

## CHAPTER 3

### PRICES, WAGES AND EMPLOYMENT

*[Prices, wages and employment are the three most important indicators for an economy. Price level is explained by the Consumer Price Index (CPI). The CPI inflation rate in FY2015-16 was 5.92 percent at the national level, which was 6.41 percent in FY2014-15. During this period, the-food inflation stood at 4.90 percent with a decrease of 1.78 percentage point compared to previous fiscal year. To contain inflation, the Government has taken a wide range of measures which include ensuring smooth supply of food, growth-supportive, inclusive and investment friendly cautious monetary policy. According to the latest Labour Force Survey (LFS)-2013 conducted by BBS, the number of economically active population above 15 years in the country is 6.07 crore, out of which, a labour force of 5.80 crore (male 4.12 crore and female 1.68 crore) is engaged in a number of professions. According to the survey, total labour force employed in agriculture stood at 45.10 percent which is 2.20 percentage point less compared to the previous LFS-2010. According to the Wages Rate Index, nominal wage rate has been on the rise. A sizeable number of Bangladeshi labour force is employed abroad, of which a total of 6,85,000 Bangladeshi workers went abroad for employment during FY2015-16. The remittances of the expatriate workers stood at US\$ million 14931.14 in FY2015-16 which is 2.52 percent less than the previous fiscal year. Of the total expatriate workers, more than 70 percent are employed in the Middle East. The recent political turmoil in this region has become a matter of concern for Bangladesh. In order to ensure unhindered export of manpower, BOESL has been strengthened in order to send manpower abroad with minimum migration cost. 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, modernization of emigration process, formation of Wage Earners Welfare Board in the Bureau of Manpower Employment and Training, enactment of New Act to combat migration cost.]*

#### **Consumer Price Index and Inflation**

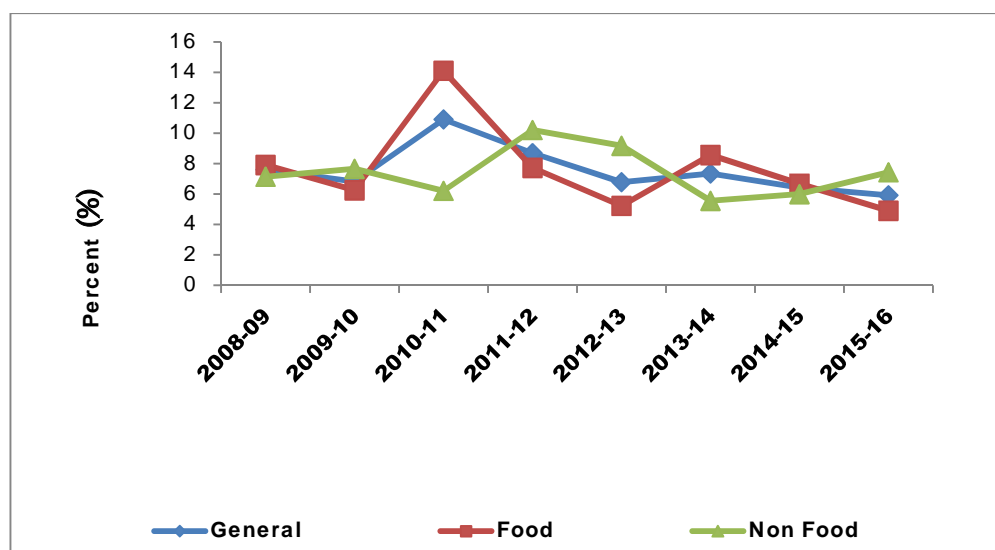
Bangladesh Bureau of Statistics (BBS) computes National Consumer Price Index (CPI) using food and non-food commodities basket and services consumed by the consumers in their day-to-day life. In order to construct the price index, the commodity and weight of the index basket from the Household Income and Expenditure Survey (HIES) 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 FY2008-09 to FY2015-16 are shown in Table 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
General index Inflation	132.17 (7.60)	141.18 (6.82)	156.59 (10.91)	170.19 (8.69)	181.73 (6.78)	195.08 (7.35)	207.58 (6.41)	219.86 (5.92)
Food index Inflation	140.61 (7.91)	149.40 (6.25)	170.48 (14.11)	183.65 (7.72)	193.24 (5.22)	209.79 (8.56)	223.80 (6.68)	234.77 (4.90)
Non-food index Inflation	121.36 (7.14)	130.66 (7.66)	138.77 (6.21)	152.94 (10.21)	166.97 (9.17)	176.23 (5.55)	186.79 (5.99)	200.66 (7.43)

Source: Bangladesh Bureau of Statistics

**Figure 3.1: Rate of Inflation at National Level**



From the above Table and Figure, it is observed that during FY2015-16 the rate of inflation stood at 5.92 percent which was 6.41 percent in the previous fiscal year showing a fast decrease. It is also noted that during FY2015-16, non-food inflation was higher than food inflation. It is worth mentioning that the general level of inflation stood at 7.60 percent in FY2008-09 which was 5.92 percent in FY2015-16 in a long 8 years showing a bit of fluctuation during the entire period.

In FY2015-16 the rate of inflation at the national level in July, 2015 was 6.36 percent on a point-to-point basis. 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. In this regard, the prime objective of the monetary policy for FY2015-16 aimed at attaining inclusive growth as well as containing average inflation at the level 6.2 percent at the end of the year. As a result, the rate of inflation decreased to 5.53 percent in June, 2016. During this period, food inflation declined to 4.23 percent in June, 2016 from 6.32 percent in June, 2015 showing a sharp decrease. The monthly rate of inflation during FY2015-16 calculated on a point-to-point basis is presented in Table 3.2.

**Table 3.2: Monthly Rate of inflation Point to Point during FY2015-16**  
(Base Year 2005-06=100)

Type of Inflation		2014-15	2015-16												
			July'15	Aug'15	Sep'15	Oct'15	Nov'15	Dec'15	Jan'16	Feb'16	Mar'16	Apr'16	May'16	June'16	Average
National	General	6.41	6.36	6.17	6.24	6.19	6.05	6.10	6.07	5.62	5.65	5.61	6.36	5.53	5.92
	Food	6.68	6.07	6.06	5.92	5.89	5.72	5.48	4.33	3.77	3.89	3.84	6.07	4.23	4.90
	Non-food	5.99	6.80	6.35	6.73	6.67	6.56	7.05	8.74	8.46	8.36	8.34	6.80	7.50	7.43
Rural	General	6.20	5.88	5.76	5.86	5.82	5.61	5.85	5.29	4.76	4.79	4.75	5.88	4.63	5.26
	Food	6.40	5.43	5.42	5.26	5.23	5.00	4.76	3.63	3.04	3.15	3.11	5.43	3.44	4.20
	Non-food	5.81	6.69	6.41	6.99	6.90	6.76	7.10	8.37	7.97	7.82	7.80	6.69	6.79	7.22
Urban	General	6.80	7.28	6.94	6.96	6.91	6.88	7.07	7.53	7.22	7.27	7.22	7.28	7.23	7.11
	Food	7.31	7.58	7.56	7.47	7.44	7.42	7.41	5.96	5.48	5.61	5.51	7.58	6.06	6.55
	Non-food	6.24	6.96	6.26	6.37	6.33	6.29	6.98	9.25	9.14	9.12	9.11	6.96	8.48	7.22

Source: Bangladesh Bureau of Statistics

### Wages Rate Index

Bangladesh Bureau of Statistics has been constructing Wage Rate Index (WRI) using 1969-70 as the base year since 1974. Meanwhile constructing WRI using base year FY2010-11 has been initiated. The WRI from FY2010-11 to FY2015-16 is presented in Table 3.3 according to new base year.

**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

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 Table that the index has been increased on an average 6 percent point each year. In FY2015-16 NWRI increased to 6.52 percent which is the highest in accordance with the new survey of WRI. From sector- wise analysing of growth rate it is revealed that in FY2015-16 this index in all three sectors namely Agriculture, Industry and Service increased to 6.41, 6.16 and 7.86 percent respectively that are significantly higher than the previous fiscal years.

## Labour Force and Employment

In order to assess the overall situation of employment, Bangladesh Bureau of Statistics (BBS) conducts the Labour Force Survey (LFS). According to the latest survey of BBS titled 'Labour Force Survey 2013', the number of economically active population above 15 years is 6.07 crore. Out of this, as many as 5.80 crore people (male 4.12 crore and female 1.68 crore) are engaged in a number of professions, the highest 45.10 percent still being in agriculture. According to the Labour Force Survey, 2010, the total labour force of over 15 years of age was 5.67 crore among whom 5.41 crore (male 3.79 crore and female 1.62 crore) were engaged in a number of professions with agriculture being the highest 47.33 percent as the source of employment.

Between the two survey periods, the number of agricultural workers decreased by nearly 2 percentage point. According to LFS 2013, it is observed that 40.62 percent (25.52 percent in agriculture and 15.10 percent in non-agriculture of labour force) is engaged in self-employment while it was 40.67 percent in 2010. It may be noted that during the two survey periods, the number of self-employed labour force decreased by 0.05 percentage point. The latest survey indicated that 15.50 percent of labour force was daily labourers and 18.24 percent unpaid family workers, which was 19.59 percent and 21.81 percent respectively according to the previous survey. The latest survey also indicated that 23.23 percent of the labour force was engaged as full time employees implying an increase by 5.85 percent compared to previous LFS-2010. 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 and 2013 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
Agriculture, forestry and fishery	48.85	50.77	51.69	48.10	47.33	45.10
Mining & quarrying	-	0.51	0.23	0.21	0.18	0.40
Manufacturing	10.06	9.49	9.71	10.97	12.34	16.40
Power, gas & water	0.29	0.26	0.23	0.21	0.18	0.20
Construction	2.87	2.82	3.39	3.16	4.79	3.70
Trade, hotel & restaurant	17.24	15.64	15.34	16.45	15.47	14.50
Transport, maintenance & communication	6.32	6.41	6.77	8.44	7.37	6.40
Finance, business & services	0.57	1.03	0.68	1.48	1.84	1.30
Commodities & personal services	13.79	13.08	5.64	5.49	6.26	6.20
Public administration and defense	-	-	6.32	5.49	4.24	5.80
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

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

## **Steps Taken to Improve Employment Situation**

Poverty alleviation, maintaining robust growth, elimination of child labour, re-fixation of minimum wage, improving skills along with implementing the legal rights of the workers, strengthening the legal basis of compliance and mutual relations are indentified as key challenges to transform the country into a medium income economy by 2021 in the light of 'Vision 2021'. Under this purview the Government has undertaken some pragmatic steps 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;
- Under the Core Committee as many as 9 Regional Crisis Prevention Committee have been formed to mitigate the crisis and other inconveniences;
- A Committee named Social Compliance Forum for RMG has been formed with a view to upgrading the non-compliant garments factories into compliant factories;
- A National Tripartite Committee (NTC) has been constituted to ensure building compliance, fire safety, improve working environment and workers welfare. Relating to this a project titled 'Improving Working Conditions in the Ready-Made Garment Sector of Bangladesh' has been undertaken. Under the project meanwhile 2,783 garment factories have been inspected through BUET, ACCORD and ALLIANCE along with Government.
- Meanwhile, Ministry of Labour and Employment has introduced online registration of trade unions and licences as well as renewal of licences for factories and different establishments.

### **(b) Skill Development and Training**

- 26 Technical Training Centre (TTC) including 6 centers for women in 26 districts through 4 projects are established with an estimated cost of Tk.325.77 crore;
- Imparting training to the representatives of owners and workers and labour administration on industrial relations in 4 Industrial Relationship Institutes (IRI) located in Dhaka, Chittagong, Rajshahi and Khulna;
- Providing technical training to about 25 thousand individuals in 19 trades conducting 826 training courses through the aforementioned training institutes;
- Forming a 36 member 'National Skill Development Council' to upgrade the existing skill base of both public and private sector human resources to a higher level;
- The National Skill Development Policy 2011 has already been approved;
- 56,190 persons have been enrolled in different courses and among them certification have been completed for 37,819 and job placement have been done

for 21,953 up to 30 June, 2016 through the project titled 'Skills for Employment and Investment Programme (SEIP)' implementing under Finance Division.

**(c) Eradication of Hazardous Child Labour**

Government has taken a number of initiatives on the eradication of hazardous child labour from formal as well as informal industry sectors. Included among them are-

- Approval of the National Child Labour Elimination Policy 2010 and preparation of the National Action Plan for the elimination of child labour;
- Identification and finalisation of the most hazardous 38 kinds of works that hinder physical, mental and moral development of children in line with the ILO convention 182;
- Initiatives taken for preparation of a child friendly Corporate Social Responsibility (CSR) policy with the technical assistance of the Save the Children;
- Introduction of micro-credit for employment creation of the parents of child labors;
- Implementation of the project named 'Urban Informal Economy' for elimination of the worst form of child labour from Bangladesh;
- Implementation of 'Elimination of Hazardous Child Labour Project (1st, 2nd and 3rd Phase)' entirely by GoB resources;
- Actions are underway to design a new project.

**(d) Women Development and Training**

Following measures for women development and training are taken:

- Operation of 30 Labor Welfare Centers and Industrial Relations Institutes for imparting training, providing primary health care, social welfare and recreational facilities to working women;
- About 4,95,000 children engaged in hazardous work were provided non-formal education and skills development training;
- Implementing a six year 'Northern Areas Reduction of Poverty Initiative Project' costing Tk.324.34 crore for training and job creation of 14,400 poor young women of five marginalised districts (*Rangpur, Nilphamari, Lalmonirhat, Gaibanda and Kurigram*) of northern region of the country;
- Revising discriminatory laws against women, ensuring work place safety for women, creating women friendly environment and facilities in work place.

**(e) Different Reform Activities for Labour Welfare**

Government has undertaken following measures for ensuring the welfare of workers. These include among others:

- Announcing minimum wages for 38 sectors out of total 42 industrial sectors of the economy to ensure an acceptable standard of living for workers. Fixation of the minimum wages for rest of the industrial sectors is under process;
- Minimum wages for the RMG workers have been gradually increased to Tk.5300 as 77 percent higher than Tk.3000 previously fixed in 2010;
- Promulgated the Occupational Health and Safety Policy 2013;

- Approval of the 'National Labour Policy 2012';
- Increasing the retirement age of workers from 57 years to 60 years;
- Maternity leave for working women has been increased to 6 months from 4 months;
- 'Labour Law 2006' has been revised and 'Bangladesh Labor Law (revised), 2013' has been approved and published in the Bangladesh gazette;
- Bangladesh Labour Welfare Foundation Act-2010 has been adopted;
- The Private Sector Road Transport Labour Welfare Fund Act-2012 has already been adopted;
- Preparing the draft 'Domestic Workers' Protection and Welfare Policy 2010' to protect the rights and welfare of domestic workers;
- National Industrial Health and Safety Council has been constituted and Industrial Health and Safety Policy has also been approved;
- Industrial Police Force has been formed to contain labour unrest and ensure security of industries.

### 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 6.85 lakh workers went abroad in quest of jobs in FY2015-16, which was 48.59 percent higher than the previous fiscal year. Bangladesh earned remittances of US\$ 14931.14 million in FY2015-16 which was 2.52 percent less than remittance inflows of US\$ 15316.91 million in FY2014-15. 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 %
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
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

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

Note: % change over the previous year

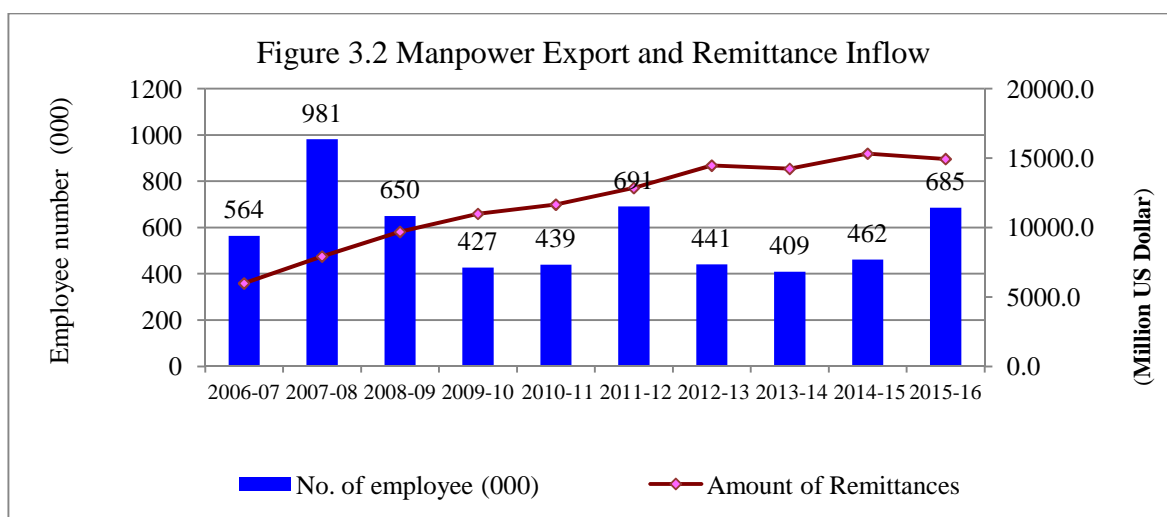


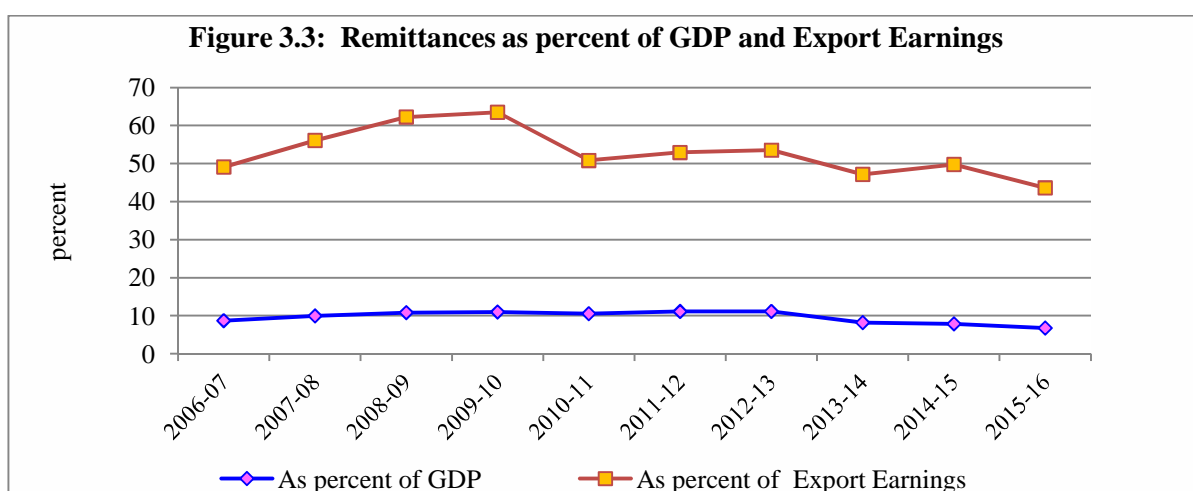
Table 3.5 and Figure 3.2 show that in the recent past, there is an upward trend in both the number of manpower export and the amount of inward remittances except some small declining trend especially in the previous FY2013-14.

The ratios of remittances to GDP and export earning show a mixed trend. The remittance sent by Bangladeshi expatriates was 8.72 percent and 49.09 percent of the country's GDP and total export earnings respectively during FY2006-07. Within a decade in FY2015-16 it decreased to 6.74 percent of GDP and 43.60 percent of total export earnings. 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	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
As percent of GDP	8.72	9.95	10.83	11.00	10.55	11.11	11.14	8.20	7.90	6.74
As percent of Export Earnings	49.09	56.09	62.25	67.80	50.64	52.92	53.52	47.10	49.00	43.60

Source:\* Bangladesh Bank, BBS and EPB





## Expatriates Classified by Skill

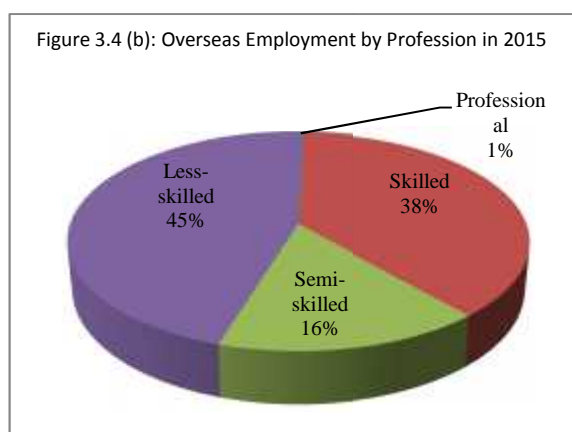
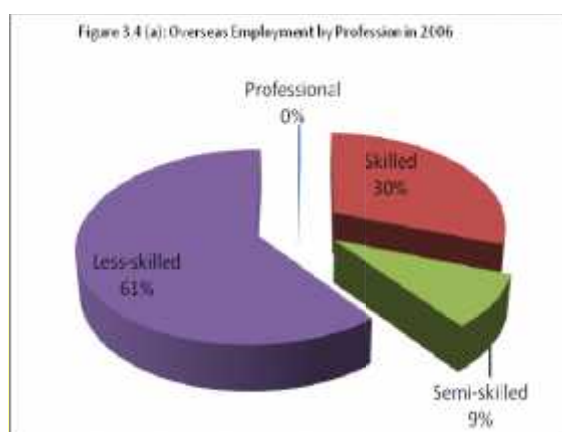
Analysing the statistics of the BMET from 2006 to 2015, it is observed that more than 50 percent of overseas workers who went abroad are less-skilled. The number of expatriates classified by skill is shown in Table 3.7. From the Table, it is observed that the share of professional workers has decreased significantly except the last two calendar years. 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
2006	925	115468	33965	231158	381516
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

**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 2006 the share of skilled expatriates was 30 percent. While, the share increased to 38 percent in 2015. Likewise, the share of less-skilled workers stood at 45 percent in 2015 from 61 percent in 2006. Comparison of overseas employment by profession between 2006 and 2015 is presented below in Figure 3.4(a) and 3.4(b):



The Government is concerned to increase the standard and opportunity of training to increase overseas employment. At the same time, initiative has been taken to coordinate the activities between training and vocational institutions. In 2015, under the supervision of Bureau of Manpower Employment and Training (BMET) as many as 112 thousands trainees in different trades have got training through 6 Bangladesh Institute of Marine Technology and 47 Technical Training Centers respectively. Besides, the construction of new 17 Technical Training Centers (TTC) has already been completed. Moreover, construction of 5 Institute of Marine Technology in *Munshiganj*, *Chandpur*, *Faridpur*, and *Sirajganj* and construction of 30 new Technical Training Center in different districts is underway.

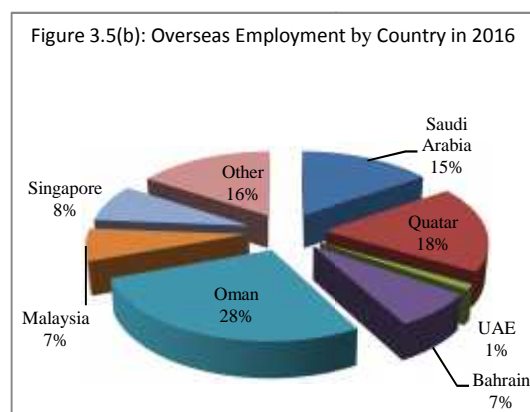
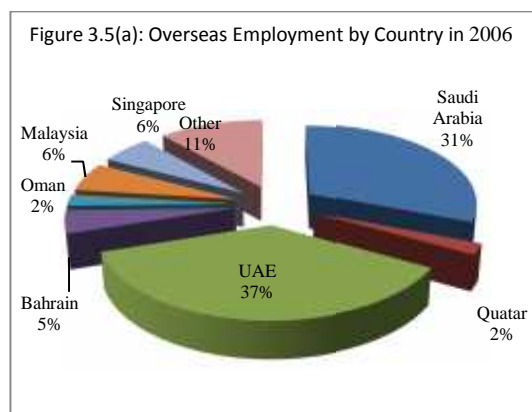
## Country wise Manpower Export and Remittances

It has been observed that most of the expatriates are working in Qatar, Saudi Arabia, UAE, Oman, Malaysia, Qatar, and Singapore. Besides, Bangladeshi expatriates have been working in Bahrain, Jordan, Lebanon, South Korea, Brunei, Mauritius, UK, Ireland, Italy and other countries. Analysing the data of manpower export since 2006 to 2016, it is observed that more than 70 percent of total expatriates went to different countries of the Middle East. The number of expatriate Bangladeshis by country since 2006 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
2006	109513	7691	130204	16355	8082	20469	20139	40979	351516
2007	204112	15130	226392	16433	17478	273201	38324	68188	832609
2008	132124	25548	419355	13182	52896	131762	56851	68836	875055
2009	14666	11672	258348	28426	41704	12402	39581	80141	475278
2010	7069	12085	203308	21824	42641	919	39053	75840	390702
2011	15039	13111	282739	13996	135265	742	48667	19038	568062
2012	21232	28801	215452	21777	170326	804	58657	119548	677098
2013	12654	57584	13699	12275	62612	3203	30775	64671	208340
2014	10657	87575	24232	23378	105748	5134	54570	114210	425684
2015	58270	123965	25271	20720	129859	30483	55523	111790	555881
2016*	57279	67705	4236	27486	102320	25284	29610	58975	372895

**Source:** Bureau of Manpower, Employment and Training. \* up to June 2016



During FY2015-16, in line with past trend the highest amount of remittance 19.79 percent came from Saudi Arabia followed by the United Arab Emirates 18.16 percent, Malaysia 8.96 percent and Kuwait 7.04 percent. Among the Western and European countries, the United States of America secured the first position with 16.24 percent followed by the United Kingdom with 5.78 percent. Amount of country wise remittance sent by Bangladeshi expatriates from FY2005-06 to FY2015-16 is shown in Table 3.9.

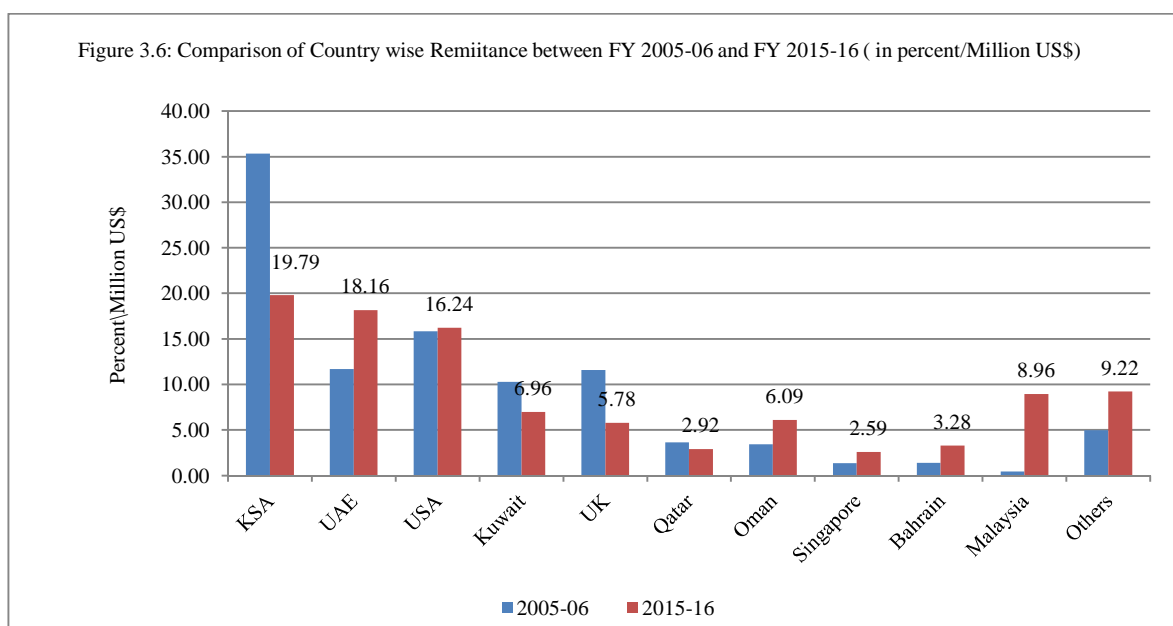
**Table 3.9: Country wise Remittances**

(In million US\$)

FY	KSA	UAE	USA	Kuwait	UK	Qatar	Oman	Singapore	Bahrain	Malaysia	Others	Total
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
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
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	1376.69	14931.16

**Source:** Bangladesh Bank.

The comparative position of country-wise remittances inflow between fiscal years FY2005-06 and FY2015-16 has been shown in Figure 3.6.



It is evident from Figure 3.6 that despite significant decline in the share of remittances, the highest amount of remittance is still coming from Saudi Arabia. In FY2005-06, about 35.34 percent of the total remittances was received from Saudi Arabia which declined to 19.79 percent in FY2015-16. On the other hand, during the same period, share of remittance from the UAE increased to 18.16 percent in FY2015-16 from 11.69 percent in FY2005-06. Remittance inflows from Malaysia, Oman 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 risk for manpower export from the country. In this context the Government has been exploring new destination of manpower export in other regions of the world. Consequently new labour markets have been expanded almost in 63 countries over the world including Australia, Canada, Russia, Sweden, Congo, South Africa, Algeria, Papua New Gini, Guina. Recently G to G+ agreement has been signed with Malaysia for sending workers abroad through private recruiting agency along with Government agency. Moreover, with a view to ensuring unhindered export of manpower, BOESL has been strengthened. Besides this, as a part of expansion scheme currently the matter of creating 12 labour wings with 102 posts 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 given below:

- Female workers are being sent as housemaid to Jordan without any migration cost and in garment sector with minimum cost;
- Recently new labour market has been explored in Kingdom of Saudi Arabia and Malaysia;
- Female workers are also being sent to Jordan, Hongkong and Singapore thorough BMET with minimum cost;
- Manpower are being sent to South Korea at the cost of tk. 84,000 including air fare.

### **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. Every year a significant number of migrates are being given credit from this Bank.

### **d) Welfare Activities for the Expatriate Workers**

Wage Earners Welfare Board is a welfare oriented institution which was established at the Bureau of Manpower, Employment and Training (BMET). This Board assists to 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, to bring back the stranded Bangladeshi workers, assistance to outgoing and returned workers through welfare desk in the airport and also other welfare related works. Moreover, Labour Wings are playing

important role for the welfare of the migrant workers along with Embassy of the country abroad.

**e) Modernisation of Emigration Process**

To reduce the influence and fraudulent of the recruiting agencies and brokers, a database of migrant workers with digitized fingerprints has been established. Outgoing clearance is being given having a smart card 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 migration cost and to ensure transparency and accountability of the recruiting agencies. Provisions are there for imprisonment and penalty against the recipients of high migration cost and unscrupulous recruiting agencies. Moreover, 'Overseas Employment Policy-2015' has already been formulated amending the previous one formulated in 2006.

**g) Encouraging Sending Remittance through Proper Channel**

- Approval mechanism of drawing arrangements of Bangladeshi banks with the foreign exchange houses abroad has been simplified to expedite remittance inflows and distribution. Presently, 1142 drawing arrangements are active and they are playing important role to get remittance;
- 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 of establishment of exchange houses/branch offices abroad by local banks has been commenced. 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, 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 area in the country are playing prominent role;
- Among approved 24 banks, 18 banks have already started to convey the service of distributing remittances through the outlets of mobile phone operators to enhance the network of remittances distribution;
- To mobilise the remittance flows under the drawing arrangement, the maximum time to disburse remittances to beneficiary level has been re-fixed to 2 working days from 72 hours;
- CIP facilities and special citizen facilities for Bangladeshi expatriates have been extended to encourage the workers to remit their earnings through the banking channel;

- 'Customer Right Preservation Centre' has been established to inform directly to Bangladesh Bank if the Bangladeshi expatriates or the domestic beneficiaries have any complain regarding remittance;
- Three NRB commercial banks have started their operations in Bangladesh to facilitate investment by Non Resident Bangladeshi.