

CHAPTER 3

PRICES, WAGES AND EMPLOYMENT

Prices, wages and employment are the three most important indicators for an economy. Price level is expressed by the Consumer Price Index (CPI). The CPI inflation rate in FY2016-17 was 5.44 percent at national level, which was 5.92 percent in FY2015-16. Reduction of oil price in the world market, efficient macroeconomic management and investment friendly cautious monetary policy at domestic level contributed to the decline of overall inflation. However, despite the reduction in overall inflation during this period, food inflation surged to 6.02 percent, up by 1.12 percentage points compared to the previous fiscal year. According to the Quarterly Labour Force Survey (QLFS) 2015-16 conducted by BBS, the number of economically active population (above 15 years) in the country is 6.21 crore, out of which, a labour force of 5.95 crore (male 4.18 crore and female 1.78 crore) is engaged in a number of professions. According to the survey, total labour force employed in agriculture stood at 42.70 percent which is 2.40 percentage points less compared to the previous LFS-2013. According to the Wages Rate Index, nominal wage rate has been on the rise. A sizeable number of Bangladeshi labour forces are employed abroad. During FY2016-17 a total of 9.05 lakh Bangladeshi workers went abroad for employment. The remittances of the expatriate workers stood at US\$12,769.5 million in FY2016-17 which is 14.48 percent less than the previous fiscal year. Of the total expatriate workers, more than 80 percent are employed in the Middle East. Recent political turmoil along with the dwindling labour demand in this region has led the country to explore new labour markets. Beside digitisation of the immigration system, skill development has been accelerated through proper training to ensure uninterrupted remittance inflow. In order to ensure smooth inflow of remittances, the Government has taken a number of measures which include, among others, expansion of labour market, exporting manpower through G to G+, establishment of Probashi Kallyan Bank, modernisation of emigration process, formation of Wage Earners Welfare Board in the Bureau of Manpower Employment and Training and enactment of a new act to combat migration cost.

Consumer Price Index and Inflation

Bangladesh Bureau of Statistics (BBS), being the National Statistical Organisation (NSO), computes National Consumer Price Index (CPI) using food and non-food commodities basket and services consumed by the consumers in their day-to-day life. The commodities and their weights, used for the computation of the index, are determined based on the Household Income and Expenditure Survey (HIES). All rural and

urban price indices are compiled using the lists of consumer goods of rural and urban households based on the survey. And finally, the national price index is calculated by combining the weighted average of consumption expenditures of the two areas. All indices are computed separately in food and non-food groups which are again divided into a number of sub groups. Consumer Price Index and inflation during FY2008-09 to FY2016-17 are shown in Table 3.1 and Figure 3.1.

Table 3.1: Consumer Price Index and Inflation
Base Year 2005-2006

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
General index	132.17	141.18	156.59	170.19	181.73	195.08	207.58	219.86	231.82
Inflation	(7.60)	(6.82)	(10.91)	(8.69)	(6.78)	(7.35)	(6.41)	(5.92)	(5.44)
Food index	140.61	149.40	170.48	183.65	193.24	209.79	223.80	234.77	248.90
Inflation	(7.91)	(6.25)	(14.11)	(7.72)	(5.22)	(8.56)	(6.68)	(4.90)	(6.02)
Non-food index	121.36	130.66	138.77	152.94	166.97	176.23	186.79	200.66	209.92
Inflation	(7.14)	(7.66)	(6.21)	(10.21)	(9.17)	(5.55)	(5.99)	(7.43)	(4.61)

Source: Bangladesh Bureau of Statistics (BBS)

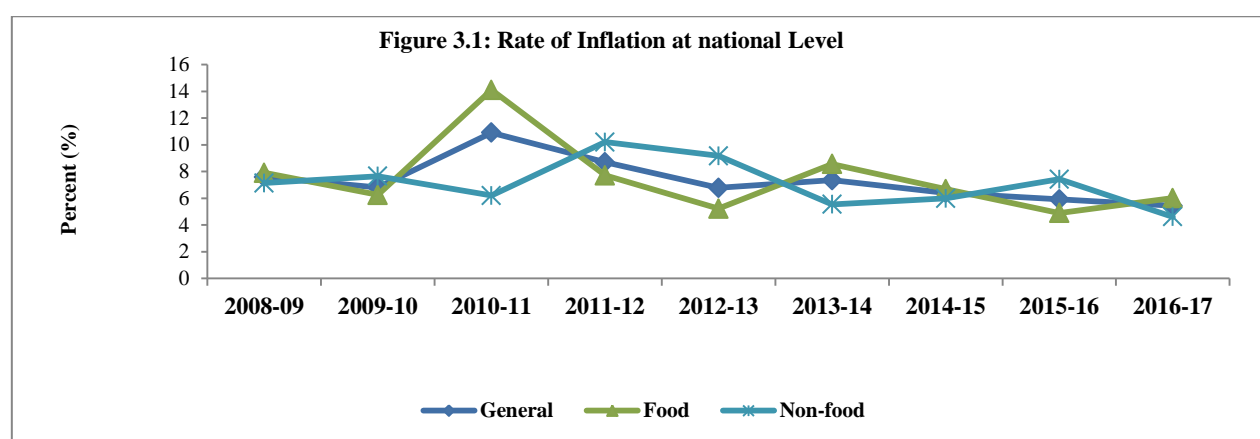


Table 3.1 and Figure 3.1 show that the national level of inflation stood at 7.60 percent in FY2008-09 which came down to 5.44 percent in FY2016-17 with some fluctuations over the entire period of 9 years. In FY2016-17 the annual rate of inflation decreased by 0.48 percentage point from 5.92 percent in FY2015-16. During FY2016-17, non-food inflation remained lower than food inflation.

In FY2016-17 the rate of inflation at national level in July, 2016 was 5.40 percent on a point-to-point basis. The Government has taken a number of initiatives to lower the price level and to keep the prices of essential

commodities such as rice, edible oil, pulse etc. stable. In this regard, the monetary policy for FY2016-17 aimed at attaining inclusive growth as well as containing average inflation below the targeted level of 5.8 percent at the end of the year. Nevertheless, the rate of inflation slightly increased to 5.94 percent in June, 2017. During this period, food inflation increased to 7.51 percent in June, 2017 from 4.23 percent in June, 2016 showing an increase of 3.28 percentage points. The monthly rate of inflation during FY2016-17 calculated on a point-to-point basis is presented in Table 3.2.

Table 3.2: Monthly Rate of inflation Point to Point during FY2016-17
(Base Year 2005-06=100)

Type of Inflation		2015-16	2016-17												
			July'16	Aug'16	Sep'16	Oct'16	Nov'16	Dec'16	Jan'17	Feb'17	Mar'17	Apr'17	May'17	June'17	Average (FY2016-17)
National	General	5.92	5.40	5.37	5.53	5.57	5.38	5.03	5.15	5.31	5.39	5.47	5.76	5.94	5.44
	Food	4.90	4.35	4.30	5.10	5.56	5.41	5.38	6.53	6.84	6.89	6.94	7.37	7.51	6.02
	Non-food	7.43	6.98	7.00	6.19	5.58	5.33	4.49	3.10	3.07	3.18	3.30	3.44	3.67	4.61
Rural	General	5.26	4.54	4.41	4.63	4.87	4.75	4.46	4.92	5.14	5.19	5.24	5.57	5.65	4.95
	Food	4.20	3.59	3.40	4.27	4.89	4.83	4.78	6.28	6.66	6.72	6.73	7.18	7.20	5.54
	Non-food	7.22	6.26	6.28	5.31	4.83	4.60	3.88	2.52	2.46	2.49	2.61	2.77	2.94	3.91
Urban	General	7.11	7.00	7.15	7.21	6.87	6.56	6.07	5.57	5.62	5.76	5.88	6.11	6.49	6.37
	Food	6.55	6.11	6.39	7.03	7.09	6.74	6.74	7.11	7.22	7.28	7.41	7.78	8.21	7.10
	Non-food	7.72	7.98	7.99	7.42	6.63	6.35	5.35	3.91	3.91	4.14	4.24	4.37	4.67	5.60

Source: Bangladesh Bureau of Statistics

Wages Rate Index

Previously BBS has been constructing Wage Rate Index (WRI) using FY1969-70 as the base year since 1974. Meanwhile,

constructing WRI using base year FY2010-11 has been initiated. The WRI from FY2010-11 to FY2016-17, calculated with the new base year, is presented in Table 3.3.

Table 3.3: Wage Rate Index and Growth Rate
(Base Year 2010-11=100)

Year	Nominal Wage Rate Index				Growth Rate (Point to Point)			
	General	Agriculture	Industry	Service	General	Agriculture	Industry	Service
2010-11	100.00	100.00	100.00	100.00	-	-	-	-
2011-12	106.24	105.96	106.92	106.23	6.24	5.96	6.92	6.23
2012-13	112.62	112.08	113.43	113.63	6.01	5.78	6.08	6.96
2013-14	118.82	118.4	119.07	120.16	5.50	5.68	4.97	5.75
2014-15	124.69	124.51	124.38	126.15	4.94	5.12	4.47	4.98
2015-16	132.81	132.48	132.02	136.03	6.52	6.41	6.16	7.86
2016-17	141.46	141.22	140.27	145.01	6.50	6.59	6.24	6.60

Source: Bangladesh Bureau of Statistics (BBS).

It is observed from the above Table that Nominal Wage Rate Index (NWRI) has continuously been increasing since FY2010-2011. It is also observed from the same Table

that the index has been increased on average by 6 percent annually. In FY2016-17, NWRI increased by 6.50 percent against 6.52 percent growth in FY2015-16. The sector-wise

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analysis of growth rate reveals that the indices of all the three sectors namely agriculture, industry and service stood at 6.59, 6.24 and 6.60 percent in FY2016-17 whereas in the previous year these were 6.41, 6.16 and 7.86 percent respectively. Growth rate of agriculture and industry's indices increased by 0.18 and 0.08 percentage point and that of service decreased by 1.26 percentage points compared to the previous fiscal year.

Labour Force and Employment

In order to assess the overall situation of employment, BBS conducts the Labour Force Survey (LFS). According to the latest survey of BBS titled Quarterly Labour Force Survey (QLFS), 2015-16, the number of economically active population above 15 years is 6.21 crore. Out of this, as many as 5.96 crore people (male 4.18 crore and female 1.78 crore) are engaged in a number of professions, the highest 42.70 percent still being in agriculture. According to the Labour

Force Survey, 2013, the total labour force of over 15 years of age was 6.07 crore among whom 5.80 crore (male 4.12 crore and female 1.68 crore) were engaged in a number of professions with agriculture being the highest 45.10 percent as the source of employment.

Between the two survey periods, the number of agricultural workers decreased by nearly 2.40 percentage points. According to QLFS 2015-16, it is observed that 43.19 percent is engaged in self-employment while it was 40.62 percent in 2013. It may be noted that during the two survey periods, the number of self-employed labour force increased by 2.57 percentage point. The latest survey indicated that 14.45 percent was engaged as unpaid family workers, which was 18.24 percent according to the previous survey. The share of employed labour force above 15 years by different sectors of the economy according to the Labour Force Surveys 1995-96, 1999-00, 2002-03, 2005-06, 2010, 2013 and 2015-16 is shown in Table 3.4.

Table 3.4: Share of Employed Labour Force above 15 Years by Sector

Sector	LFS 1995-96	LFS 1999-00	LFS 2002-03	LFS 2005-06	LFS 2010	LFS 2013	LFS 2015-16
Agriculture, forestry and fishery	48.85	50.77	51.69	48.10	47.33	45.10	42.70
Mining & quarrying	-	0.51	0.23	0.21	0.18	0.40	0.20
Manufacturing	10.06	9.49	9.71	10.97	12.34	16.40	14.40
Power, gas & water	0.29	0.26	0.23	0.21	0.18	0.20	0.30
Construction	2.87	2.82	3.39	3.16	4.79	3.70	5.60
Trade, hotel & restaurant	17.24	15.64	15.34	16.45	15.47	14.50	15.10
Transport, maintenance & communication	6.32	6.41	6.77	8.44	7.37	6.40	8.00
Finance, business & services	0.57	1.03	0.68	1.48	1.84	1.30	0.70
Commodities & personal services	13.79	13.08	5.64	5.49	6.26	6.20	11.30
Public administration and defense	-	-	6.32	5.49	4.24	5.80	1.70
Total	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: BBS, Labour Force Survey, 1995-96, 1999-00, 2002-03, 2005-06, 2010, 2013 & 2015-16.

Steps Taken to Improve Employment Situation

The Government is striving hard to build the foundation of a rapidly growing economy to ensure its transition to a middle income economy following the Vision-2021. Against this backdrop, poverty alleviation, maintaining robust growth, elimination of child labour and re-fixation of minimum wage etc. are identified as key challenges to achieve these objectives. In this context the Government is committed to preserve the people's interest along with improving the living standard of working class people of the society. With the growing economic activities number of workers and their associated problems are on the rise. Under this purview the Government has undertaken some pragmatic steps in order to ensure the welfare of workers which are stated below:

a. Maintaining Peaceful Environment in the Garment Sector and Ensuring Compliance with the Safety Standard

- A Crisis Management Core Committee has been formed to ensure compliance with the labour safety standard.
- A Committee named Social Compliance Forum for RMG has been formed with a view to upgrading the non-compliant garments factories to compliant ones.
- Field level supervision and coordination are being carried out by 29 teams in Dhaka and Chittagong areas (17 in Dhaka and 12 in Chittagong). In addition local public representatives, administration, police, RAB and various intelligence agencies, BGMEA, BKMEA and workers' representatives are working

together in a coordinated manner for ensuring compliance.

- Directorate of Inspection for Factories and Establishments has been upgraded to ensure safe working environment and labor welfare in all industrial sectors including readymade garments industry. The Department of Inspection for Factories and Establishments established 17 teams in Dhaka, 9 in Chittagong, 13 in *Gazipur* and 10 in *Narayanganj*. About 3,429 garment factories have been inspected in FY2016-17 and 622 cases have been filed in labor courts for violation of relevant section of the Bangladesh Labour Act-2006.
- Directorate of Labour has resolved 113 labour disputes during FY2016-17.
- A total of 29 Labour Welfare Centres under the Directorate of Labour renders basic health, family planning services and recreational facilities to workers and their families. A total of 1,06,949 workers and their families received free medical services and 9,867 workers and their families were provided family planning services during the last FY2016-17.
- Following the Digital Bangladesh programme, Ministry of Labour and Employment has introduced online registration of trade unions and issuance of licenses as well as renewal of licenses for factories and different establishments.
- A Tripartite National Programme of Action on Fire Safety for RMG Industry has been undertaken under the joint initiatives of the ministry, owners and workers with the assistance of the ILO.

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Under the plan of action, a 'National Tripartite Plan of Action on Fire Safety and Structural Integrity in the Ready-made Garment Sector in Bangladesh' has been adopted. To implement the plan of action, a project titled 'Improving Working Conditions in the Ready-made Garment Sector in Bangladesh' has been taken up with the assistance of ILO. 2,783 garment factories have already been inspected by the Government agency, BUET, ACCORD & ALLIANCE under the project.

- A National Tripartite Committee (NTC) has been constituted to ensure building compliance, fire safety, improve working environment and workers welfare.

b. Skill Development and Training

- 26 Technical Training Centres (TTCs) including 6 centres for women in 26 districts through 4 projects were established with an estimated cost of Tk.325.77 crore. Besides, establishment of another 30 TTCs is expected to be completed by the end of December, 2017 through a project titled 'Establishment of 30 TTCs in Different Districts (2nd Revised)'.
 - For implementing the skills development programmes the Government has adopted necessary steps to develop skills of the workers. To link between educational institutions and industry short and mid term certificate courses, updating curriculum of diploma courses, experimental training, competency based training and assessment, training of trainers and establishing sector based industry skills councils are being

implemented through all these programmes.

- A new National Technical and Vocational Qualifications Framework (NTVQF) with six levels and two pre-vocational levels has been prepared and approved. Decision has been taken to implement NTVQF in technical and vocational training all over the country.
- Technical education and training are being provided in 10 institutes according to NTVQF and National Skill Development Council (NSDC) Action Plan (Phase-1). Besides, National Strategy for Promotion of Gender Equality in TVET in Bangladesh has been approved in the third meeting of NSDC. Moreover, strategy for the inclusion of persons with disability in TVET and NSDC Action Plan (Phase-2) has been approved in the fourth meeting of NSDC. TVET Institution Census, 2015 has been conducted jointly by NSDC Secretariat and BBS. Except this, 13,163 TVET institutions have been built in the country. To establish Skills Data System a server has been installed in NSDC Secretariat and the software has also been developed. To expedite working speed and skill development in the work place, training has been imparted to representatives from workers and employers as well as officers related to labour administration with the help of 4 industrial relations institutes of Dhaka, Khulna, Chittagong and Rajshahi.
- Providing technical training to about 25,000 individuals in 19 trades conducting 826 training courses through the TVET training institutes.

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- NSDC consisting 36 members has been formed and NSDC Secretariat has been established to assist NSDC with a view to creating employment opportunities and implementing all kinds of skill development programme. For better coordination among all the stakeholders regarding skill development activities NSDC Secretariat will be transformed into National Skills Development Authority (NSDA). Hence, National Skills Development Authority Act is underway.
- Under the project titled ‘Skills for Employment Investment Programme (SEIP)’ is being implemented under Finance Division of Ministry of Finance. Under this project a total of 1,72,370 persons have been enrolled in different courses. Among them certificates have been awarded to 1,32,082 persons while job placement has been secured for 87,060 persons till June 2017.

c. Eradication of Hazardous Child Labour

The Government has taken a number of initiatives on the eradication of hazardous child labour from both formal and informal industrial sectors. Among them the following endeavours are noteworthy:

- Approval of the National Child Labour Elimination Policy- 2010 and preparation of the National Action Plan for the elimination of child labour. Under this plan, a Women and Child Labour Wing has been established in the Ministry of Labour and Employment to steer and

coordinate all activities relating to child labour policy and programmes.

- As many as 38 most hazardous works that hinder physical, mental and moral development of children have been identified following the ratification of the ILO Convention 182 by Bangladesh.
- Introduction of non-formal education, skill development, micro-credit for socio-economic development of the parents of child workers for eradication of worst form of child labour. To this end, a project titled 'Urban Informal Economy' was implemented for elimination of the worst form of child labour from Bangladesh.
- Proposal for ‘Elimination of Hazardous Child Labour Project (4th phase)’ has been prepared and is under process of approval.

d. Women Development and Training

Following measures for women development have been undertaken:

- Operations of 30 Labour Welfare Centers and Industrial Relations Institutes for imparting training, providing primary health care, social welfare and recreational facilities to working women are going on.
- 'Northern Areas Reduction of Poverty Initiative Project' costing Tk.326.27 crore over a five year period with the assistance of the World Bank is being implemented. This project will provide training to and job placement of 10,800 poor young women of five backward districts (*Rangpur, Nilphamari, Lalmonirhat, Gaibandha and Kurigram*) of the northern region of the country. Already, more than

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1,500 girls have received training under this project.

- Discriminatory laws against women are being revised for ensuring women friendly environment and facilities at work place.

e. Reform Measures for Labour Welfare

The Government has undertaken the following measures for ensuring the welfare of workers:

- The Government has announced minimum wages for 38 sectors out of the total 42 sectors of the economy to ensure a decent standard of living for workers. Fixing minimum wages for the rest of the sectors is under consideration.
- The Government has formed an 18 member National Wage and Productivity Commission 2015, following the introduction of the National Pay Commission 2015.
- Minimum wages for the RMG workers have been gradually increased by 318 percent to Tk.5,300 from Tk.1,662.
- ‘National Health and Safety Policy 2013’ has been formulated to protect health and safety of workers in work place.
- The Government has approved the ‘National Labour Policy 2012’.
- Maternity leave for working women has been increased to 6 months from 4 months.
- ‘Bangladesh Labour Act 2006’ has been revised to suit the requirements of time and ‘Bangladesh Labour Act 2006 (as amended in 2013)’ has been enacted.
- ‘Bangladesh Workers’ Welfare Foundation Law (revised) 2013’ has been enacted by the parliament. A sum of

Tk.220 crore has been generated and is being spent for workers’ welfare. In addition, a five-year group insurance scheme has been undertaken for social safety of workers with the fund. About 2,500 workers have already been brought under the scheme.

- In order to create accommodation facilities for women workers of RMG and other industries, 10-storied hostel buildings are being constructed in *Chasara, Tongi* and *Tejgaon*. Initiatives are also going on to construct 2,000 beds in each dormitory for RMG women workers in Chittagong and *Narayanganj*.
- Occupational diseases hospitals are being constructed under PPP programme at *Narayanganj* and *Tongi*.
- Following the ILO Convention, recognising domestic workers as formal employee, the Ministry of Labour and Employment has prepared the ‘Domestic Workers Protection and Welfare Policy 2015’ to protect the rights and welfare of domestic workers.

Overseas Employment and Remittances

Foreign employment and remittance sent by the Bangladeshi expatriates have immense contribution to the economic development of Bangladesh in many significant ways such as lowering unemployment, poverty alleviation and swelling up of foreign exchange reserve. A sizeable portion of Bangladeshi labour force is employed in the Middle-East and many other countries of the world. The manpower export has witnessed increasing trend in the recent years. About 9.05 lakh workers went abroad in FY2016-17, which was 32.12 percent higher than the previous

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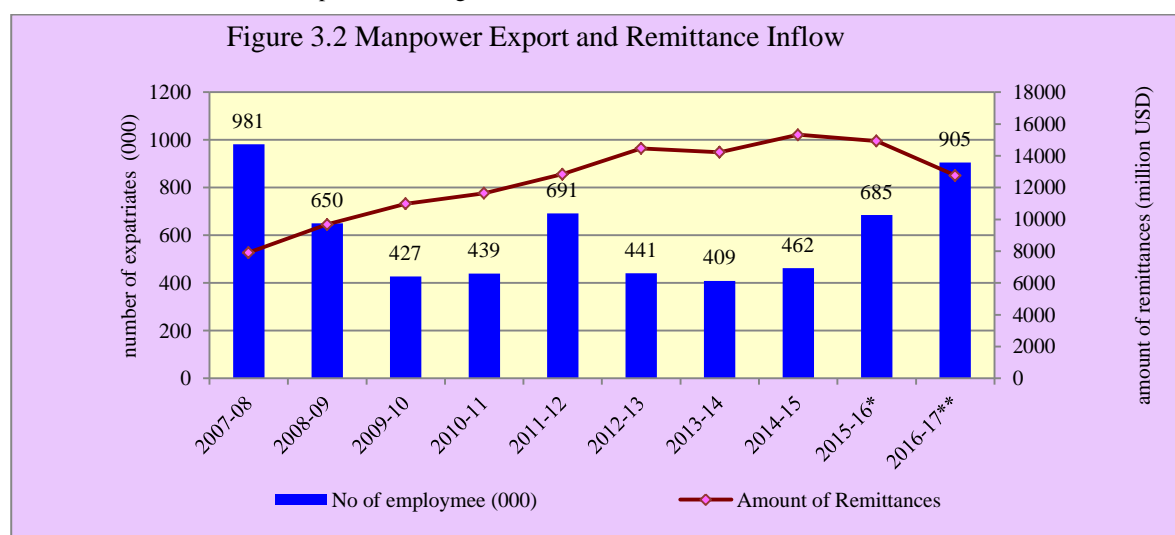
fiscal year. Bangladesh earned remittances of US\$12,769.50 million in FY2016-17 which was 14.48 percent less than remittance inflows of US\$14931.14 million in FY2015-

16. Year-wise data of inward remittances sent by Bangladeshi expatriates is shown in Table 3.5 and Figure 3.2.

Table 3.5: Number of Expatriate Employees and Amount of Remittance

FY	No of Employment Abroad 000	Amount of remittance			
		In Million US\$	Percentage Change %	Tk. In Crore	Percentage Change %
2007-08	981	7914.78	32.39	54293.24	31.47
2008-09	650	9689.16	22.42	66674.87	22.81
2009-10	427	10987.40	13.40	76109.60	14.15
2010-11	439	11650.32	6.03	82992.89	9.04
2011-12	691	12843.40	10.24	101882.78	22.76
2012-13	441	14461.15	12.60	115646.16	13.51
2013-14	409	14228.30	-1.61	110582.37	-4.38
2014-15	461	15316.91	7.65	118993.00	7.60
2015-16*	685	14931.14	-2.52	116856.00	-1.79
2016-17**	905	12769.5	-14.48	101099.0	-13.48

Source: BMET and Statistics Department, Bangladesh Bank.. *Revised. **Provisional.



Despite a declining trend of inward remittances in the recent past, an upward trend in the number of manpower export has been observed, especially in FY2016-17 (Table 3.5 and Figure 3.2).

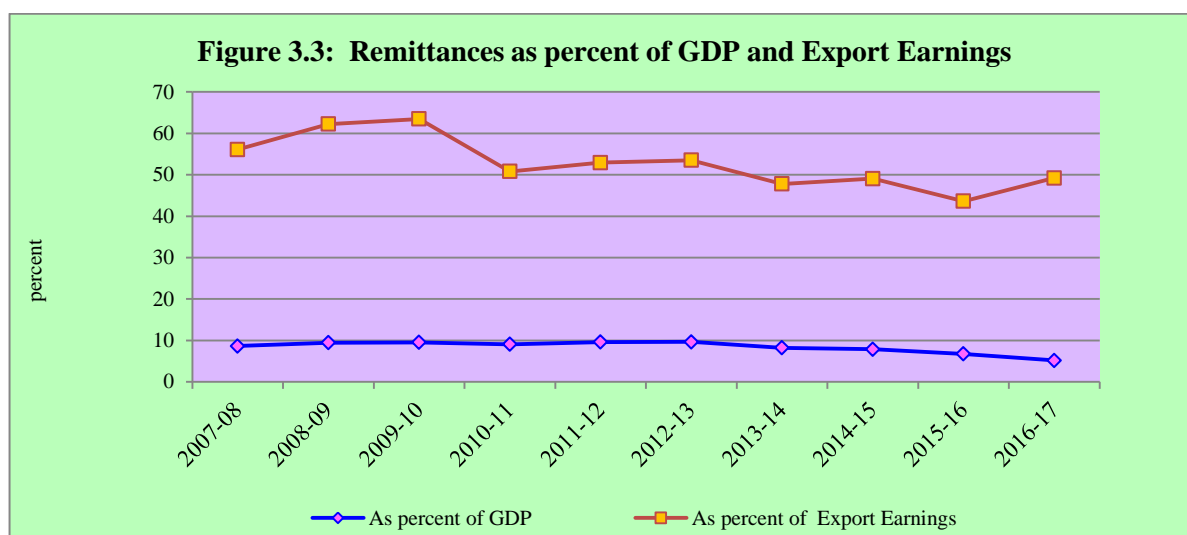
The ratios of remittances to GDP and remittances to export earning show a mixed trend. The remittance sent by Bangladeshi

expatriates was 8.64 percent of GDP and 56.09 percent of total export earnings during FY2007-08. After one decade it decreased to 5.17 percent of GDP and 49.22 percent of total export earnings in FY2016-17. Remittances as percent of GDP and as percent of total export earnings are shown in Table 3.6 and Figure 3.3.

Table 3.6: Remittance as Percent of GDP and Export Earnings

FY	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
As percent of GDP	8.64	9.44	9.52	9.05	9.63	9.64	8.21	7.87	6.74	5.17
As percent of Export Earnings	56.09	62.25	63.48	50.82	52.92	53.52	47.78	49.08	43.61	49.22

Source:* Bangladesh Bank, BBS and EPB



Expatriates Classified by Skills

Analysing the statistics of the Bangladesh of Manpower Employment and Training (BMET) from 2007 to 2016, it is observed that around 50 percent of overseas workers are less-skilled. The number of expatriates

classified by skills is presented in Table 3.7. From the Table, it is observed that the share of professional workers has increased notably in 2016. However, the shares of skilled and semi-skilled workers are also at significant level.

Table 3.7: Number of Expatriates Classified by Skill

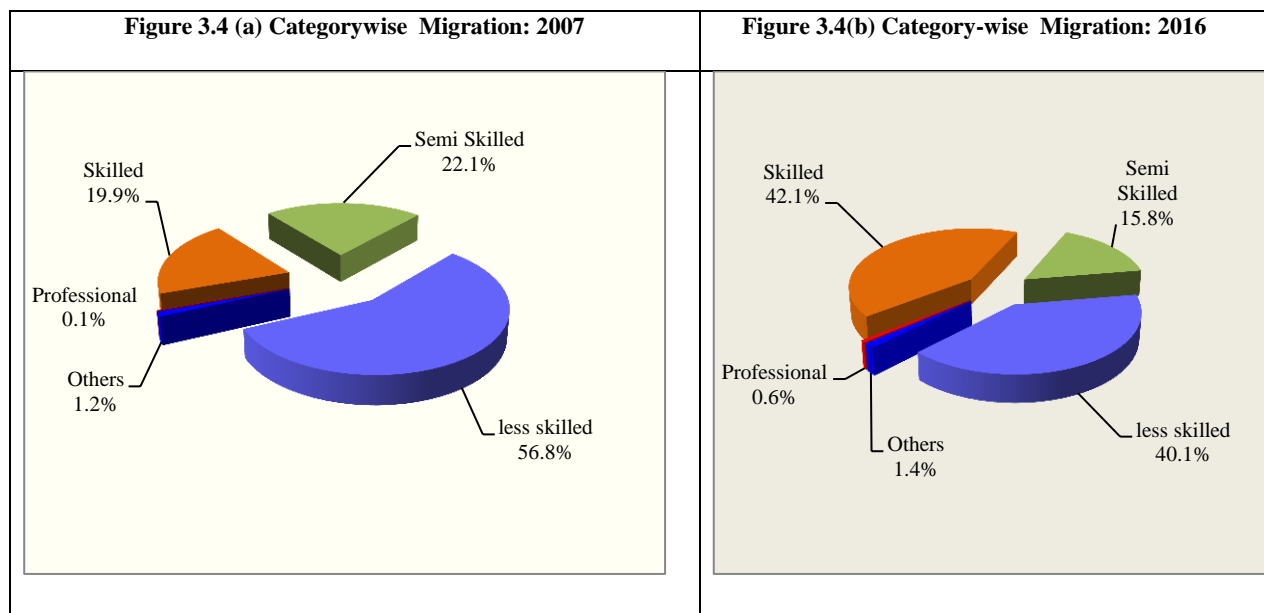
Calendar Year	Professional	Skilled	Semi-skilled	Less-skilled	Total
2007	676	165338	183673	482922	832609
2008	1864	281450	132825	458916	875055
2009	1426	134265	74604	255070	475278
2010	387	90621	12469	287225	390702
2011	1192	229149	28729	308992	568062
2012	812	209368	20498	377120	607798
2013	689	133754	62528	212282	409253
2014	1730	148766	62528	212282	425684
2015	1828	214328	91099	253323	560578
2016	4638	318851	119946	314296	757731

Source: Bureau of Manpower, Employment and Training.

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A significant change in the structure of expatriates classified by skill has been observed during the last few years. In 2007, the share of skilled expatriates was 19.9 percent which substantially increased to 42.1 percent in 2016. Likewise, the share of less-

skilled workers decreased to 40.1 percent in 2016 from 56.8 percent in 2007. Comparison of overseas employment by profession between 2007 and 2016 is presented in Figure 3.4(a) and 3.4(b).



The Government is concerned about increasing the standards as well as creating opportunities of training to boost overseas employment. At the same time, initiative has been taken to coordinate the activities of training and vocational institutions. In 2016, under the supervision of BMET as many as 5.68 lakh trainees in 48 different trades received training through 6 Bangladesh Institute of Marine Technology and 64 Technical Training Centres. Meanwhile, a project titled 'Establishment of 40 TTC at *Upazila* level' has been approved by Executive Committee of the National Economic Council (ECNEC). Another project for establishing 50 new TTCs is underway. Necessary initiatives have been undertaken to

upgrade the standard of technical training to international level under BMET.

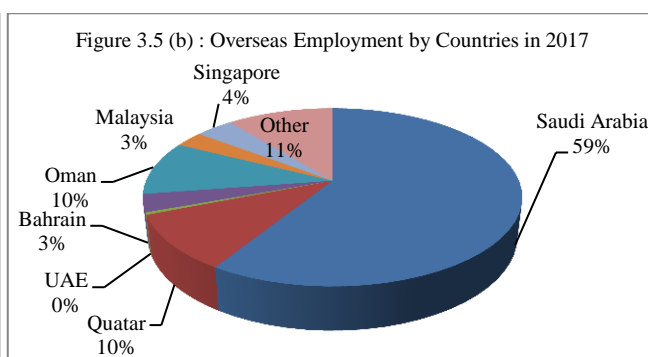
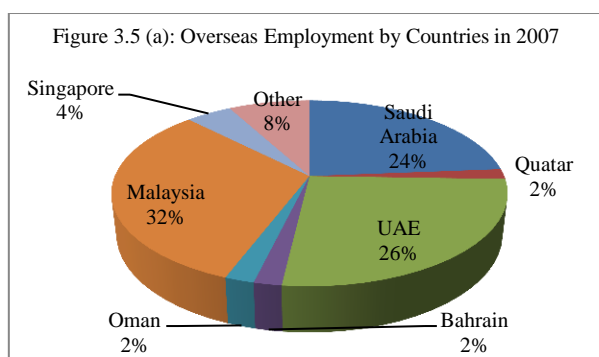
Country wise Manpower Export and Remittances

Most of the Bangladeshi expatriates are working in Saudi Arabia, UAE, Oman, Malaysia, Qatar, and Singapore. Besides, they are working in Bahrain, Jordan, Lebanon, South Korea, Brunei, Mauritius, UK, Ireland, Italy and other countries. Analysing the data of manpower export since 2007 to June, 2017 it is observed that more than 80 percent of total expatriates went to different countries of the Middle East. The number of Bangladeshi expatriates by country since 2007 is shown in Table 3.8 and Figure 3.5(a) and 3.5(b).

Table 3.8 Number of Expatriate Bangladeshi Workers by Country

Calendar Year	Saudi Arabia	Quatar	UAE	Bahrain	Oman	Malaysia	Singapore	Other	Total
2007	204112	15130	226392	16433	17478	273201	38324	41539	832609
2008	132124	25548	419355	13182	52896	131762	56851	43337	875055
2009	14666	11672	258348	28426	41704	12402	39581	68479	475278
2010	7069	12085	203308	21824	42641	919	39053	63803	390702
2011	15039	13111	282739	13996	135265	742	48667	58503	568062
2012	21232	28801	215452	21777	170326	804	58657	90749	607798
2013	12654	57584	13699	12275	62612	3203	30775	101681	409253
2014	10657	87575	24232	23378	105748	5134	54570	114210	425684
2015	58270	123965	25271	20720	129859	30483	55523	111790	555881
2016	143913	120382	8131	72167	188247	40126	54730	130035	757731
2017*	302456	51826	2179	16460	50556	14846	19779	55527	513629

Source: Bureau of Manpower, Employment and Training. * up to June 2017



During FY2016-17, in line with the past trend the highest amount of remittance (59 percent) came from Saudi Arabia followed by the Oman and Qatar (10 percent each), Singapore (4 percent), Malaysia and Bahrain (3 percent each). Among the Western and European

countries, the highest amount of remittances came from the USA with 13.23 percent followed by the United Kingdom with 6.33 percent. Country-wise remittances sent by Bangladeshi expatriates from FY2007-08 to FY2016-17 are shown in Table 3.9.

Table 3.9: Country wise Remittances

(In million US\$)

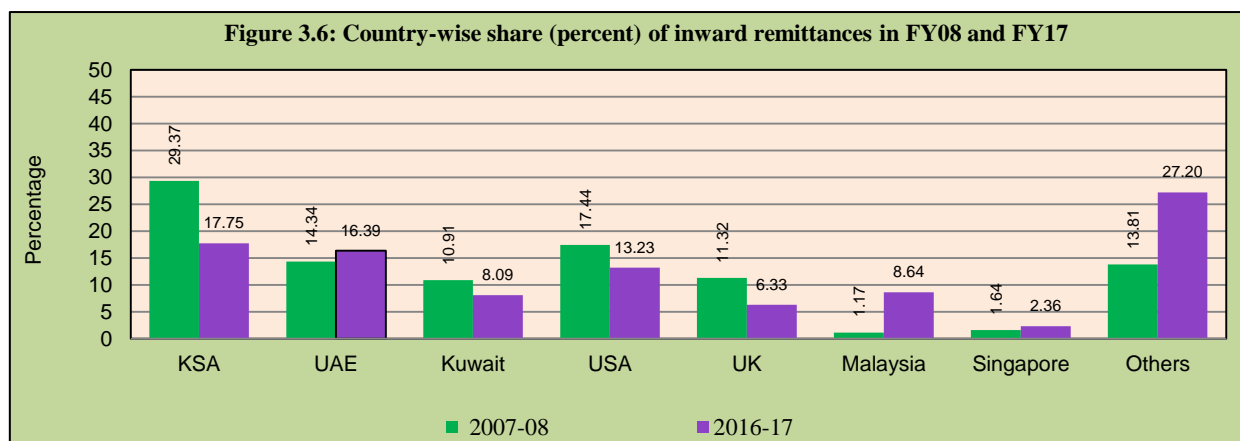
FY	KSA	UAE	USA	Kuwait	UK	Qatar	Oman	Singapore	Bahrain	Malaysia	Others	Total
2007-08	2324.23	1135.14	1380.08	863.73	896.13	289.79	220.64	130.11	138.2	92.44	444.29	7914.78
2008-09	2859.09	1754.92	1575.22	970.75	789.65	343.36	290.06	165.13	157.45	282.2	501.33	9,689.16
2009-10	3427.05	1890.31	1451.89	1019.18	827.51	360.11	349.08	193.46	170.14	587.09	711.58	10987.4
2010-11	3290	2002.6	1848.51	1075.8	889.6	319.4	334.3	202.3	185.93	703.7	798.16	11650.3
2011-12	3684.37	2404.78	1498.45	1190.13	987.45	335.25	400.93	311.47	298.47	847.49	884.61	12843.4
2012-13	3829.5	2829.4	1859.8	1186.9	991.6	286.9	610.1	498.8	361.7	997.4	1009.1	14461.1

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FY	KSA	UAE	USA	Kuwait	UK	Qatar	Oman	Singapore	Bahrain	Malaysia	Others	Total
2013-14	3118.9	2684.9	2323.3	1106.9	901.3	257.5	701.1	429.1	459.4	1064.7	1181.3	14228.3
2014-15	3345.2	2823.8	2380.2	1077.8	812.3	310.2	915.3	443.4	554.3	1381.5	1263.9	15316.91
2015-16*	2955.55	2711.74	2424.32	1039.95	863.28	435.61	909.65	387.24	489.99	1337.14	1376.67	14931.14
2016-17**	2267.2	2093.5	1688.9	1033.3	808.2	576.0	897.7	300.9	437.1	1103.6	1563.1	12769.5

Source: Bangladesh Bank. Note: *-Revised, **-Provisional.

The comparative position of country-wise remittances inflow from FY2007-08 to FY2016-17 has been shown in Figure 3.6.



It is evident from Figure 3.6 that despite significant decline in remittance inflows, the highest amount of remittance is still coming from Saudi Arabia. In FY2007-08, about 29.37 percent of the total remittances were received from Saudi Arabia which declined to 17.75 percent in FY2016-17. On the other hand, during the same period, share of remittance from the UAE increased to 16.39 percent from 14.34 percent. Remittance inflows from Malaysia and Singapore grew significantly over the same period.

Steps Taken to Boost up Foreign Employment and Remittances

The following steps have been undertaken in order to enhance both foreign employment and remittances:

a) Expansion of Labour Market

The Middle-East is one of the principal destinations of manpower export from Bangladesh. Recent political turmoil in this region is posing risks for manpower export from the country. In this context, the Government has been exploring new destinations of manpower export in other regions of the world by conducting new labour market exploring study in 50 countries including European countries, Australia and Brazil. Currently, Bangladeshi expatriates are employed in 162 countries across the world. Consequently, new labour markets have been expanded almost in 63 countries across the world including Australia, Canada, Russia, Sweden, Congo, South Africa, Algeria, Papua New Guinea, Guinea. Recently G to G+ agreement has been signed with Malaysia for

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sending workers abroad through private recruiting agencies along with Government agencies. Moreover, with a view to ensuring unhindered export of manpower, Bangladesh Overseas Employment and Services Limited (BOESL) has been strengthened. Besides, as a part of expansion scheme currently an initiative of creating 12 labour wings is underway. In addition, the Government has taken various steps to encourage remittance inflow through legal channel and to ensure its quick disbursement to the recipients.

b) Exporting Manpower through Government Channel

Some of the steps that have already been taken by the Government to enhance the inflow of remittance and to explore new labour markets are as follows:

- Contracts/MoUs have already been signed or underway to sign with Hong Kong, KSA, Singapore and Malaysia for sending workers through G to G;
- Female workers are being sent as housemaids to Jordan without any migration cost and garment workers with minimum cost;
- Recently, new labour market has been explored in Kingdom of Saudi Arabia and Malaysia;
- Female workers are also being sent to South Korea, Jordan, Hong Kong and Singapore through BMET with minimum cost.

c) Establishment of *Probashi Kallyan Bank*

Probashi Kallyan Bank, a specialised bank, financed by Wage Earners' Welfare Fund,

has been established to assist the workers who intend to go abroad and to rehabilitate workers who return to the country. During FY2016-17, Tk.51.93 crore has been disbursed as credit to 4,449 would-be expatriate workers.

d) Welfare Activities for the Expatriate Workers

Wage Earners Welfare Board is a welfare oriented institution which was established at the BMET. This Board assists in bringing the dead bodies of Bangladeshi migrant workers, provides financial assistance in carrying and burial of dead bodies, recovery of arrear dues and compensation from the employer, recovery of insurance coverage money, briefing for job seekers, bringing back the stranded Bangladeshi workers, provides assistance to outgoing and returned workers through welfare desk in the airport and other welfare related activities. Moreover, a total of 29 Labour Wings are playing important role for the welfare of the migrant workers along with embassies of the country abroad.

e) Modernisation of Emigration Process

To reduce the influence and fraudulence of the recruiting agencies and brokers, a database of migrant workers with digitised fingerprints has been created. Outgoing clearance is being given by using database network. The hassles of the expatriate workers and deception have been reduced in the airports due to workers' information kept in the smart card.

f) Act and Policy to Combat Migration Cost

'Overseas Employment and Migration Act, 2013' has been enacted in order to reduce

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migration cost and to ensure transparency and accountability of the recruiting agencies. Provisions are there for imprisonment and penalty against unscrupulous recruiting agencies for offences including charging high migration cost. Moreover, 'Overseas Employment Policy-2016' has already been approved.

g) Encouraging Sending Remittance through Proper Channel

- 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, 1,142 drawing arrangements are active and playing important role in sending remittances 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.
- The policy for establishment of exchange houses/branch offices abroad by local banks has been adopted. Up to June, 2017 a total of 34 exchange houses/branch offices/representative offices of different local banks are operating their programmes in different countries (UK, USA, Australia, Singapore, Malaysia, Greece, Italy, Canada, Oman and Maldives).
- 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 area in the country are playing important role to speed up the network of remittance distribution. Up to June 2017, 18 banks out of 24 approved banks have already started their services to distribute remittances through the outlets of mobile phone operators.

- To mobilise the remittance flows under the drawing arrangement, the maximum time to distribute remittances to beneficiary level has been re-fixed at 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.
- Consumer Rights Protection Centre has been established by the Bangladesh Bank to receive the complaints regarding remittance from the Bangladeshi expatriates or their domestic beneficiaries directly.
- Non-Resident Bangladeshis (NRBs) are allowed to open Non-Resident Foreign Currency Deposit (NFCD) accounts with authorised dealer banks at home to credit their retirement benefits, periodical pensions, superannuation benefits etc. as per employment agreement with employers while on service abroad. The balances held in the accounts can be used for settlement of legitimate payment abroad.
- To ease the use of remittances for import payment against expired Letter of Credit Authorisation Form (LCAF) which was

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restricted without obtaining its revalidation, Authorised Dealers (ADs) are now allowed to effect remittances within 30 months of issuance LCAF against import of capital machinery without obtaining its revalidation.

Revalidation of LCAF is not required for remittances against import out of fund held in foreign currency accounts of importers which are maintained under general or special authorisation from Bangladesh Bank.