CHAPTER 3
PRICES, WAGES AND EMPLOYMENT

Consumer Price Index and Inflation

[Prices, wages and employment are the three most important indicators for an economy. Price level is explained by the Consumer Price Index (CPI). According to CPI, the inflation rate in FY 2011-12 was 10.62 percent at the national level, which was 8.80 percent in FY 2010-11. During this period, the non-food inflation rose to 11.15 percent. To contain inflation, the government has taken a range of measures which include ensuring smooth supply of food items. According to the latest survey conducted by BBS, the number of economically active population (above 15 years in the country is 5.67 crore, out of which, a labour force of 5.40 crore (male 3.78 crore and female 1.62 crore) is engaged in a number of professions. However, agriculture still remains the highest source of employment that absorbs 48.10 percent of the workforce. According to the Wages Rate Index, both nominal and real wage rates have been on the rise. A sizeable number of Bangladeshi labour force is employed abroad, of which a total of 691000 Bangladeshi workers went abroad for employment during FY 2011-12. The remittances of the expatriate workers stood at US$ 12,843.40 million in FY 2011-12. Of the total expatriate workers, more than 70 percent are employed in the Middle East. In order to ensure smooth inflow of remittances, the Government has taken a range of measures which include among others establishment of Probashi Kalyan Bank, introducing arrangements for remittance through mobile phone, providing CIP facilities to the large remitters].

Bangladesh Bureau of Statistics (BBS) 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 current CPI of Tables 3.1a and 3.1b have been constructed using both 1995-96 and 2005-06 as the base years. In order to construct the price index, the commodity and weight of the index basket from the Household Income and Expenditure Survey (HIES), both 1995-96 and 2005-06 have been used. All rural and urban price indices were compiled using the lists of consumer goods of rural and urban households based on the survey. And finally, the national price index is computed by taking into account the weighted average of consumption expenditures of the two areas. All indices are shown separately in food and non-food groups which are again divided into a number of sub groups. Consumer Price Index and inflation during FY 2002-03 to FY 2011-12 are shown in Tables 3.1a and 3.1b

Table 3.1a: Consumer Price Index and Inflation

(Base year 1995-96)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
General	135.97	143.90	153.23	164.21	176.06	193.54	206.43	221.53	241.02	266.61
(% change)	(4.38)	(5.83)	(6.48)	(7.17)	(7.22)	(9.93)	(6.66)	(7.31)	(8.80)	(10.62)
Food	137.01	146.50	158.08	170.34	184.18	206.79	221.64	240.55	267.83	295.86
(% change)	(3.46)	(6.93)	(7.91)	(7.76)	(8.12)	(12.28)	(7.18)	(8.53)	(11.34)	(10.47)
Non-food	135.13	141.03	147.14	156.56	165.79	176.26	186.67	196.84	205.01	227.87
(% change)	(5.66)	(4.37)	(4.33)	(6.40)	(5.90)	(6.32)	(5.91)	(5.45)	(4.15)	(11.15)

Source: Bangladesh Bureau of Statistics

Table 3.1b: Consumer Price Index and Inflation

(Base year 2005-06)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
General	109.39	122.84	132.17	141.18	156.59	170.32
Food	11.63	130.30	140.61	149.40	170.48	179.74
Non-food	106.51	113.27	121.36	130.66	138.77	158.25

Source: Bangladesh Bureau of Statistics

The rate of inflation (national) in FY 2011-12 stood at 10.62 percent which was 8.80 percent in the previous fiscal year. From the above tables and graph, it is observed that there has been an increasing trend of inflation from FY 2002-03 to FY 2007-08. In FY 2008-09, the rate of inflation came down but in FY 2009-10 it started moving upward and continued in FY 2011-12. During 2011-12 non-food inflation was higher than food inflation. The rate of inflation at the national level in July, 2011 was 10.96 percent on a point-to -point basis.

After assumption of office, the present 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. Despite the price hike of essential consumer goods in the international market, the rate of inflation receded to 8.56 percent in June, 2012. During this period, food inflation went down to 7.08 percent in June from 13.40 percent in June 2011 showing a sharp decrease. The monthly rate of inflation during FY 2011-12 calculated on a point-to-point basis is presented in Tables 3.2a and 3.2b.

Table 3.2a: Monthly Rate of inflation (Point to point) during FY 2011-12

(Base Year 1995-96=100)

		2011-12												
		July'11	**Aug'11**	**Sep'11**	**Oct'11**	**Nov'11**	**Dec'11**	**Jan'12**	**Feb'12**	**Mar'12**	**Apr'12**	**May'12**	**June'12**	**Average**
National	General	254.72	259.66	264.85	265.94	266.55	266.34	270.59	269.76	270.81	270.68	268.93	270.43	266.61
		(10.96)	(11.29)	(11.97)	(11.42)	(11.58)	(10.63)	(11.59)	(10.43)	(10.10)	(9.93)	(9.15)	(8.56)	(10.62)
	Food	285.31	290.13	298.29	299.15	298.29	296.08	299.91	296.89	297.77	297.36	294.39	296.74	295.86
		(13.40)	(12.70)	(13.75)	(12.82)	(12.47)	(10.40)	(10.90)	(8.92)	(8.28)	(8.12)	(7.46)	(7.08)	(10.47)
	Non-food	213.61	219.11	220.04	221.41	224.16	226.89	231.84	234.13	235.50	235.77	235.85	236.16	227.87
		(6.46)	(8.76)	(8.77)	(9.05)	(10.19)	(11.38)	(13.16)	(13.57)	(13.96)	(13.77)	(12.72)	(11.72)	(11.15)
Urban	General	247.98	253.14	257.82	258.87	258.49	259.07	264.17	263.62	264.35	264.50	263.42	264.73	260.01
		(10.65)	(11.20)	(12.29)	(12.47)	(12.11)	(11.62)	(12.73)	(12.06)	(11.89)	(11.77)	(11.12)	(10.29)	(11.68)
	Food	298.08	304.79	313.06	313.80	311.66	310.21	315.13	311.83	312.72	312.55	310.28	312.81	310.58
		(13.12)	(12.94)	(14.67)	(14.87)	(14.04)	(12.26)	(12.56)	(10.96)	(10.80)	(10.72)	(10.17)	(9.57)	(12.20)
	Non-food	200.24	203.91	205.17	206.52	207.82	210.32	215.60	217.67	218.24	218.70	218.75	218.75	211.82
		(7.32)	(8.80)	(9.00)	(9.17)	(9.47)	(10.47)	(12.97)	(13.59)	(13.42)	(13.25)	(12.44)	(11.28)	(10.98)
Rural	General	257.49	262.34	267.74	268.84	269.86	269.33	273.23	272.28	273.46	273.22	271.19	272.77	269.31
		(11.09)	(11.34)	(11.85)	(11.01)	(11.37)	(10.25)	(11.15)	(9.79)	(9.40)	(9.21)	(8.38)	(7.88)	(10.20)
	Food	280.07	284.11	292.22	293.14	292.8	290.28	293.66	290.75	291.63	291.12	287.86	290.14	289.82
		(13.53)	(12.59)	(13.35)	(11.94)	(11.80)	(9.60)	(10.18)	(8.05)	(7.21)	(7.01)	(6.30)	(6.02)	(9.73)
	Non-food	219.10	225.35	226.15	227.53	230.87	233.70	238.51	240.89	242.59	242.78	242.87	243.24	234.47
		(6.14)	(8.74)	(8.69)	(9.01)	(10.46)	(11.62)	(13.23)	(13.57)	(14.17)	(13.97)	(12.82)	(11.88)	(11.22)

Source: Bangladesh Bureau of Statistics

Table 3.2b: Monthly Rate of inflation (Point to point) during FY 2011-12
(Base Year 2005-06=100)

		2011-12												
		July'11	**Aug'11**	**Sep'11**	**Oct'11**	**Nov'11**	**Dec'11**	**Jan'12**	**Feb'12**	**Mar'12**	**Apr'12**	**May'12**	**June'12**	**Average**
National	General	164.63	168.06	170.96	171.23	170.60	170.27	172.89	171.35	171.76	170.83	169.40	170.33	170.19
		(11.85)	(12.04)	(12.66)	(10.99)	(9.87)	(7.61)	(8.58)	(6.94)	(6.76)	(6.24)	(6.01)	(5.55)	(8.69)
	Food	179.96	183.76	188.38	188.34	186.35	184.62	186.97	183.14	183.08	181.15	178.26	179.74	183.65
		(17.72)	(13.88)	(14.86)	(12.13)	(10.00)	(6.26)	(6.96)	(4.12)	(3.64)	(2.80)	(2.70)	(2.56)	(7.72)
	Non-food	144.98	147.93	148.63	149.28	150.40	151.87	154.85	156.23	157.24	157.60	158.03	158.27	152.94
		(7.56)	(9.24)	(9.26)	(9.20)	(9.68)	(9.79)	(11.18)	(11.47)	(11.79)	(11.74)	(11.19)	(10.21)	(10.21)
Urban	General	159.11	162.44	165.35	165.51	164.36	164.22	166.40	165.85	166.28	165.38	164.24	165.16	164.53
		(9.83)	(10.53)	(11.34)	(10.47)	(9.48)	(8.07)	(8.51)	(7.62)	(7.78)	(7.23)	(7.16)	(6.65)	(8.70)
	Food	180.16	184.64	190.27	189.77	186.31	184.23	185.50	182.88	183.05	180.76	177.61	179.33	183.71
		(12.59)	(12.65)	(14.31)	(12.74)	(10.54)	(7.79)	(7.23)	(5.04)	(516)	(4.24)	(4.13)	(3.16)	(8.27)
	Non-food	140.79	143.12	143.68	144.42	145.27	146.82	149.79	151.04	151.69	152.01	152.61	152.83	147.84
		(6.91)	(8.26)	(8.10)	(8.00)	(8.31)	(8.39)	(9.92)	(10.49)	(10.67)	(10.52)	(10.42)	(9.77)	(9.16)
Rural	General	167.62	171.10	174.00	174.32	173.97	173.54	176.40	174.32	174.72	173.78	172.19	173.12	173.26
		(12.91)	(12.83)	(13.35)	(11.26)	(10.08)	(7.38)	(8.62)	(6.59)	(6.24)	(5.73)	(5.42)	(4.98)	(8.69)
	Food	179.87	183.39	187.61	187.76	186.37	184.78	187.57	183.25	183.10	181.32	178.53	179.90	183.62
		(15.61)	(14.39)	(15.09)	(11.88)	(9.78)	(5.65)	(6.86)	(3.75)	(3.03)	(2.23)	(2.13)	(2.08)	(7.50)
	Non-food	148.11	151.54	152.33	152.92	154.24	155.66	158.65	160.12	161.40	161.80	162.09	162.34	156.77
		(8.03)	(9.95)	(10.09)	(10.06)	(10.66)	(10.80)	(12.09)	(12.18)	(12.59)	(12.61)	(11.73)	(10.53)	(10.96)

Source: Bangladesh Bureau of Statistics

Wages Index

Bangladesh Bureau of Statistics has constructed a Wage Rate Index using 1969-70 as the base year. The Wage Rate Index from FY 2001-02 through FY 2011-12 is presented in Table 3.3. It has been observed from the table that the nominal wage rate index kept on rising and in FY 2011-12 the index rose by 11.88 percent compared to that of the previous fiscal year. The wage rate index of agriculture, fisheries and manufacturing sectors increased by 15.17 percent, 2.86 and 6.54 percent respectively. Compared to these sectors, the wage rate indices of construction sector is much higher and have been the highest during the recent times. It is to be noted that, in FY 2011-12, the wage rate indices of construction sector increased by 32.10 percent.

Table 3.3: Rate of Increase in Wages

(Base year 1969-70=100)

Fiscal Year	Nominal Wage Rate Index					CPI for industrial labour (national)	Real Wage Rate Index (General)
	General	Agriculture	Fisheries	Manufacturing	Construction		
2001-02	2637 (5.95)	2262 (5.65)	2411 (5.19)	3035 (7.17)	2444 (3.74)	2024 (1.25)	130 (4.00)
2002-03	2926 (10.96)	2443 (8.00)	2563 (6.30)	3501 (15.35)	2624 (7.36)	2068 (2.17)	141 (8.46)
2003-04	3111 (6.31)	2582 (5.69)	2775 (8.28)	3765 (7.55)	2669 (1.69)	2129 (2.95)	146 (3.55)
2004-05	3293 (5.85)	2719 (5.31)	2957 (6.55)	4015 (6.64)	2758 (3.33)	2216 (4.08)	149 (2.05)
2005-06	3507 (6.50)	2926 (7.61)	3133 (5.95)	4293 (6.92)	2889 (4.75)	2351 (6.09)	149 (0.00)
2006-07	3779 (7.76)	3156 (7.69)	3332 (6.35)	4636 (7.99)	3135 (8.52)	2524 (7.36)	150 (0.67)
2007-08	4227 (11.85)	3524 (11.66)	3669 (10.11)	5197 (12.10)	3549 (13.20)	2740 (8.56)	154 (2.67)
2008-09	5026 (18.90)	4274 (21.28)	4236 (15.45)	6128 (17.91)	4311 (21.47)	2885 (5.30)	174 (12.92)
2009-10	5562 (10.67)	4985 (16.65)	4821 (14)	6620 (13.95)	4756 (10.31)	----	----
2010-11	5782 (6.27)	5326 (10.87)	5043 (6.69)	6778 (3.96)	4983 (7.55)	----	-----
2011-12	6469 (11.88)	6134 (15.17)	5187 (2.86)	7221 (6.54)	6583 (32.10)	----	----

Source: BBS

Note: BBS has not published the consumer price index of industrial labour after FY 2005-06. Figures for FY 2006-07 to FY 2008-09 have been calculated by using the trend analysis of the ratio of CPI and Industrial CPI of FY 2005-06 and before.

Labour Force and Employment

In order to assess the overall situation of employment, Bangladesh Bureau of Statistics conducts the Labour Force Survey (LFS). According to the latest survey of BBS titled 'Labour Force Survey 2010', the number of economically active population (above 15 years) is 5.67 crore. Out of this, as many as 5.40 crore people (male 3.78 crore and female 1.62 crore) are engaged in a number of professions, the highest (47.33 percent) still being in agriculture. According to the Labour Force Survey, 2005-06, the total labour force of over 15 years of age was 4.74 crore (male 3.61 crore and female 1.13 crore) with agriculture remained the highest (48.10 percent) source of employment. Between the two survey periods, the number of agricultural workers decreased by nearly 1 percent. According to LFS 2010, it is observed that 44.4 percent (25.5 percent in agriculture and 18.9 others) of labour force is engaged in self-employment while it was 41.98 percent in FY 2005-06. It may be noted that during the two survey periods, the number of self-employed labour force increased by 2.42 percent. The survey indicated that 21.8 percent of labour force was daily labourers and 19.7 percent unpaid family workers, which was 18.14 percent and 21.73 percent respectively according to the previous surveys. The latest survey also indicated that 14.60 percent of the labour force was engaged as full time employees implying a decrease by 2.46 percent. 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 and 2010 is shown in Table 3.4.

Table 3.4: Share of Employed Labour Force (Above 15 years) by Sector

Sector	1995-96	1999-00	2002-03	2005-06	2010
Agriculture, forestry and fishery	48.85	50.77	51.69	48.10	47.33
Mining & quarrying	-	0.51	0.23	0.21	0.18
Manufacturing	10.06	9.49	9.71	10.97	12.34
Power, gas & water	0.29	0.26	0.23	0.21	0.18
Construction	2.87	2.82	3.39	3.16	4.79
Trade, hotel & restaurant	17.24	15.64	15.34	16.45	15.47
Transport, maintenance & communication	6.32	6.41	6.77	8.44	7.37
Finance, business & services	0.57	1.03	0.68	1.48	1.84
Commodities & personal services	13.79	13.08	5.64	5.49	6.26
Public administration and defence	-	-	6.32	5.49	4.24
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Source: Labour Force Survey (LFS), 1995-96, 1999-00, 2002-03, 2005-06 & 2010 BBS.

Note: According to Labour Force Survey 2002-03, 2005-06 & 2010, population above 15 years of age has been counted as labour force, but in the previous surveys the criterion for counting labour force was population above 10 years.

Steps taken to Improve Employment Situation

Generation of employment for the labour force is essential for raising productivity within the economy. The employers and workers of factories and other outfits play a vital role in this regard. Maintaining industrial relations, labour welfare, industrial dispute settlement, skill development training and workers' education are also important to scale up the productivity of the labour force. Important steps taken by the government are stated below:

a) Skill Development Training

Socio-economic development of Bangladesh largely depends on human resources development which can be accomplished by imparting training to our huge unemployed labour force. Realising this, the Bureau of Manpower, Employment and Training has established 26 Technical Training Centres (TTC) with an outlay of Tk 325.77 crore. Among these TTCs, 6 centres have been set up exclusively for women. These TTCs have been providing training on 17 different trades. Around 2000 trainees are trained up each year to make them skilled and comptent for entering into the overseas job markets. Bangladesh Institute of Marine Technology and Technical Trainning Centres have been providing scholarships to the trainees of a total of 38 trainning centres. Besides, the Government has established four industry related training centres in Dhaka, Rajshahi, Khulna and Chittagong where skill development training is provided.

b) Discouraging Hazardous Child Labour with Proper Rehabilitation

Child labour is a very sensitive issue across the globe. The Ministry of Labour and Employment has undertaken a number of steps to reduce hazardous child labour from the industries. This ministry has implemented two projects until June, 2009 to bring 40000 children under the coverage of non-formal education besides skill development training. In the 3rd phase of the project 50000 child labour are trained in 24 month and develop their skills within 6 months. This training made them self-employed. They are given respective trade related equipment with the financial assistance of Netherland government (Tk 7139.70 lac) to remove worst type of child labour from Bangladesh urban informal economy. Meanwhile, The Ministry of Labour and Employment took a project titled "Urban informal Economy (UIE) programme". The Labour and Employment Ministry with the help of labour wing established child labour unit. This child labour unit plays as a catalyst regarding child labour reducing related issues and all there works are done successfully.

c) Women Development and Training

To encourage our women society in developmental work there are 6 women handicraft training centre in 6 division only for women. In this centre there 6 trade and 2 Shift for training. Every year they give training to 4320 woman that is why there are employment of woman in our

country and foreign country. With the help of Sheikh Fazilatunnesa Mujib Female handicraft training centre every year 10000 young woman learn practical knowledge and take training like housekeeping trade and setup there career in abroad. Beside that inequality laws of woman, security in working place and comfortable working environment are strived to attain.

d) Reforms Undertaken to Ensure Labour Welfare

The Government is aware of the need for protecting the interest of the labourers as well as the improvement of their living standard. The numerical strength of the labourers and the attendant problems are growing by tandem with the increasing momentum of economic activities. The Ministry of Labour and Employment has taken the following steps to ensure their greater welfare:

1) In order to ensure better living conditions of the labour force, the Government has declared minimum wage award to 32 industries out of 42,
2) The retirement age of labourers has been raised from 57 up to 60 by amending relevant labour law.
3) Bangladesh Labour Act, 2006 has been revised to update its contents.
4) A set of draft rules has been prepared under the Labour Welfare Fund of the private owners of the road transportation system.
5) The Government has taken steps to formulate National Labour Policy.
6) A project has been taken up to construct 10-storeyed hostels at Chasara, Tejgaon and Tongi to provide accommodations to the women garment workers.

Overseas Employment and Remittances

Remittance sent by the Bangladeshi expatriates make significant contribution towards accelerating economic development of the country, such as addressing unemployment problems, poverty reduction and increasing 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 been increasing in the recent years. About 6.91 lakh workers went abroad in quest of jobs in FY 2011-12, which was 57.40 percent higher than the number stood at in the previous year. Bangladesh earned remittances of US$ 12,843 million in FY 2011-12 which was 10.24 percent higher than the remittance earned to the tune of US$ 11,650 million in FY 2010-11. The year-wise statistics of inward remittances sent by Bangladeshi expatriates is shown in Table 3.5 and Graph 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 (%)
2002-03	251	3061.97	22.42	17719.58	23.31
2003-04	277	3371.97	10.12	19872.39	12.15
2004-05	250	3848.29	14.13	23646.97	18.99
2005-06	291	4801.88	24.78	32274.60	36.49
2006-07	564	5978.47	24.50	41298.50	27.96
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

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

% change over the previous year

Table 3.5 and Graph 3.2 shows that in the recent past, there is an upward trend in both the number of manpower export and the amount of inward remittances.

The ratios of remittances to GDP and export earning show a mixed trend. The remittance sent by Bangladeshi expatriates was 5.90 percent and 46.76 percent of the country's GDP and total export earnings respectively during FY 2002-03. Over time remittances sent by Bangladeshi expatriates substantially increased and in FY 2011-12 it stands at 11.11 percent of GDP and

52.92 percent of total export earnings. Remittances as percent of GDP and as percent of total export earnings are shown in Table 3.6 and Graph 3.3 below.

Table 3.6: Remittance as Percent of GDP and Export Earnings

FY	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
as percent of GDP	5.90	5.97	6.37	6.89	8.74	10.02	10.84	11.77	10.43	11.11
as percent of Export	46.76	44.35	44.46	45.62	49.09	56.09	62.25	63.48	50.82	52.92

Source: Bangladesh Bank, BBS and EPB

Expatriates Classified by Skill

Analysing the statistics of the Bureau of Manpower Employment and Training (BMET), it is observed that about half of overseas workers who went abroad are less-skilled. The number of expatriates classified by skill is shown in Table 3.7. From the table, it is observed that the share of professional workers has decreased significantly. However, the shares of skilled and semi-skilled workers are at the satisfactory level.

Table 3.7: Number of Expatriates Classified by Skill

Calendar Year	Professional	Skilled	Semi-skilled	Less-skilled	Total
2001	6940	42742	30702	109581	188965
2002	14450	56265	36025	118516	225256
2003	15862	74530	29236	136562	254190
2004	19107	81887	24566	147398	272958
2005	1945	116393	24546	112556	255440
2006	925	115468	33965	231158	381516

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

Source: Bureau of Manpower, Employment and Training.

There is a significant change in the structure of expatriates classified by skill during the last few years. In 2001 the share of professional expatriates was 4 percent of total manpower export, which in the subsequent years gradually came down. Likewise, the share of less-skilled workers reduced to 55 percent in 2011 from 58 percent in 2001.

Chart 3.4.1: Overseas Employment by Profession in 2001

Chart 3.4.2: Overseas Employment by Profession in 2011

expatriates Bangladeshis by country since 2002 is shown in Table 3.8 and Graphs 3.5.1 and 3.5.2.

Table 3.8 Number of Expatriate Bangladeshi Workers by Country

Calendar Year	Saudi Arabia	Kuwait	UAE	Bahrain	Oman	Malaysia	Singapore	Other
2002	163254	15767	25438	5370	3927	85	6870	4545
2003	162131	26722	37346	7482	4029	28	5304	11148
2004	139031	41108	47012	9194	4435	224	6948	25006
2005	80425	47029	61978	10716	4827	2911	9651	35165
2006	109513	35775	130204	16355	8082	20469	20139	40979
2007	204112	4212	226392	16433	17478	273201	38324	68188
2008	132124	319	419355	13182	52896	131762	56851	68836
2009	14666	10	258348	28426	41704	12402	39581	80141
2010	7069	48	203308	21824	42641	919	39053	75840
2011	15039	29	282739	13996	135265	742	48667	19038
2012	10817	-	168685	10372	95887	400	28523	60153

Source: Bureau of Manpower, Employment and Training.

During FY 2011-12, the highest amount of remittance (28.69 percent) came from Saudi Arabia keeping the trend as usual followed by the United Arab Emirates (18.72 percent), Kuwait (9.27 percent) and Malaysia (6.60 percent). Among the Western and European countries, the United States of America secured the first position (11.67 percent), followed by the United Kingdom (7.69 percent). Amount of country wise remittance sent by Bangladeshi expatriates from FY2000-01 to FY 2011-12 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
2000-01	919.61	144.28	225.62	247.39	55.7	63.44	83.66	7.84	44.05	30.6	59.91	1882.1
2001-02	1147.95	233.49	356.24	285.75	103.31	90.6	103.27	14.26	54.12	46.85	65.29	2501.13
2002-03	1254.31	327.4	458.05	338.59	220.22	113.55	114.06	31.06	63.72	41.4	99.61	3061.97
2003-04	1386.03	373.46	467.81	361.24	297.54	113.64	118.53	32.37	61.11	37.06	123.18	3371.97
2004-05	1510.46	442.24	557.31	406.8	375.77	136.41	131.32	47.69	67.18	25.51	147.6	3848.29
2005-06	1696.96	561.44	760.69	494.39	555.71	175.64	165.25	64.84	67.33	20.82	238.81	4801.88
2006-07	1734.7	804.84	930.33	680.7	886.9	233.17	196.47	80.24	79.96	11.84	339.32	5978.47
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	501.43	9,689.26
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

Source: Bangladesh Bank.

The comparative position of country-wise remittances inflow between financial years FY 2001-02 and FY 2011-12 has been shown in graphs 3.6(a) 3.6(b).

It is evident from Graph 3.6 that despite significant decline in the share of remittances, the highest amount of remittance is still coming from Saudi Arabia. In FY 2001-02, about 45.90 percent of the total remittances was received from Saudi Arabia which declined to 28.69 percent in FY 2011-12. On the other hand, during the same period, the share of remittance from the UAE increased to 18.72 percent in FY 2011-12 from 9.3 percent in FY 2001-02. Remittance inflows from the Malaysia, UK and Singapore grew significantly over the same period.

Steps taken to boost up foreign employment and remittances:

The middle-east is the main labour market for Bangladesh. In the context of recent political turmoil in this region, the Government has been trying to explore new markets in other regions of the world. Besides, the government has taken necessary actions to encourage remittance inflow through legal channel and to ensure quick disbursement of remittances to the recipients. Some of the steps that have already been taken by the Government to enhance the flow of remittance and to explore new labour markets are given below:

(a) Exploration of new labour markets: Five teams with high level government delegates have been formed to explore new labour markets. Different countries such as Iraq, Rumania, Australia, New Zealand, Papua New Guinea, Russia, Canada, Sweden, Sudan, Greece, Congo, Estonia, Tanzania, Liberia, Algeria, Azerbaijan, South Africa, Angola, Nigeria, Botswana and Sierra Leon have been identified as new markets for our workers. Besides, Bangladesh is also trying to expand its labour market to Europe and Africa. Workers have already started migrating to Sweden, Angola, South Africa, Iraq, Algeria, Congo and other countries.

(b) **Establishment of Probashi Kalyan Bank**: Probashi Kalyan 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. The bank has started its operation since 20th April, 2011.

(c) **Creation of Welfare Branch in the Bureau of Manpower, Employment and Training**: Welfare Branch is a service oriented branch established at the Bureau of Manpower, Employment and Training. This branch assists in bringing back dead bodies of Bangladeshi migrant workers, and provides financial assistance in carrying and burial of dead bodies, delivers compensation to the families of the deceased workers whose families fail to get any compensation from abroad, collects salary dues from the employers for the family of the deceased worker, provides briefing to the migrant workers, brings back the stranded workers to the country, ensures safe migration with the help of expatriate welfare desk at the airport and ensures safe arrival in the country. A total of Tk. 7.78 crore has been distributed to the heirs of 526 deceased workers in 2010 while a total of Tk.1.18 crore has been distributed to the heirs of 112 deceased persons in 2011.

(d) **Modernisation of Emigration Process**: To reduce the influence of the recruiting agencies and brokers, a database of migrant workers with digitised fingerprints has been established. Outgoing clearance is being provided through smart card by using database network. The hassles of the expatriate workers have been reduced to a great extent by providing the opportunity of automatic print of embarkation card since the information is kept in the smart card.

(e) The government has taken several important steps for quick transmission of remittances through banking channel. These include:

- Approval mechanism of drawing arrangements of Bangladeshi Banks with the foreign exchange houses has been simplified to expedite remittance flow and distribution. By this time, 300 foreign exchange houses have made 850 drawing arrangements with 42 Bangladeshi Banks.
- The policy and the approval process of establishment of exchange houses/branch offices abroad by local banks have been simplified. As many as 16 local banks have been allowed to establish 44 exchange houses/branch offices/representative offices abroad for collecting remittances and their onward transmission to the country;
- 16 micro-finance institutions have been approved to operate distribution of remittances to promote remittance flow and distribution network.
- Approval has been accorded to 4 banks (Dhaka Bank Ltd, Trust Bank Ltd., Mercantile Bank Ltd., Citibank) to distribute remittance through the outlets of mobile phone operators recently and to enhance the network of remittance distribution;

- Wage Earners' Development Bond, Premium Bond and Dollar Bond have been floated to encourage the expatriates to invest
- CIP facilities and special citizen facilities for Bangladeshi expatriates have been extended to encourage the workers to remit their earnings through the banking channel.
- Delivery outlets have been developed under Remittance and Payment Partnership Project (RPP) to expedite remittance flow in a faster and less expensive way.