOs, INGOs and other relevant stakeholders.
- Develop a dedicated team to review the loopholes and causes of past failures to ensure better mechanisms in the future.

Conclusion

The Bangladeshi Prime Minister, Tarique Rahman's visit to Malaysia has generated hope among Bangladeshis at home and abroad about the possible reopening of the Malaysian labour market. However, a foreign visit alone cannot resolve prolonged complications in Bangladesh–Malaysia labour migration. Despite the commitments, the actual implications of policies to improve the lives of Bangladeshi workers and dismantle the existing syndicate of labour migration in Malaysia can pave the way for reopening the labour market. Moreover, this visit has highlighted the need to prioritise broader cooperation with Malaysia beyond labour migration. As Malaysia's economy continues to diversify its policies to support other sectors, such as trade, the halal industry, education, tourism, ICT, and services, Bangladesh should strategically maintain a close relationship to align with Malaysia's evolving priorities. Hence, in addition to improving the conditions of existing workers in Malaysia, Bangladesh should focus on developing a well-structured, transparent, and skills-based migration system for the future. This approach will safeguard remittance inflow, protect workers' rights, and strengthen Bangladesh-Malaysia relations in the long run.

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