

Quarterly Report on Remittance Inflows: July-September 2018 ¹



Bangladesh Bank

**Research Department
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Quarterly Report on Remittance Inflows

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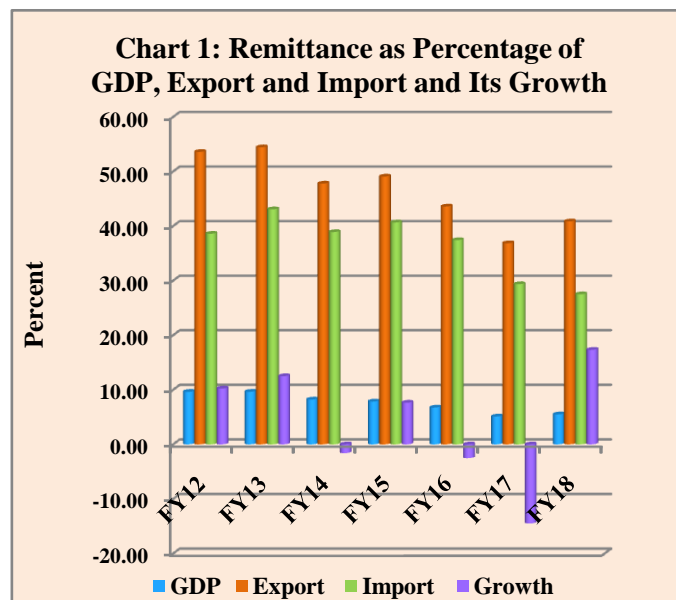
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Introduction

Remittances are the second highest source of foreign currency earnings in Bangladesh after exports of readymade garments (RMG). However, remittances can be considered as the highest one in terms of net earnings since in case of exporting RMG a significant portion of earnings is foregone for importing its raw materials. Remittances play an important role on the overall economy of Bangladesh. World Bank ranked Bangladesh as ninth in the world and third



in the South Asia Region for inflow of remittances based on the data of 2017. Bangladesh joined the 10 billion USD club of remittance inflows in FY10.

Foreign employment and remittances sent by the Bangladeshi expatriates make immense contribution to the economic development of Bangladesh in many ways such as lowering unemployment, alleviating poverty and boosting foreign exchange reserves. The patterns and uses of remittances is one of important factor for economic development. If expatriates' earnings are invested in productive uses, it can contribute to output growth, employment, etc. In FY18, remittance was 5.50 percent of country's GDP and 40.86 percent of total export earnings and 27.51 percent of import payments (f.o.b) (Chart-1 and Table-1). In addition, remittances play a supportive role in strengthening the current account balance.

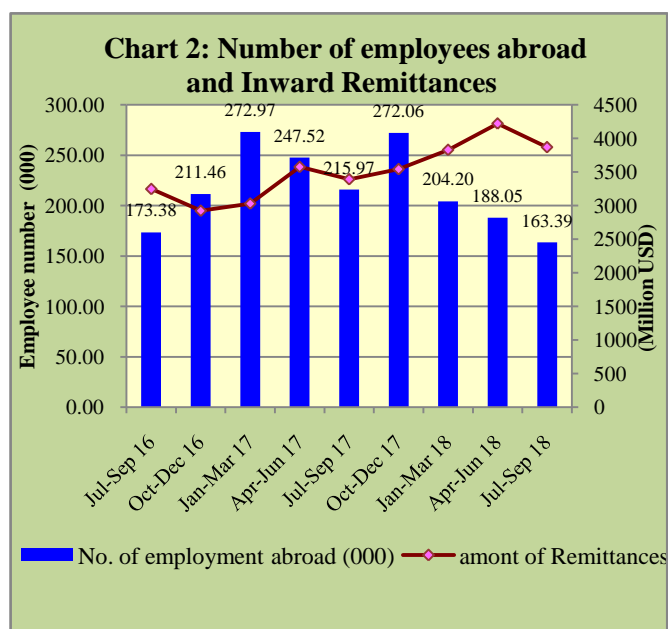
In FY18, remittances increased by 17.3 percent to USD 14981.69 million as compared to USD 12769.45 million in FY17. One of the contributing factors behind this growth was strong supervision of Bangladesh Bank. Government has taken legal actions against some source countries for using informal channel for sending remittance which might increase the flow of remittance in formal channels. Moreover, Bangladesh Bank had simplified the approval policy of drawing arrangements between foreign exchange houses and domestic banks.

Table 1: Remittance as Percentage of GDP, Export and Import and its Growth

FY	Remittance as % of GDP	Remittance as % of Export Earnings (f.o.b)	Remittance as % of Import Payments (f.o.b)	Growth (%) of Remittance
FY07	7.51	49.60	38.54	24.50
FY08	8.64	55.93	40.62	32.39
FY09	9.44	62.11	47.70	22.28
FY10	9.52	67.80	46.29	13.40
FY11	9.05	50.64	34.61	6.03
FY12	9.63	53.58	38.59	10.24
FY13	9.64	54.43	43.07	12.51
FY14	8.21	47.78	38.91	-1.61
FY15	7.85	49.08	40.67	7.64
FY16	6.74	43.59	37.42	-2.51
FY17	5.11	36.85	29.36	-14.48
FY18 ^P	5.50	40.86	27.51	17.32

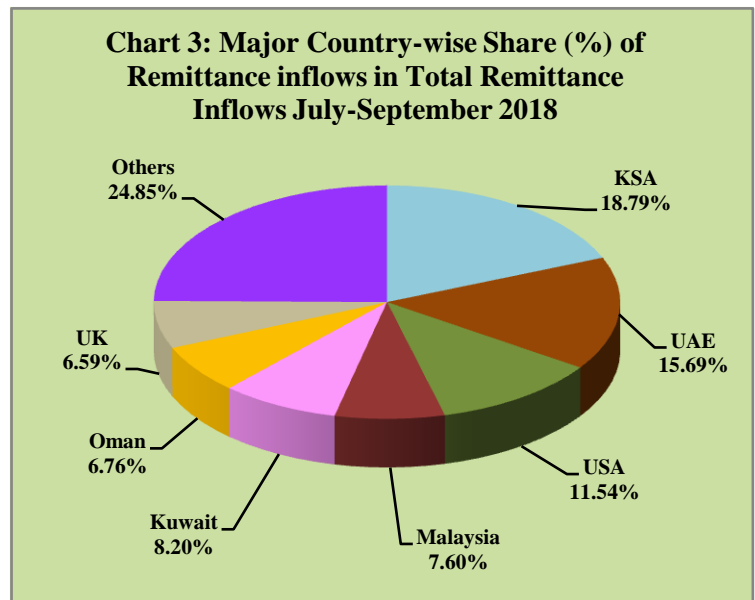
Migration and Inflow of Remittances: July-September 2018

Remittances sent by the Bangladeshi expatriates stood at USD 3868.89 million during the 1st quarter of FY19 (July-September 2018), which is 8.34 percent lower than the previous quarter but 14.09 percent higher than the same quarter of the preceding year respectively. About 1.63 lakh Bangladeshi employees went abroad in quest of jobs during the 1st quarter of FY19 (July-September 2018), which was 13.1 percent lower than the previous quarter (Chart 2).



Country wise Remittance Inflows

Country-wise inflow of remittances during July-September 2018 shows that the largest amount of remittances was received from KSA (USD 726.82 million), which is 18.79 percent of total remittances (**Chart-3**), followed by UAE (15.69 percent), USA (11.54 percent), Kuwait (8.20 percent), Malaysia (7.60 percent), Oman (6.76 percent), United Kingdom (6.59 percent) and other countries (24.85 percent). Region-wise inflow of remittances shows that 59.23 percent of total remittances was received from the Gulf¹ countries during July-September quarter of FY18, followed by EU² countries (11.76 percent), Asia-Pacific³ countries (10.45 percent) and other countries (7.15 percent). The amount of remittances received from Gulf countries stood at USD 2286.69 million during the 1st quarter of FY19 which is 8.24 percent lower than the previous quarter and 21.96 percent higher than corresponding quarter of the previous year respectively (**Table-2**). The amount of inflow of remittances from both EU countries and Asia-Pacific decreased compared to the previous quarter and increased compared to the corresponding quarter of the previous year.



1 Gulf Countries are KSA, UAE, Qatar, Oman, Bahrain and Kuwait.

2 Asia-Pacific countries are Australia, Japan, Malaysia and Singapore.

3 EU countries are United Kingdom, Germany and Italy.

Table 2: Group Country-wise Remittance Inflows

(Million USD)

	July-Sep'17	Oct-Dec' 17	Jan-Mar' 18	April-June'18	July-Sep'18
Gulf Countries	1874.94	2032.15	2166.12	2491.90	2286.69
	<i>55.29</i>	<i>57.38</i>	<i>56.58</i>	<i>59.04</i>	<i>59.10</i>
KSA	591.99	609.42	653.37	736.80	726.82
UAE	514.70	623.48	570.87	720.91	606.92
Qatar	164.08	174.70	234.69	270.59	251.39
Oman	229.78	221.18	237.83	269.40	261.48
Bahrain	123.71	127.12	146.45	144.34	122.95
Kuwait	250.68	276.25	322.91	349.86	317.13
EU Countries	448.26	410.21	492.93	457.03	454.79
	<i>13.22</i>	<i>11.58</i>	<i>12.87</i>	<i>10.83</i>	<i>11.76</i>
United Kingdom	257.98	240.7	316.2	291.13	254.92
Germany	8.05	10.23	10.19	11.73	11.06
Italy	182.23	159.28	166.54	154.17	188.81
Asia-Pacific Countries	333.26	357.8	418.44	415.87	404.48
	<i>9.83</i>	<i>10.10</i>	<i>10.93</i>	<i>9.85</i>	<i>10.45</i>
Australia	14.5	12.69	14.41	14.96	12.81
Japan	6.35	7.26	9.21	8.62	8.52
Malaysia	239.17	265.22	304.87	297.95	293.96
Singapore	73.24	72.63	89.95	94.34	89.19
USA	481.14	481.04	463.25	572.06	446.32
	<i>14.19</i>	<i>13.58</i>	<i>12.10</i>	<i>13.55</i>	<i>11.54</i>
Other Countries	253.42	260.14	287.9	283.83	276.61
	<i>7.47</i>	<i>7.35</i>	<i>7.52</i>	<i>6.72</i>	<i>7.15</i>
Total	3391.02	3541.34	3828.64	4220.69	3868.89

Source: Statistics Department, Bangladesh Bank (from July, 2016) & Foreign Exchange Policy Department, Bangladesh Bank (up to June, 2016).

Note: Numbers in Italic indicate percentage share in total remittance.

Country-wise Migration

About one lakh and sixty three thousand Bangladeshi have migrated abroad during July-September 2018 (Table 3 and Chart 4) for employment. During this quarter, most (31.0 percent) of them have migrated to Malaysia, followed by KSA (26.1 percent), Qatar (10.1 percent), Oman (9.7 percent), Singapore (7.2 percent), Kuwait (3.8 percent), Jordan (1.1 percent), Lebanon (0.7 percent), UAE (0.5 percent), Bahrain (0.1 percent) and other countries (9.8 percent).

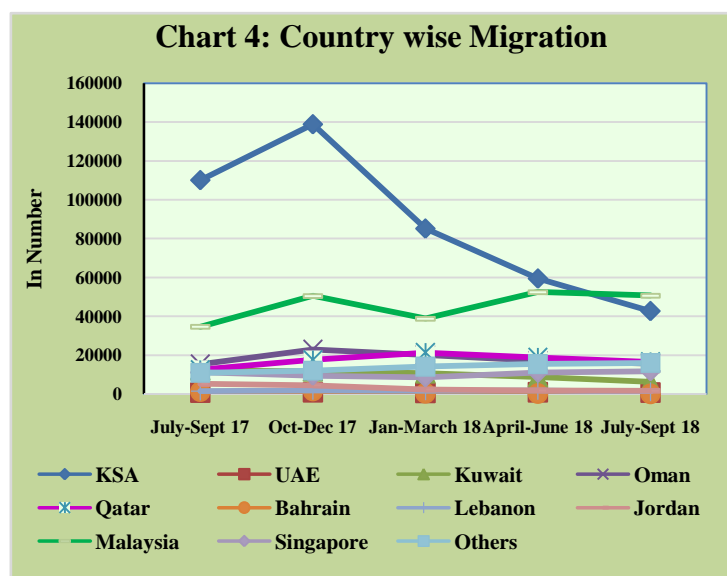


Table-3 shows the yearly data on country-wise migration from 2004 to 2017 and quarterly data from July-September 2017 to July-September 2018.

Table 3: Trend of Country wise Migration

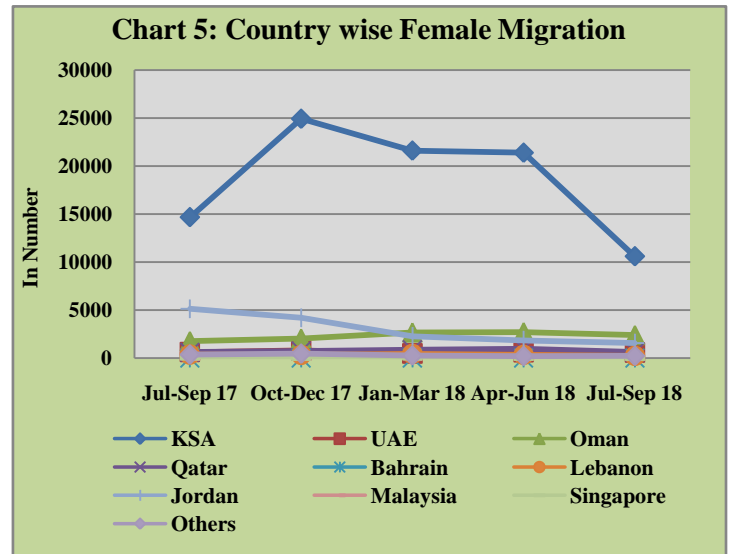
(In Number)

Year	KSA	UAE	Kuwait	Oman	Qatar	Bahrain	Lebanon	Jordan	Malaysia	Singapore	Others	Total
2004	139031	47012	41108	4435	1268	9194			224	6948	23738	272958
2005	80425	61978	47029	4827	2114	10716			2911	9651	33051	252702
2006	109513	130204	35775	8082	7691	16355	0	2822	20469	20139	30466	381516
2007	204112	226392	4212	17478	15130	16433	3541	494	273201	38324	33292	832609
2008	132124	419355	319	52896	25548	13182	8444	682	131762	56581	34162	875055
2009	14666	258348	10	41704	11672	28426	13941	1691	12402	39581	52837	475278
2010	7069	203308	48	42641	12085	21824	17208	2235	919	39053	44312	390702
2011	15030	282734	29	135260	13168	13928	19166	4387	742	48666	34952	568062
2012	21232	215452	2	170326	28801	21777	14864	11726	804	58657	61836	605477
2013	12654	14241	6	134028	57584	25155	15098	21383	3853	60057	65194	409253
2014	10657	24232	3094	105748	87575	23378	16640	20338	5134	54750	74001	425547
2015	58270	25271	17472	129859	123965	20720	19113	22093	30483	55523	53132	555901
2016	143913	8131	39188	188247	120382	72167	15095	23017	40126	54730	52735	757731
Jul.-Sep. '17	110124	774	12224	15436	12547	1277	1608	5262	34683	11152	10884	215971
Oct.-Dec. '17	138911	967	11743	23001	17616	1571	1858	4485	50480	9465	11967	272064
2017	551308	4135	49604	89074	82012	19318	8327	20449	99787	40401	44110	1008525
Jan.-Mar. '18	85158	605	10725	20274	21349	391	1774	2413	38865	8553	14094	204201
Apr.-Jun. '18	59410	917	8691	17291	18833	288	1837	1924	52513	10964	15381	188049
Jul.-Sept 18	42655	763	6236	15807	16526	127	1202	1723	50702	11708	15942	163391
% Growth (.Jul.-Sep'18 over Apr.-Jun. '18)	-28.2	-16.8	-28.2	-8.6	-12.2	-55.9	-34.6	-10.4	-3.4	6.8	3.6	-13.1
% Growth (Jul.-Sep '18 over Jul.-Sep. '17)	-61.3	-1.4	-49.0	2.4	31.7	-90.1	-25.2	-67.3	46.2	5.0	46.5	-24.3

Source: Bureau of Manpower, Employment and Training, Bangladesh

Country-wise Female Migration

Considering the gender wise migration of expatriates, during July-September 2018 quarter a good number of Bangladeshi women migrated abroad. During this period, about 16.3 thousand Bangladeshi female workers migrated abroad for employment (Table 4). Among the total female migrants, 65.1 percent migrated to KSA, followed by Oman (14.7 percent), Jordan (9.6 percent), Qatar (3.9 percent), UAE (3.5 percent), Lebanon (1.5 percent)



and other countries (1.4 percent). It was found that during 1991 to 2017, 106.37 lakh Bangladeshi workers migrated abroad; of which 6.96 lakh was female workers. Moreover, the share of female workers in total overseas workers is very insignificant (6.54 percent) due to various social and cultural barriers. However, the global demand for some occupations belonged to women (nurse, maid servant, etc.) is increasing in recent years. So, Government may take necessary initiatives to fulfill the demand for overseas female workers through Ministry of Expatriates Welfare and Overseas Employment (MoEW&OE) and Bangladeshi Diplomatic Missions in abroad. Private recruiting agencies may play an important role in this context. The yearly trend of country wise female migration from 2012 to 2017 and shows the quarterly trend of country wise female migration during July-September 2017 and July-September 2018 are shown in Table 4 and Chart 5 respectively.

Table-4: Trend of Country-wise Female Migration

(In Number)

Year	KSA	UAE	Oman	Qatar	Bahrain	Lebanon	Jordan	Malaysia	Singapore	Others	Total
2012	485	6212	4102	6	38	12496	11582	19	75	2289	37304
2013	167	13710	6068	2100	141	10750	21243	23	133	2065	56400
2014	13	23214	11584	6452	121	11990	20134	15	128	2356	76007
2015	20952	24307	16980	8642	403	8782	21776	12	114	1750	103718
2016	68286	5151	12897	5381	79	2450	22689	8	104	1043	118088
Jul-Sep 17	14681	627	1770	622	0	377	5118	3	33	365	23596
Oct-Dec 17	24929	820	2042	743	2	351	4186	12	16	459	33560
2017	83354	3272	9199	3209	21	1642	19872	28	102	1226	121925
Jan-Mar 18	21610	477	2679	872	3	437	2261	3	27	267	28636
April-June 18	21394	623	2710	971	2	349	1847	17	10	212	28135
Jul-Sep 18	10605	572	2400	637	0	250	1571	4	23	230	16292
% Growth (July-Sep. 18 over April-June.18)	-50.4	-8.2	-11.4	-34.4	-100.0	-28.4	-14.9	-76.5	130.0	8.5	-42.1
% Growth (Jul-Sep 18 over Jul-Sep 17)	-27.8	-8.8	35.6	2.4	-	-33.7	-69.3	33.3	-30.3	-37.0	-31.0

Source: Bureau of Manpower, Employment and Training, Bangladesh

Overseas Employment by Skills

A large number of Bangladeshi expatriates are less/un-skilled and stood at 13.46 lakh during 2013 to 2017. The number of skilled expatriates stood at 12.50 lakh during the same period (Chart 6). The composition of skills is changing over time. Based on occupation expatriates are categorized into four groups- professionals, skilled, semi-skilled and less skilled. Data on skill-wise overseas employment during 1976 to 2017 shows that the highest number (48.2 percent) of expatriates are un-skilled followed by skilled (33.4 percent), semi-skilled (15.2 percent) and professional (2.0 percent) (Annexure-1). However, in 2017 the number of expatriates was 10.08 lakh of which 43.1 percent was skilled, followed by un-skilled (39.8 percent), semi-skilled (15.4 percent) and only 0.5 percent professionals (Table 5).

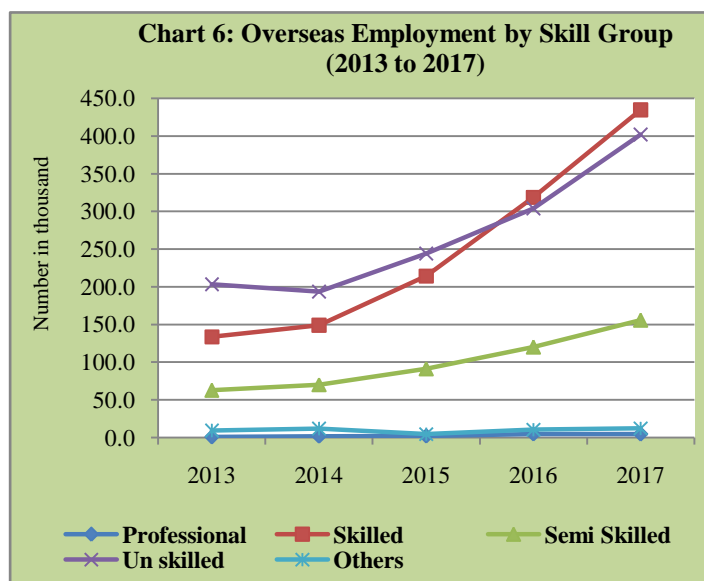


Table-5: Category wise Migration

(In Number)

Year	Overseas Employment by Skill					
	Professional	Skilled	Semi-Skilled	Unskilled	Others	Total
2001	5940	42742	30702	109581		188965
	<i>3.14</i>	<i>22.62</i>	<i>16.25</i>	<i>57.99</i>		<i>100.00</i>
2002	14450	56265	36025	118516		225256
	<i>6.41</i>	<i>24.98</i>	<i>15.99</i>	<i>52.61</i>		<i>100.00</i>
2003	15862	74530	29236	134562		254190
	<i>6.24</i>	<i>29.32</i>	<i>11.50</i>	<i>52.94</i>		<i>100.00</i>
2004	12202	110177	28327	113670	8582	272958
	<i>4.47</i>	<i>40.36</i>	<i>10.38</i>	<i>41.64</i>	<i>3.14</i>	<i>100.00</i>
2005	1945	113655	24546	100316	12240	252702
	<i>0.77</i>	<i>44.98</i>	<i>9.71</i>	<i>39.70</i>	<i>4.84</i>	<i>100.00</i>
2006	925	115468	33965	220436	10722	381516
	<i>0.24</i>	<i>30.27</i>	<i>8.90</i>	<i>57.78</i>	<i>2.81</i>	<i>100.00</i>
2007	676	165338	183673	472700	10222	832609
	<i>0.08</i>	<i>19.86</i>	<i>22.06</i>	<i>56.77</i>	<i>1.23</i>	<i>100.00</i>
2008	1864	292364	132825	437088	10914	875055
	<i>0.21</i>	<i>33.41</i>	<i>15.18</i>	<i>49.95</i>	<i>1.25</i>	<i>100.00</i>
2009	1426	134265	84517	246585	8485	475278
	<i>0.30</i>	<i>28.25</i>	<i>17.78</i>	<i>51.88</i>	<i>1.79</i>	<i>100.00</i>
2010	387	90621	20016	272118	7560	390702
	<i>0.10</i>	<i>23.19</i>	<i>5.12</i>	<i>69.65</i>	<i>1.93</i>	<i>100.00</i>
2011	1192	229149	28729	301552	7440	568062
	<i>0.21</i>	<i>40.34</i>	<i>5.06</i>	<i>53.08</i>	<i>1.31</i>	<i>100.00</i>
2012	36084	173331	104721	284153	9509	607798
	<i>5.94</i>	<i>28.52</i>	<i>17.23</i>	<i>46.75</i>	<i>1.56</i>	<i>100.00</i>
2013	689	133754	62528	203058	9224	409253
	<i>0.17</i>	<i>32.68</i>	<i>15.28</i>	<i>49.62</i>	<i>2.25</i>	<i>100.00</i>
2014	1730	148766	70095	193403	11690	425684
	<i>0.41</i>	<i>34.95</i>	<i>16.47</i>	<i>45.43</i>	<i>2.75</i>	<i>100.00</i>
2015	1828	214328	91099	243929	4697	555881
	<i>0.33</i>	<i>38.56</i>	<i>16.39</i>	<i>43.88</i>	<i>0.84</i>	<i>100.00</i>
2016	4638	318851	119946	303706	10590	757731
	<i>0.61</i>	<i>42.08</i>	<i>15.83</i>	<i>40.08</i>	<i>1.40</i>	<i>100.00</i>
2017	4507	434344	155569	401796	12302	1008518
	<i>0.45</i>	<i>43.07</i>	<i>15.43</i>	<i>39.84</i>	<i>1.22</i>	<i>100.00</i>
Total (2001 to 2017)	106345	2847948	1236519	4157169	134177	8482158
	<i>1.25</i>	<i>33.58</i>	<i>14.58</i>	<i>49.01</i>	<i>1.58</i>	<i>100.00</i>

Source: Bureau of Manpower, Employment and Training, Bangladesh.

Note: Italic numbers indicate percentage share of employment by skill group in total employment.

Bank wise Remittance Inflow: July-September 2018

Banks as the most important functionary of the financial system act as the legal channels for remittance mobilization. A large number of Bangladeshi expatriates working abroad are sending home their hard earned foreign currencies through banking channels. Most of the commercial banks in Bangladesh have been providing services to a large number of migrants working abroad through collecting their remittances from all over the world and distributing this money to their beneficiaries in the shortest possible time.

Among the different group of commercial banks, Private Commercial Banks (PCBs) collect the highest amount of remittance, followed by State owned Commercial Banks (SOCBs), Foreign Commercial Banks (FCBs) and Specialized Banks (SB). During July-September 2018, SOCBs have collected USD 967.48 million (25.01 percent of total), which is 5.6 percent lower than previous quarter and 8.7 percent higher than the same quarter of the previous year respectively. Among all SOCBs, Agrani Bank Ltd (ABL) held the top position with USD 394.73 million and Sonali Bank Ltd. (SBL) attained the second position with USD 277.52 million. However, SBL and ABL scored third and forth positions of total remittances.

During the period under report, PCBs have collected USD 2827.58 million (73.1 percent of total), which is 9.4 percent lower than the previous quarter and 16.2 percent higher than the same quarter of preceding year respectively. Among the PCBs, Islami Bank Bangladesh Ltd. (IBBL) collected highest amount of remittance with USD 763.98 million, which is 19.8 percent of total inflow of remittances of the country and stood first position in all banks.

During July-September 2018, FCBs have collected USD 33.99 million (0.88 percent of total), which is 14.0 percent and 7.2 percent lower than the previous quarter and the same quarter of 2017 respectively. Among FCBs, Woori Bank Ltd has collected the highest amount of remittance with USD 15.4 million.

During July-September 2018, Bangladesh Krishi Bank has received only USD 39.84 million as remittances. It was observed that among them (Janata Bank Ltd., Dutch-Bangla Bank Ltd., Bank Asia Ltd., South East bank Ltd., Mutual Trust Bank Ltd., National Bank Ltd. and The Trust Bank Ltd., are the top banks receivers of remittances during July-September 2018. The trend of bank-wise remittance inflows (on quarterly basis) is shown in Table 6.

Table-6:Bank-wise Remittance Inflow (Quarterly Basis)

(Million USD)

Bank Name	July-Sep 17	Oct-Dec 17	Jan-Mar 18	April-June 18	July-Sep 18
Nationalized Commercial Banks	890.22	847.13	932.09	1024.74	967.48
	(26.25)	(23.92)	(24.35)	(24.28)	(25.01)
Sonali Bank	260.91	259.23	287.05	312.85	277.52
Agrani Bank	325.07	324.59	370.72	408.91	394.73
Janata Bank	214.99	224.77	229.61	248.57	232.88
Rupali Bank Ltd	88.88	38.27	44.07	53.92	61.93
Basic Bank Ltd	0.37	0.27	0.64	0.49	0.37
Specialized Banks	30.10	31.52	33.68	35.71	39.84
	(0.89)	(0.89)	(0.88)	(0.85)	(1.03)
Bangladesh Krishi Bank	30.10	31.52	33.68	35.71	39.84
Private Commercial Banks	2434.07	2622.43	2823.65	3120.74	2827.58
	(71.78)	(74.05)	(73.75)	(73.94)	(73.09)
IBBL	677.29	679.54	778.64	820.91	763.98
	(19.97)	(19.19)	(20.34)	(19.45)	(19.75)
National Bank Ltd	120.73	109.49	117.50	136.45	128.98
Uttara Bank Ltd	123.58	109.55	133.94	119.82	114.77
BRAC Bank Ltd	84.58	104.80	132.07	116.92	100.58
Pubali Bank Ltd	124.55	123.84	120.52	134.33	121.61
Prime Bank Ltd	58.84	89.72	80.43	102.17	95.98
AB Bank Ltd	87.13	49.80	65.07	36.73	46.45
NCCBL	91.09	110.52	85.88	82.93	89.78
Eastern Bank Ltd	23.02	67.12	86.30	25.90	43.76
Bank Asia Ltd.	114.76	100.75	88.95	121.17	140.51
South East Bank Ltd.	138.69	136.86	143.10	148.74	134.74
The City Bank Ltd	96.14	139.66	98.90	103.99	85.00
Dhaka Bank Ltd	5.07	6.41	8.90	23.75	6.27
Mutual Trust Bank Ltd.	63.74	129.13	140.38	150.27	129.04
The Trust Bank Ltd	58.56	85.27	103.02	144.09	128.71
Dutch-Bangla Bank Ltd	169.09	166.31	205.63	256.97	218.20
ShahjalalIslami Bank	7.68	13.34	19.58	18.87	19.25
IFIC Bank Ltd	8.26	10.67	10.52	7.01	8.94
UCBL	17.42	17.41	17.26	17.70	17.65
Mercantile Bank Ltd.	78.82	88.47	61.47	108.83	91.05
Jamuna Bank Ltd	51.55	49.55	40.47	66.19	44.05
The Premier Bank Ltd	17.28	11.55	23.67	17.05	36.12
Exim Bank Ltd	12.22	10.98	10.08	10.38	12.27
Social Islami Bank Ltd.	73.63	62.57	51.28	89.39	37.78
ICB Islamic Bank	0.04	0.00	0.00	0.13	0.10
First Security Bank Ltd.	32.56	28.40	32.18	32.48	32.51
One Bank Ltd	2.24	1.75	19.09	17.23	21.86
Al-ArafahIslami Bank Ltd.	46.27	71.43	94.04	145.95	78.99
Standard Bank Ltd	21.99	24.54	25.24	30.20	40.33
BD Com. Bank Ltd.	3.12	2.53	2.71	3.25	3.36
NRB Commercial Bank	0.87	0.93	2.24	1.90	1.60
Other Banks	23.26	19.54	24.59	29.04	33.36
Foreign commercial Banks	36.63	40.25	39.22	39.50	33.99
	(1.08)	(1.14)	(1.02)	(0.94)	(0.88)
HSBC	7.57	7.26	7.16	5.16	1.60
Standard Chartered Bank	15.73	14.89	15.60	15.82	14.43
Woori Bank Ltd	10.85	12.12	12.83	13.91	15.36
Com. Bank of Ceylon	2.26	5.67	3.28	3.87	2.33
Citi Bank NA	0.04	0.20	0.27	0.62	0.13
Bank Al Falah	0.12	0.08	0.05	0.04	0.09
State Bank of India	0.06	0.03	0.03	0.08	0.03
Habib Bank Ltd	0.00	0.00	0.00	0.00	0.02
National Bank of Pakistan	0.00	0.00	0.00	0.00	0.00
Total	3391.02	3541.34	3828.64	4220.69	3868.89

Source: Statistics Department, Bangladesh Bank.

Note: Numbers in bracket indicate percentage share of total remittance.

Global Comparison

The World Bank report titled “Migration and Development Brief April, 2018”, observed that, Bangladesh stood 9th position in 2017 among the world’s top ten remittance earner countries and 3rd in South Asian region. India is the world’s top most remittance earning country followed by China, Philippines, Mexico, Nigeria, Egypt and Pakistan. Table 7 shows the top 10 countries remittances on the basis of amount and its contribution as percentage share to GDP in 2017.

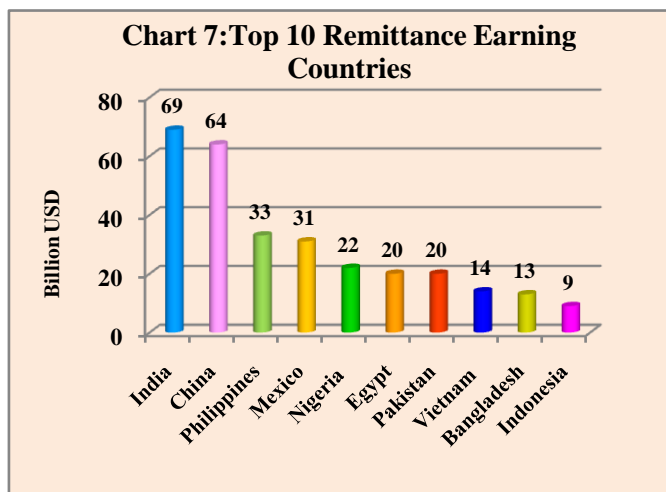


Table-7: Top 10 Remittance Earning Countries in 2017

Top 10 remittance earning countries		Top 10 countries (Contributing to GDP)**	
Country	Amount of remittance (Billion USD)	Country	Percentage Share of GDP
India	69	Kyrgyz Republic	35
China	64	Tonga	33
Philippines	33	Tajikistan	31
Mexico	31	Haiti	29
Nigeria	22	Nepal	29
Egypt	20	Liberia	27
Pakistan	20	Comoros	21
Vietnam	14	Gambia	21
Bangladesh	13	Moldova	20
Indonesia	9	Honduras	19

Source: Migration and Development Brief 29, World Bank, April, 2018.

**Top 10 Countries according to remittances as percentage share of GDP (%) in 2017.

Recent Policy Measures towards Migrant Workers

Bangladesh government and Bangladesh Bank have taken various regulatory and institutional measures to promote remittances through formal channel, which successfully contributed to boost the inflow of remittances. The Ministry of Expatriates' Welfare and Overseas Employment (MoEW&OE) has started various projects under the ADP of FY 2016-17.

Policy Measures by the government

With a view to protect the rights of all migrant workers and their families, the cabinet approved a more detailed and comprehensive "Expatriates' Welfare and Overseas Employment Policy 2016" on 11 January 2016 in line with the Overseas Employment and Migration Act 2013 and the United Nations' international convention. The new policy replaced the 'Overseas Employment Policy 2006'. The main objective of the policy is to ensure safety and security of the migrant workers, who are contributing significantly to the country's economic development, and their families. This policy includes a provision for setting up a 'National Migration Forum' to supervise the policy implementation. The policy also proposed the formation of a national steering committee comprising ministers and secretaries of the concerned ministries to deal with issues relating to overseas employments. The policy recommends providing proper training to migrant workers and taking up labor migration diplomacy across the globe and fixing up the possible reasonable costs for migration in a transparent way by the Bangladesh Overseas Employment and Services Limited. An important objective of this policy is to simplify the migration process for the female workers who are seeking overseas jobs. The policy also recommends increasing the number of female officials in Bangladeshi missions abroad, particularly in those countries where an increased number of Bangladeshi women are working. Apart from G to G facilities with low cost migration, government has recently also given strong emphasis on private sector labor migration process.

Projects under the ADP

For skill development, the following projects are in progress-

- Enhancement of the Vocational Training Program of TTC in Rajshahi and Faridpur under KOICA's Deep Program (July 2015 to December 2018);
- Establishment of Bangladesh-IDB Friendship Technical Teachers Training Institute (July 2015 to June 2019);
- Establishment of Technical Training Center (TTC) at Upazilla level (July 2015 to June 2019);
- Capacity Development Program of TTC, Rajshahi (January 2016 to December 2019).

Measures taken by the Bangladesh Bank

For boosting up remittance inflows in the banking channel, Bangladesh Bank has taken a number of measures in recent years

- For the purpose of quick delivery of remittances to beneficiaries through bank-to-bank clearing systems, Bangladesh Electronic Funds Transfer Network (BEFTN) was established on 28 February 2011 with other funds transfer activities;
- To speed up remittance inflows and distribution, the approval mechanism of drawing arrangements among Bangladeshi banks and foreign exchange houses abroad has been simplified. Presently, 1142 drawing arrangements are active and they are playing an important role of bringing remittance to Bangladesh.
- To increase the competition among the money transmitters, commercial banks are instructed to make the contracts with Multinational Money Remitters/ Exchange Houses to avoid Pay Cash Exclusivity Clause which can create monopoly in the market.
- Establishment of exchange houses/branch offices abroad by local banks has been approved. 34 exchange houses/branch offices/representative offices of different local banks are operating their programs in different countries (UK, USA, Australia, Singapore, Malaysia, Greece, Italy, Canada, Oman and Maldives).
- Besides, bank branches, 26 micro-finance institutions, branches of Bangladesh Post Office and Singer Outlets are permitted to operate distribution of remittances. To

promote remittance inflows and distribution network, these institutions through their branches in remote areas in the country are playing important role to ensure quick delivery of remittance. 18 of 24 approved banks have already started their services to channel remittance through the outlets of mobile phone operators.

- To mobilize the remittance flows under the drawing arrangement, the maximum time to give out remittances to beneficiary level has been re-fixed to 2 working days instead of 72 hours.
- To encourage the workers to remit their earnings through the banking channel CIP facilities and special citizen facilities for Bangladeshi expatriates have been extended.
- Customer Right Preservation Centre has been established by the Bangladesh Bank to receive the complaints regarding remittance from the Bangladeshi expatriates or their domestic beneficiaries directly.
- Three NRB commercial banks have started their operations in Bangladesh to facilitate investment by Non Resident Bangladeshi.
- Non-Resident Bangladeshis (NRBs) are allowed to open Non-Resident Foreign Currency Deposit (NFCD) accounts with authorized dealer banks at home to credit their retirement benefits, periodical pensions, superannuation benefits, etc. as per employment agreement with employers. The balance held in these accounts can be used for settlement of legitimate payment abroad.
- For the registration fee for medical check-up of migrant workers, ADs are allowed to remit the fee to the Bank Account of the beneficiaries in case of invoices specifying details of the check-up by persons and deduction of applicable taxes.
- For issuing shares in favor of the non-residents by debit to the non-resident Taka accounts, ADs maintain non-resident Taka accounts in the names of their overseas branches and correspondents against inward remittance in convertible foreign currencies. ADs will issue certificate in support of the payment from such account for purchase of shares in Bangladeshi companies.

- In order to enhance housing finance facility, NRBs may avail housing finance facility at a maximum debt equity ratio of 75:25 instead of existing debt equity ratio of 50:50.
- To enhance the quality of remittance service for NRBs, Bangladesh Bank has instructed all AD banks to establish Remittance Help Desk in their branch offices.
- According to the Wage-Earner Development bond Rules, 1981 payment methods in Taka currency received against inward remittance is permissible for purchase of Wage-Earner Development Bond (WEDB). Despite the above instruction, misunderstanding is observed regarding utilization of fund held in Taka accounts fed by inward wage remittances for purchase of WEDB. It is mentionable that Taka fund credited in non-resident Taka account of Bangladesh nationals residing abroad or in resident Taka accounts of their beneficiaries against inward remittances through normal banking channel or authorized exchange house channel.
- Bangladesh Bank (BB) has introduced “Bangladesh bank Remittance award ” since 2013 to motivate and encourage the expatriates for sending more remittances through regular banking channels. In 2018, Financial Inclusion Department, Bangladesh Bank has also arranged “Bangladesh bank Remittance Award 2017”. BB awarded 29 individuals as highest remitters, 5 banks and 3 exchange houses of NRBs as highest remitters for 2017.

Annexure-1

Category-wise Overseas Employment from 1976 to 2017						
Year	Worker's Category					Up to Dec., 2017
	Professional	Skilled	Semi-skilled	Less-skilled	Others	Total
1976	568	1,775	543	3,201	-	6,087
1977	1,766	6,447	490	7,022	-	15,725
1978	3,455	8,190	1,050	10,114	-	22,809
1979	3,494	7,005	1,685	12,311	-	24,495
1980	1,983	12,209	2,343	13,538	-	30,073
1981	3,892	22,432	2,449	27,014	-	55,787
1982	3,898	20,611	3,272	34,981	-	62,762
1983	1,822	18,939	5,098	33,361	-	59,220
1984	2,642	17,183	5,484	31,405	-	56,714
1985	2,568	28,225	7,823	39,078	-	77,694
1986	2,210	26,294	9,265	30,889	-	68,658
1987	2,223	23,839	9,619	38,336	-	74,017
1988	2,670	25,286	10,809	29,356	-	68,121
1989	5,325	38,820	17,659	39,920	-	101,724
1990	6,004	35,613	20,792	41,405	-	103,814
1991	9,024	46,912	32,605	58,615	-	147,156
1992	11,375	50,689	30,977	95,083	-	188,124
1993	11,112	71,662	66,168	95,566	-	244,508
1994	8,390	61,040	46,519	70,377	-	186,326
1995	6,352	59,907	32,055	89,229	-	187,543
1996	3,188	64,301	34,689	109,536	-	211,714
1997	3,797	65,211	43,558	118,511	-	231,077
1998	9,574	74,718	51,590	131,785	-	267,667
1999	8,045	98,449	44,947	116,741	-	268,182
2000	10,669	99,606	26,461	85,950	-	222,686
2001	5,940	42,837	30,702	109,581	-	189,060
2002	14,450	56,265	36,025	118,516	-	225,256
2003	15,862	74,530	29,236	134,562	-	254,190
2004	12,202	110,177	28,327	113,670	8582	272,958
2005	1,945	113,655	24,546	100,316	12240	252,702
2006	925	115,468	33,965	220,436	10722	381,516
2007	676	165,338	183,673	472,700	10222	832,609
2008	1,864	292,364	132,825	437,088	10914	875,055
2009	1,426	134,265	84,517	246,585	8485	475,278
2010	387	90,621	20,016	272,118	7560	390,702
2011	1,192	229,149	28,729	301,552	7440	568,062
2012	36,084	173,331	104,721	284,153	9509	607,798
2013	689	133,754	62,528	203,058	9224	409,253
2014	1,730	148,766	70,095	193,403	11690	425,684
2015	1,828	214,328	91,099	243,929	4697	555,881
2016	4,638	318,851	119,946	303,706	10590	757,731
2017	4,507	434,344	155,569	401,796	12,302	1,008,518
Total	232,391	3,833,406	1,744,469	5,520,493	134,177	11,464,936
%	2.03	33.44	15.22	48.15	1.17	100.0

