

## CHAPTER THREE

### PRICES, WAGES AND EMPLOYMENT

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*Due to the Russia-Ukraine war, the imposition of various economic sanctions on Russia by the Western world and Europe, the world market system was severely disrupted. On the one hand there is instability in the money market, on the other hand there is a jump in commodity prices due to disruption of supply chain. According to the IMF's World Economic Outlook report for April 2022, inflation for 2022 is projected at 5.7 percent in developed countries and 8.7 percent in developing countries, compared to 3.9 percent and 5.9 percent in January 2022, respectively. The average rate of inflation in Bangladesh has already exceeded the target of 5.3. The average inflation stood at 5.83 percent during July-March of FY 2021-22, which was 5.56 per cent in FY 2020-21. The government has taken necessary steps including keeping the supply chain intact and seamless, keeping the prices of daily necessities within the purchasing power of the people to control inflation. Arrangements have been made to issue special cards to one crore people of the country so that they can buy daily necessities at a fair price. According to the last Labour Force Survey (LFS) FY 2016-17 conducted by BBS, the number of economically active population (above 15 years) in the country is 6.35 crore (male 4.35 crore and female 2.00 crore), out of which, a labour force of 6.08 crore is engaged in a number of professions. According to the survey, total labour force employed in agriculture stood at 40.60 percent which is 2.10 percentage points less compared to the previous Labour Force Survey (LFS) FY 2015-16. On the other hand, the total workforce employed in the services sector increased by 2.10 percentage points to 39.0 percent. According to the Bangladesh Wage Rate Index (Base Year 2010-11), the Nominal Wage Rate Index has increased to 180.83 points in FY 2020-21 from FY 2013-14. Overseas employment and remittances from expatriates are contributing immensely to the country's economic development, including increasing employment in the country, as well as reducing unemployment, poverty alleviation and increasing foreign exchange reserves. In the last FY 2020-21, a total of 6.17 lakh people went abroad with employment. As many as 5.76 lakh workers have gone abroad till July-February of FY 2021-22. In the FY 2020-21, expatriate workers sent a total of US\$ 24,777.71 million in remittance, which is 36.10 percent higher than the previous fiscal year. In the first eight months of FY 2021-22, expatriate workers sent a total of US\$ 13,440.1 million in remittance, which is 19.47 percent less than the previous fiscal year. The Coronavirus pandemic has caused a multi-dimensional crisis in Bangladesh's manpower export sector due to lockdowns and stagnation around the world. Various steps have been taken to keep the remittance flow smooth. The government is incentivising remittances at the rate of 2.50 percent to reduce the increased cost of sending remittances legally and to encourage remittances through legal channels.*

#### Global Inflation Scenario

The global market system was severely disrupted by the imposition of various economic sanctions on Russia by the Western world and Europe due to the Russia-Ukraine war, just as the global economy began to turn around in early 2022 after overcoming the adverse effects of the COVID-19 pandemic. On the one hand there is instability in the money market; on the other hand there is a jump in commodity prices due to disruption of supply chain. In particular, food and fuel prices have a huge impact. Notable among the food

grains is wheat, which accounts for about 30 percent of global exports from Russia and Ukraine. As a result of the war the subsequent imposition of sanctions on Russia, wheat exports have come to a complete halt. As a result, global food grain prices have risen sharply. At the same time, the price of fuel oil has also increased. According to the IMF's World Economic Outlook report for April 2022, inflation for 2022 is projected at 5.7 percent in developed countries and 8.7 percent in developing countries, compared to 3.9 percent and 5.9 percent in January 2022, respectively. In other words, due

to the Russia-Ukraine war, the projection of inflation has become more upward. Table 3.1 and figure 3.1 show the inflation trends of developed

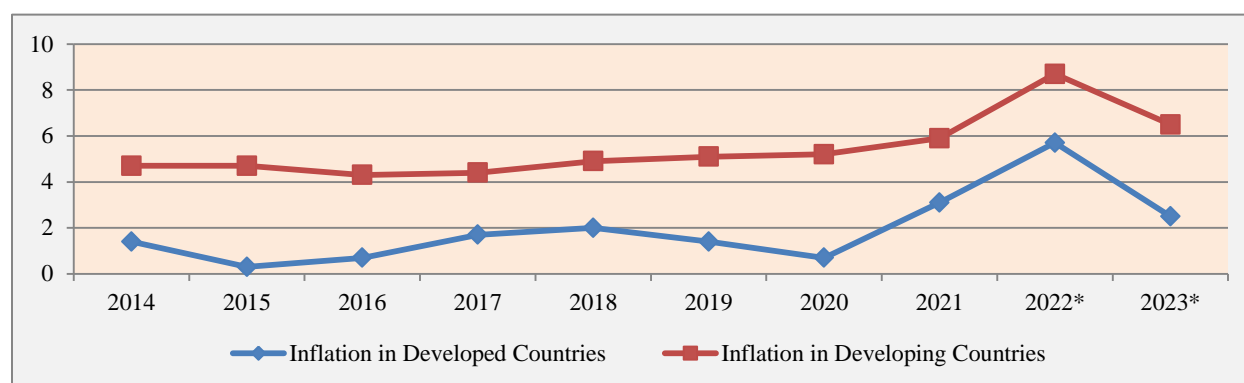
and developing countries from 2014 to 2021 and their projections for 2022 and 2023:

**Table 3.1: Global Inflation (%)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022*	2023*
Inflation in Developed Countries	1.4	0.3	0.7	1.7	2.0	1.4	0.7	3.1	5.7	2.5
Inflation in Developing Countries	4.7	4.7	4.3	4.4	4.9	5.1	5.2	5.9	8.7	6.5

Source: IMF World Economic Outlook, April 2022 \*Projection

**Figure 3.1: Global Inflation**



Source: IMF World Economic Outlook, April 2022 \*Projection

### Inflation Scenario in Bangladesh

The Ukraine-Russia war has led to a sharp rise in global fuel and food prices. As a result, inflation is rising. According to the IMF's World Economic Outlook report for April 2022, inflation for 2022 is projected at 5.7 percent in developed countries and 8.7 percent in developing countries which is 1.8 and 2.8 percentage points higher than projected in last January. The average rate of inflation in

Bangladesh has already exceeded the target of 5.3. The average inflation stood at 5.83 percent during July-March of FY 2021-22. Consumer Price Index and inflation during FY 2010-11 to FY 2020-21 are shown in Table 3.2 and Figure 3.2 and The monthly inflation rate for FY 2021-22 calculated on a point-to-point basis is presented in Table 3.3.

**Table 3.2: Consumer Price Index and Inflation**

(Base Year 2005-2006)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
General index Inflation	156.59 (10.91)	170.19 (8.69)	181.73 (6.78)	195.08 (7.35)	207.58 (6.41)	219.86 (5.92)	231.82 (5.44)	245.22 (5.78)	258.65 (5.48)	273.26 (5.65)	288.44 (5.56)
Food index Inflation	170.48 (14.11)	183.65 (7.72)	193.24 (5.22)	209.79 (8.56)	223.80 (6.68)	234.77 (4.90)	248.90 (6.02)	266.64 (7.13)	281.33 (5.51)	296.96 (5.56)	313.86 (5.73)
Non-food index Inflation	138.77 (6.21)	152.94 (10.21)	166.97 (9.17)	176.23 (5.55)	186.79 (5.99)	200.66 (7.43)	209.92 (4.61)	217.76 (3.74)	229.58 (5.43)	243.00 (5.85)	255.85 (5.29)

Source: Bangladesh Bureau of Statistics (BBS).

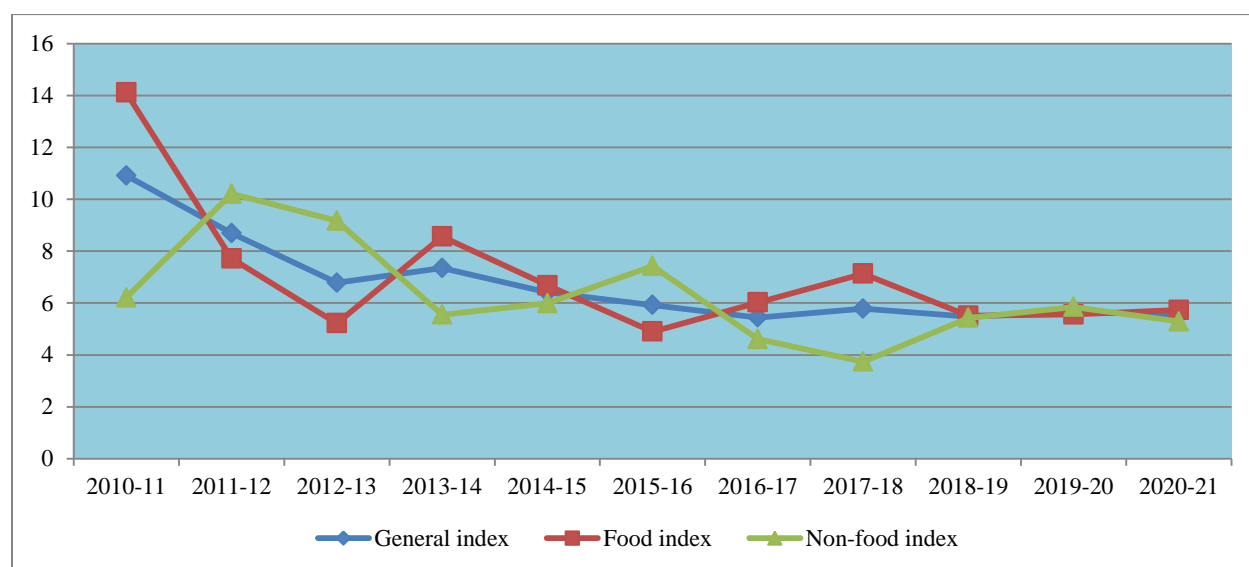
**Figure 3.2: Rate of Inflation at National Level**

Table 3.2 and Figure 3.2 show that during the last 10 years, national level of inflation stood highest in FY 2010-11 at 10.91 percent and lowest in FY 2016-17 at 5.44 percent. Inflation rate stood at 5.56 percent in FY 2020-21, which was 5.65 percent in FY 2019-20. In the FY 2020-21, the rate of food inflation was 5.73 percent and non-food inflation was 5.29 percent.

Table 3.3 shows that the average inflation stood at 5.83 percent during July-March of FY 2021-22. During this period, food inflation increased from 5.08 percent in July 2021 to 6.34 percent in

March 2022. At the same time, non-food inflation increased minutely to 6.04 percent in March 2022 which was 5.80 percent in July 2021. The government has taken necessary steps, including keeping the supply chain intact and seamless, to alleviate the pressure of inflation by keeping the prices of daily necessities within the purchasing power of the people. Necessary arrangements have been made to issue special cards to one crore people of the country so that people can buy daily necessities at a fair price. Cards have already been issued to 50 lakh people so that they can buy rice for Tk. 10.

**Table 3.3: Monthly Rate of inflation Point to Point during FY 2021-22**

(Base Year 2005-06=100)

Level	Type of Inflation	2020-21	July 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	March 2022	Average (July'21-Mar'22)
National	General	5.56	5.36	5.54	5.59	5.70	5.98	6.05	5.86	6.17	6.22	5.83
	Food	5.73	5.08	5.16	5.21	5.22	5.43	5.46	5.60	6.22	6.34	5.52
	Non-food	5.29	5.80	6.13	6.19	6.48	6.87	7.00	6.26	6.10	6.04	6.32
Rural	General	5.59	5.53	5.71	5.77	5.81	6.20	6.27	6.07	6.49	6.52	6.04
	Food	5.99	5.56	5.67	5.74	5.62	5.90	5.93	5.94	6.62	6.71	5.97
	Non-food	4.85	5.47	5.79	5.84	6.17	6.78	6.94	6.32	6.25	6.15	6.19
Urban	General	5.49	5.06	5.22	5.25	5.50	5.59	5.66	5.47	5.59	5.69	5.45
	Food	5.15	4.01	4.02	4.03	4.31	4.37	4.41	4.85	5.30	5.49	4.53
	Non-food	5.88	6.24	6.59	6.65	6.89	6.99	7.07	6.17	5.91	5.90	6.49

Source: Bangladesh Bureau of Statistics (BBS).

**Wages Rate Index**

Previously BBS had been constructing Wage Rate Index (WRI) using FY 1969-70 as the base year

since 1974. Meanwhile, constructing WRI using base year FY 2010-11 has been initiated. The WRI from FY 2013-14 to FY 2020-21, calculated with the new base year, is presented in Table 3.4.

**Table 3.4: 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
2013-14	118.82	118.44	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
2017-18	150.59	150.27	149.45	154.44	6.46	6.40	6.55	6.51
2018-19	160.23	159.92	158.74	164.78	6.40	6.42	6.22	6.69
2019-20	170.39	170.28	168.24	175.33	6.35	6.48	5.99	6.41
2020-21	180.83	181.16	177.52	185.99	6.12	6.39	5.51	6.07

Source: Bangladesh Bureau of Statistics (BBS).

It is observed from the above table that Nominal Wage Rate Index (NWRI) has been increased by an average of about 6.0 percent from FY2013-14 to FY2020-21. The index for the FY2020-21 has increased to 180.83 points as compared to the previous fiscal year.

The sector-wise analysis shows that sector-based wage rate has increased compared to the previous fiscal year and the growth rate is 6.39, 5.51 and 6.07 percent respectively.

**Labour Force and Employment**

BBS conducts the Labour Force Survey (LFS) to assess the overall situation of employment. According to the latest survey in FY 2016-17, the

number of economically active population above 15 years is 6.35 crore. Out of this, males are 4.35 crore and female 2 crore. As many as 6.08 crore people are engaged in a number of professions. Agriculture employed 40.6 percent of the employed person, followed by service at 39.0 percent with the smallest proportion in the industry sector at 20.4 percent.

According to the LFS2016-17, the largest share of the employed population 44.3 percent worked as own-account workers, followed by 39.1 percent as employees and 11.5 percent contributing as family workers. Between the sexes by largest share, there were more males in all categories except among contributing family

workers, where there were more than three times employed females (53 lakh) than employed males (17 lakh). 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, 2015-16 and 2016-17 is shown in Table 3.5.

**Table 3.5: 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	LFS 2016-17
Agriculture, forestry and fishery	48.85	50.77	51.69	48.10	47.30	45.10	42.70	40.62
Mining & quarrying	-	0.51	0.23	0.21	0.18	0.40	0.20	0.20
Manufacturing	10.06	9.49	9.71	10.97	12.34	16.40	14.40	14.43
Power, gas & water	0.29	0.26	0.23	0.21	0.18	0.20	0.30	0.20
Construction	2.87	2.82	3.39	3.16	4.79	3.70	5.60	5.58
Trade, hotel & restaurant	17.24	15.64	15.34	16.45	15.47	14.50	13.40	14.34
Transport, maintenance & communication	6.32	6.41	6.77	8.44	7.37	6.40	9.40	10.50
Finance, business & services	0.57	1.03	0.68	1.48	1.84	1.30	1.60	1.97
Commodities & personal services	13.80	13.07	5.64	5.49	6.26	6.20	6.20	6.08
Public administration and defense	-	-	6.32	5.49	4.24	5.80	6.20	6.08
<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>	<b>100.00</b>	<b>100.00</b>

Source: BBS, Labour Force Survey, 1995-96, 1999-00, 2002-03, 2005-06, 2010, 2013, 2015-16& 2016-17.

### Steps Taken to Improve Employment Situation

Ministry of Labour and Employment plays an effective role to establish labour rights particularly fixing fair wage, ensuing safe work placed environment occupational safety and health as well as enhancing productivity and economic development through maintaining peace and stability in the industries. Besides this ministry works for enforcement of Labour Laws and amendment of labour Laws in line with changed situation, formulation and implementation of National Labour Policy, generation of employment and skilled manpower, and fixation of minimum wages. Moreover, the Ministry of Labour and Employment leads to achieve the sustainable development goals (SDGs) such as elimination of child labour ensuring decent work environment and equal pay for equal work. Under this purview the government has undertaken some pragmatic steps

in order to ensure the welfare of workers which are stated below:

#### (a) Regular Activities

- **Inspection:** The objective of the Department of Inspection for Factories and Establishments (DIFE) is to create an investment-friendly environment by ensuring a decent, safe and healthy workplace and establishing the workers' safety and rights. Inspection is one of the fundamental tasks of DIFE. To implement the Bangladesh Labour Law and Bangladesh Labour Rules by inspecting factories and establishments is a vital job of DIFE. In FY 2020-21, a total of 47,361 inspections were completed in the factories and establishments and a total of 27,953 inspections were completed till February of FY 2021-22.
- **Complaints Received and Disposal of Complaints:** Complaints are disposed within the fastest time after receiving complaints

from the workers regarding violations of Bangladesh labour law and Bangladesh labour rules in the workplace. In FY 2020-21, DIFE received a total of 5,236 complaints and all the complaints were disposed of in relevant consideration. In addition, until February of FY 2021-22, DIFE received a total of 2,406 complaints and a total of 2,359 complaints were disposed of in relevant consideration.

- **Cases Filed at Labour Courts:** To create a decent workplace in the factories and establishments, DIFE implements Bangladesh Labour Law and Bangladesh Labour Rules. In FY 2020-21, a total of 1,421 cases were filed and of which 490 cases were disposed. In addition, total 745 cases were filed and of which 501 cases were disposed as of February in FY 2021-22.
- **Ensuring Maternity Welfare Benefits:** According to the labour law, DIFE ensures maternity benefits for female workers in the factories and establishments. In FY 2020-21 maternal welfare benefits have been ensured for a total of 14,959 workers. For this, the amount of financial benefit provided to the workers by the employer is Tk. 59.16 crore. In FY 2021-22 maternal welfare benefits have been ensured for a total of 8,360 workers till February 2022 and the amount of financial benefits provided to the workers by the employer is Tk. 31.34 crore.
- **Establishment of Child Care Centres:** To empower women and enhance women's participation in the workplace, DIFE has been playing a vital role. The Department has been working for ensuring women-friendly workplaces. Child care centres are being set up in factories and establishments under the direct supervision of DIFE. In FY 2020-21 DIFE set up 450 child care centres and a total of 371 children's rooms till February of FY 2021-22.

- **Issuance and Renewal of License:** In FY 2020-21, DIFE issued licenses to 10,024 factories and renewed 33,452 others. In addition, until February of FY 2021-22, DIFE issued licenses to 5,514 factories and renewed 28,278 others.
- **Increase Compliance Factory:** A factory considered as a compliance factory when that factory is included in the 'A' category in performing the provisions of the inspection checklist. Compliance factories comply with the occupational health and safety-related provisions of the Bangladesh labour law and Bangladesh labour rules. DIFE ensured such compliance in 1,809 factories and establishments in FY 2020-21 and in 1,336 factories and establishments until February in FY 2021-22.
- **Compensation for Deaths and other Accidents:** Except regular inspections, Inspectors also inspect an area in case of an accident at any workplace. Through inspection proper advice is given to the factory owners and find out probable causes of the accident. In addition, the Special Investigation Committee is constituted to investigate any particular accident. Necessary steps are taken reviewing the investigation report of accident. DIFE arranged to give Tk. 33.60 lakh to the 33 injured and 54 dead workers or their families in FY 2020-21. In addition, until February of FY 2021-22 DIFE arranged to give Tk. 1.59 crore to the 46 injured and 96 dead workers or their families
- **Formation of Safety Committee:** Safety committee formation activities are going on to ensure safe working conditions in the factory. DIFE formed 919 safety committees in different factories and establishments in the FY 2020-21. As of February 2022 in FY 2021-22, a total of 5,645 safety committees were established in different factories and establishments under the supervision of DIFE.

## (b) Special Activities

- **Digital Inspection System:** The introduction of digital inspection is a major initiative to bring more transparency, accountability and dynamism in factory and establishment inspection activities. For this, an app called Labor Inspection Management Application (LIMA) has been created on 6 March 2018. It is simultaneously a mobile and website based application, through which all the important activities of the department are performed. The International Labour Organization (ILO) is providing assistance in this initiative.
- **Remediation of Factories:** Remediation Coordination Cell (RCC) was launched on 14 May 2017. The Bangladesh Government and the International Labour Organization (ILO) have jointly working to ensure a safe working environment, including structural safety, electrical safety and fire safety of the factory building. Currently, renovation of the defective garment factories is underway through RCC.
- **National Occupational Health and Safety Research and Training Institute:** The National Occupational Health and Safety Research and Training Institute (NOHSRTI) is under construction under DIFE. This institute will conduct research and training on occupational health and safety issues. Construction work for this institute is expected to be completed by the end of 2022.
- **Occupational Health and Safety Good Practice Award:** The Ministry of Labour and Employment has introduced the 'Occupational Health and Safety Good Practice Award' to promote occupational health and safety at all workplaces across the country. The award was given to 10 factories on the National Occupational Safety and Health Day-2018 and 24 factories on OSH Day 2019. In 2020, the award gave as 'Bangabandhu Green Factory Award' to offer tribute to the Father of the Nation

*Bangabandhu Sheikh Mujibur Rahman* and to commemorate the *Mujib* year.

- **Women Development and Training:** The construction work of 2 dormitories having 960 seats in *Kalurghat, Chattogram* and 620 seats in *Bandor Narayanganj* has been completed to introduce safe secure housing facilities for female workers in garments and other industries.
- **Innovative and Digital Activities:** Moreover, to make the services easier and more available to the labourers a mobile application name '*Sramiker Shastho Kotha*' has been launched. Besides, hot-line service has been launched to provide quick resolution of any complain related to labour and labourers and anti-union discrimination. In line with Government's Digital Bangladesh campaign, the department of Labour has launched online Trade Union Registration Service and the '*Publicly Accessible Database*' an online database, to make easy access of major services imparted by the department of labour. Introduction of digital inspection system is a major step taken by DIFE to enhance transparency, accountability and dynamism in its activities. Therefore, an application named Labor Inspection Management Application (LIMA) has been developed. In addition, cash grants from Bangladesh Labour Welfare Foundation and Central Fund of Ministry of Labour and Employment are being disbursed through mobile banking to the beneficiary labours and their families. In order to ensure that workers are not deprived of their legal rights, the department has a plan to provide an integrated database for workers in all sectors across the country and issue 'smart cards' like national identity cards. In this regard, plans have been taken to take further action in coordination with the concerned agencies of the government.
- **Reform Activities for Labour Welfare:** Primary health service with free medication family planning and recreational services are

being provided to the labourers and their family members through 32 labour welfare centers under the Department of Labour across the country. Construction of a 10-bedded Labour Welfare Complex at *Ghagra, Rangamati* equipped with facilities to provide clinical services and training for skills development of labours in hill tracts areas has been completed in December 2021.

### Overseas Employment and Remittances

Remittance inflow, the second largest source of foreign earnings, has played a crucial role to contain the macroeconomic situation amid COVID-19 pandemic in Bangladesh. With the commencement of Corona pandemic, overseas labor market has been largely affected for being curbed the global economic activities. This situation is recovering gradually over the time. The Government has adopted policy measures to encourage remittance inflows. During the first

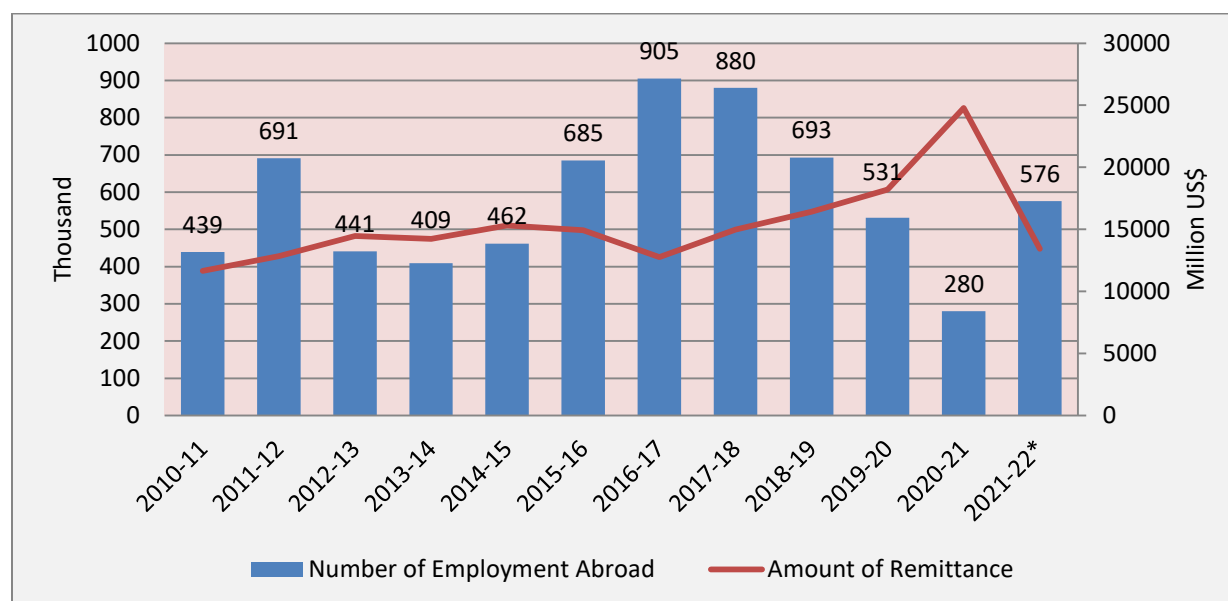
eight months of FY 2021-22, number of emigrant workers from Bangladesh has significantly increased due to ease the travel restriction for better COVID-19 situation. For the first eight months of FY 2021-22 (July-February), about 5.76 lakh workers migrated from Bangladesh and they sent remittance 13,438.50 million dollar which is 19.47 percent less than compared to the same period of the previous fiscal year. This might have happened due to job loss of Bangladeshi migrant workers owing from the ongoing COVID-19 situation in the host countries. Rather this, expatriates remitted more money at the beginning of this pandemic to the country to provide a financial cushion for economic hardship which led to an increase of 33.51 percent in remittance inflows during the same period of the previous financial year. Year-wise data of inward remittances sent by Bangladeshi expatriates is shown in Table 3.6 and Figure 3.3.

**Table 3.6: 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 %
2009-10	427	10987.40	13.40	76109.60	14.15
2010-11	439	11650.32	6.03	82992.90	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	462	15316.91	7.65	118982.32	7.60
2015-16	685	14931.14	-2.52	116856.72	-1.79
2016-17	905	12769.45	-14.48	101099.62	-13.48
2017-18	880	14981.69	17.32	123156.01	21.82
2018-19	693	16419.63	9.60	138007.00	12.06
2019-20	531	18205.01	10.87	154352.00	11.84
2020-21	280	24777.71	36.10	210130.6	36.14
2020-21*	122	16687.25	33.51	141520.2	33.66
2021-22*	576	13438.50	-19.47	114890.5	-18.82

Source: BMET, Bangladesh Bank.\* July-February.



**Figure 3.3 Manpower Export and Remittance Inflow**

Source: BMET, Bangladesh Bank. \*Upto February 2022

In the FY 2020-21, the ratios of remittances to GDP and remittances to export earning has increased as compared to the previous financial year.

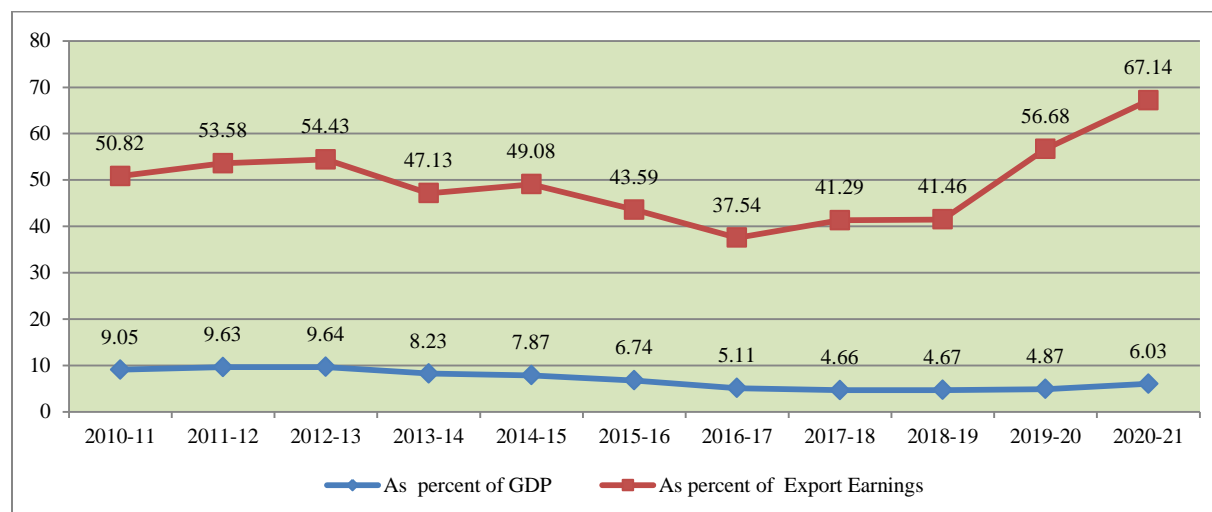
In FY 2020-21, remittances accounted for about 6.03 percent of GDP and 67.14 percent of total

exports which was 4.87 percent of GDP and 56.68 percent of total export earnings respectively in FY 2019-20. Remittances as percent of GDP and as percent of total export earnings are shown in Table 3.7 and Figure 3.4.

**Table 3.7: Remittance as Percent of GDP and Export Earnings**

FY	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
As percent of GDP	9.05	9.63	9.64	8.23	7.87	6.74	5.11	4.66	4.67	4.87	6.03
As percent of Export Earnings	50.82	53.58	54.43	47.13	49.08	43.59	37.54	41.29	41.46	56.68	67.14

Source: Bangladesh Bank, BBS.

**Figure 3.4: Remittances as percent of GDP and Export Earnings****Expatriates Classified by Skills**

The statistics of expatriates classified by skill groups is shown in Table 3.8. It is seen that the rate of skilled worker migration is satisfactory

compared to the migration of professional workers in the last few years.

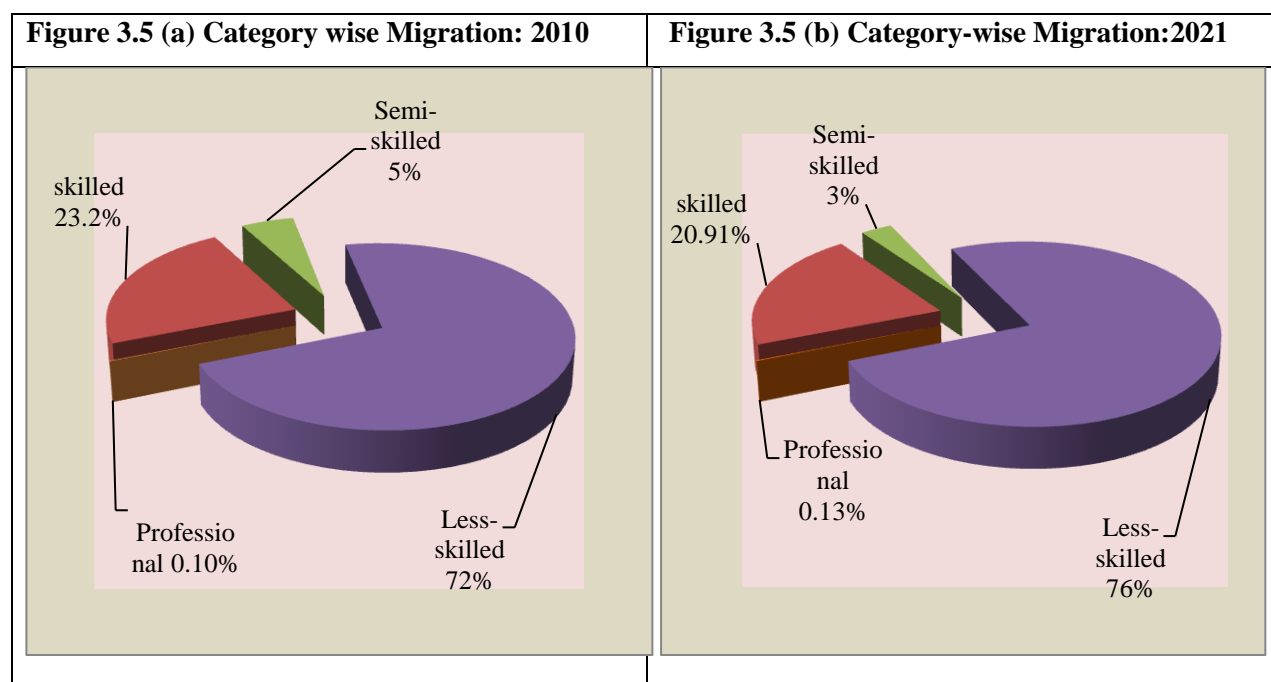
**Table 3.8: Number of Expatriates Classified by Skill**

Calendar Year	Professional	Skilled	Semi-skilled	Less-skilled	Others	Total
2009	1426	134265	74604	255070	8485	475278
2010	387	90621	12469	287225	7560	390702
2011	1192	229149	28729	308992	7440	568062
2012	812	209368	20498	377120	9509	607798
2013	689	133754	62528	212282	9224	409253
2014	1730	148766	70095	193403	11690	425684
2015	1828	214328	91099	243929	4697	555881
2016	4638	318851	119946	303706	10590	757731
2017	4507	434344	155569	401796	12302	1008518
2018	2673	317528	117734	283002	13244	734181
2019	1914	304921	142536	197102	53686	700159
2020	378	61690	9412	146189	-	217669
2021	824	129057	19870	467458	-	617209

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

Table 3.8 and Figure 3.5 (a) and 3.5 (b) show that in 2010, the share of skilled and professional expatriates was about 23.2 percent and 0.10 percent respectively of the total manpower

export, which stood at 20.91 percent and 0.13 percent in 2021.



Source: BMET, MoEWOE, Bangladesh Bank.

### Country wise Manpower Export and Remittances

Due to removal of global movement restrictions for COVID-19, most of the Bangladeshi expatriates migrated to KSA followed by UAE and Oman. Total 2,02,267 workers were migrated during 2022 (up to February) according to the data of Bureau of Manpower, Employment and Training, Bangladesh (BMET). Country-wise data on migration during 2021 showed that as

many as 4,57,227 Bangladeshi workers migrated to KSA which was 74.08 percent of total migration, followed by Oman (8.91%), UAE (4.73%), Singapore (4.52%) and other countries (3.37%). The number of Bangladeshi expatriates by country duration in FY 2011-22 (up to February) has shown in Table 3.9 and figure 3.6(a) and 3.6(b) have shown the number of Bangladeshi expatriates by country since 2011 and 2021.

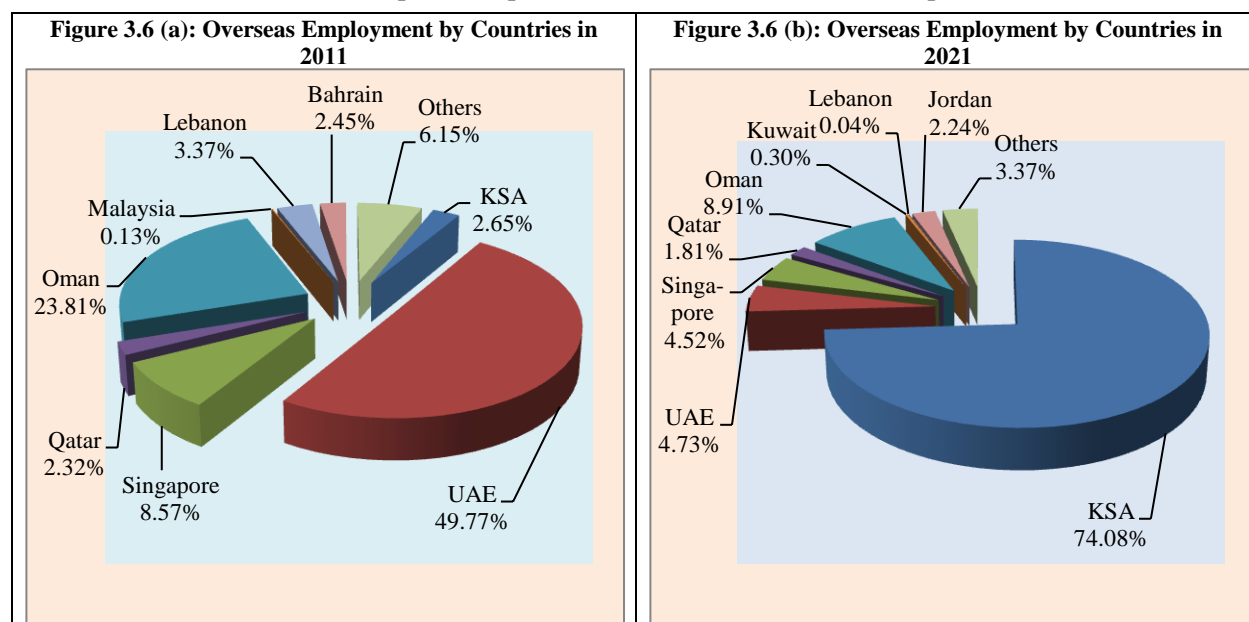
**Table 3.9: Number of Expatriate Bangladeshi Workers by Country**

Calendar Year	Saudi Arabia	UAE	Malaysia	Qatar	Oman	Singapore	Kuwait	Jordan	Lebanon	Bahrain	Other	Total
2011	15039	282739	742	13111	135265	48667	29	4387	19166	13996	34952	568062
2012	21232	215452	804	28801	180326	58657	2	11726	14864	21777	61836	607789
2013	12654	14241	3853	57584	134028	60057	6	21383	15098	25155	65194	409253
2014	10657	24232	5134	87575	105748	54750	3094	20338	16640	23378	74001	425684
2015	58270	25271	30483	123965	129859	55523	17472	22093	19113	20720	53132	555881
2016	143913	8131	40126	120382	188247	54730	39188	23017	15095	72167	52735	757731
2017	551308	4135	99787	82012	89074	40401	49604	20449	8327	19318	44110	1008525
2018	257317	3235	175927	76560	72504	41393	27637	9724	5991	731	63082	734181
2019	399000	3318	545	50292	72654	49829	12299	20347	4863	133	86879	700159
2020	161726	1082	125	3608	21071	10085	1744	3769	488	3	13968	217669
2021	457227	29202	28	11158	55009	27875	1848	13816	235	11	20800	617209
2022*	127187	27470	22	2865	27228	6667	1239	3027	59	1	6502	202267

Source: Bureau of Manpower, Employment and Training.\*up to February 2022.

The overseas labour market of Bangladesh is continuously changing. In last decades manpower export shows a significant change. Figure 3.6 (a) and 3.6 (b) show that in 2011, 50 percent of total overseas employment was in United Arab Emirates (UAE) which decreased to 4.73 percent in 2021. On the other hand, manpower exports to

Saudi Arabia in 2011 were only 3 percent of the total manpower exports, but in 2021 it increased to 74 percent. Manpower exported in Lebanon was 3 percent of total manpower export in 2011 which is declined to almost zero percent in 2021. Manpower exports to Oman and Singapore declined in 2021 compared to 2011.



Source: BMET, MoEWOE, Bangladesh Bank.

The lion's share of inward remittance to Bangladesh has been received from the Middle East countries. In FY 2021-22 (July-February 2022), the highest share of remittance came from the KSA which was 23.13 percent of total remittances. Country-wise data on remittance inflows in FY 2021-22 show that USA is the 2nd

highest amount of remittance sender country which is 16.42 percent, followed by UK (9.22%), Kuwait (8.12%) and UAE (8.05%). The comparative statistics on country-wise share (percent) of inward remittances and country-wise remittances sent by Bangladeshi expatriates from FY 2010-11 to FY 2021-22 (July-February 2022) are shown in Table 3.10 and Figure 3.7.

**Table 3.10: Country wise Remittances**

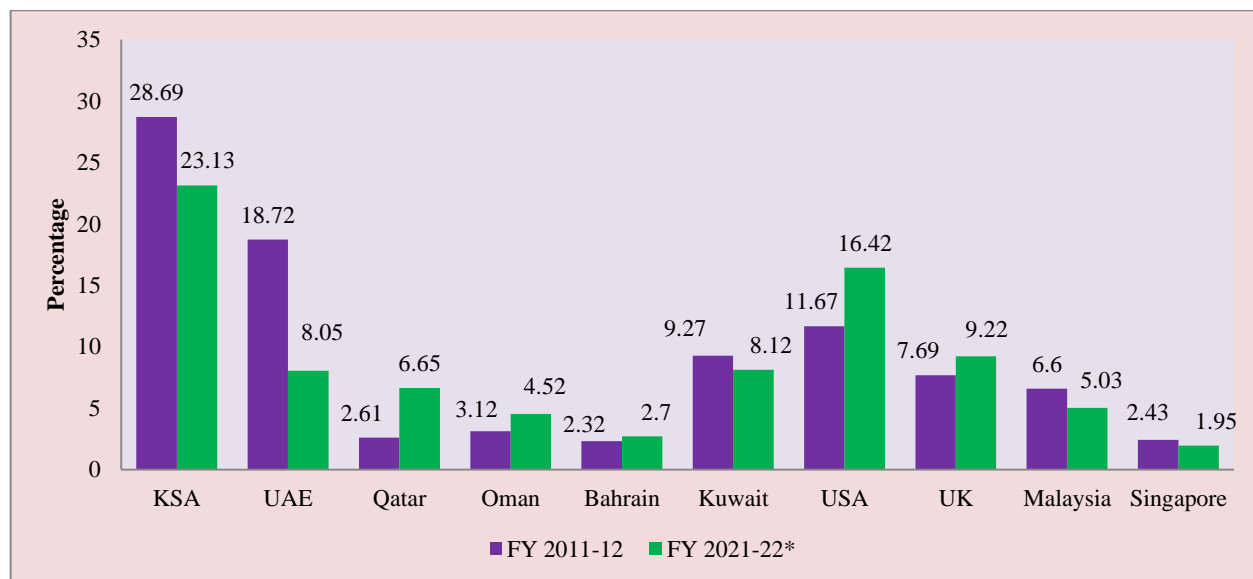
(In million US\$)

FY	KSA	UAE	USA	Kuwait	UK	Oman	Malaysia	Qatar	Singapore	Others	Total
2010-11	3290.00	2002.6	1848.51	1075.8	889.6	334.3	703.7	319.4	185.9	984.09	11633.9
2011-12	3684.37	2404.78	1498.45	1190.13	987.45	400.93	847.49	335.25	298.5	1183.05	12830.4
2012-13	3829.5	2829.4	1859.8	1186.9	991.6	610.1	997.4	286.9	361.7	1370.7	14324.0
2013-14	3118.9	2684.9	2323.3	1106.9	901.3	701.1	1064.7	257.5	459.4	1640.6	14258.6
2014-15	3345.23	2823.77	2380.19	1077.78	812.34	915.26	1381.53	310.15	554.3	1567.1	15167.65
2015-16	2955.55	2711.74	2424.32	1039.95	863.28	909.65	1337.14	435.61	490.0	1515.39	14682.63
2016-17	2267.22	2093.5	1688.9	1033.3	808.16	897.71	1103.62	576.02	437.10	1489.24	12394.77
2017-18	2591.58	2429.96	1997.49	1199.70	1106.01	958.19	1107.21	844.06	541.62	1755.07	14530.89
2018-19	3110.40	2540.41	1842.86	1463.35	1175.63	1066.06	1197.63	1023.91	470.1	1873.2	15763.55

FY	KSA	UAE	USA	Kuwait	UK	Oman	Malaysia	Qatar	Singapore	Others	Total
2019-20	4015.16	2472.56	2403.40	1372.24	1364.89	1240.54	1231.30	1019.60	457.40	1928.77	17505.86
2020-21	5721.4	2440.0	3461.7	1886.5	2023.6	1335.6	2002.4	1450.2	624.9	3831.5	24777.8
2020-21*	3931.1	1709.1	2190.6	1251.7	1334.9	1064.6	1429.7	898.1	438.7	2438.8	16687.3
2021-22*	3108.8	1082.3	2207.4	1092.0	1239.2	607.6	675.8	894.4	262.5	2270.1	13440.1

Source: BMET, MoEWOE, Bangladesh Bank. \*July-February .

**Figure 3.7: Comparison for percentage of Country-wise Remittance inflows in FY 2011-12 and FY 2021-22\***



Source: BMET, MoEWOE, Bangladesh Bank. \* July-February 2022

### Steps Taken to by the government Boost up Foreign Employment and Remittances

Government has taken several necessary measures to explore new labour market and to enhance the flow of remittance. Some of the initiatives are:

#### a) Increase of the rate of cash incentive against wage earners' remittance through legal channel

During the COVID-19 pandemic, government and the Bangladesh Bank took several accommodative measures for simplification and encouragement of the remittance inflows through legal channels. As per the government directives it has been decided to increase the rate of cash incentive against wage earners' remittance to 2.5 percent from existing 2 percent for foreign

currency to be remitted through banking channel into the country.

#### b) Cash incentive against several types of wage earners' remittance through legal channel

According to government directives, it has been decided to provide cash incentive against remittance of legal income in foreign currency to be remitted through banking channel into the country to encourage remitter's permanent shift from formal channel for following sources: a. Retirement benefits such as pension funds; b. Provident fund; c. Leave salary; d. Bonus and other gratuities, payable by employers.

#### c) Expansion of Labour Market

Presently Bangladesh is sending workers in about 170 countries of the world. The middle-east is the centre of Bangladesh labour market. However,

initiatives have been adopted to send workers to other destinations in Europe and Central Asia. A market research has been done for 53 potential destination countries for our workers. Recently, Bangladesh has signed a Memorandum of Understanding with Greece on labour migration.

#### **d) Reduction of Migration cost**

The main challenge in migration process in Bangladesh is high migration cost. Government is trying to keep the migration cost at minimum level. The government has fixed Country Specific Maximum migration cost for the main destination countries. The only state owned recruitment company, Bangladesh Overseas Employment and Services Ltd (BOESL) is engaged in sending workers to South Korea, Japan and Jordan at zero or minimum migration cost.

#### **e) Skill Development**

The government is very much concerned to enhance the standard of skill development trainings, curricula and facilities. At the same time, initiatives have been taken to coordinate the activities of training and vocational institutions. In 2021, Bureau of Manpower, Employment and training, imparted skill development training to 5,98,973 persons in different trades through its TTCs and IMTs. These trainings includes country specific pre-departure training for both male and female migrant workers. Considering the importance of skills development trainings, the government has planned to establish TTC at upazilla level. A project is being implemented to establish 40 TTCs at upazilla level. Another project to establish 100 TTC's is under process. Initiatives have been also taken for international recognition of our training. At present, UK based certification institution; City & Guilds is collaborating with 6 TTCs in this regard. Training arrangements have been launched in partnership with Saudi Arabia and Hong Kong for our aspirant women migrant workers.

#### **f) Modernisation of Emigration Process**

To reduce the fraudulent activities of the recruiting agencies and brokers, a database of migrant workers with digitized fingerprints has been established. Emigration clearance is being provided with a smart card by using database network. The hassles and deception of the outbound workers could have been reduced at the airports with their information recorded in the smart card.

#### **g) Policy formulation for Migration Governance**

To bring discipline in migration governance, the government enacted Overseas Employment and Migrant Act, 2013 and adopted Expatriates' Welfare and Overseas Employment Policy-2016. The recruiting agencies play an important role in migration sector. To ensure their transparency and accountability, the government has introduced Overseas Employment and Migrant (Recruiting Agent Licence and Conduct), Rules, 2019 and Overseas Employment and Migrant (Recruiting Agent Classification) Rules, 2020. For the welfare of the migrant workers, mandatory insurance scheme has been adopted since 2019. The government provides 2.5 percent incentives on remittances sent in legal channel. Policy on Health Examination of Aspirant Migrant Workers (Revised), 2022 has been formulated.

#### **h) Steps taken to deal with Covid-19 situation**

Migrant workers at the destination countries were provided with food, medicine and other essentials through our Missions abroad. In some cases, migrant workers were brought back at WEWB's cost during the COVID-19 pandemic. Again, special flights were arranged to send them in favorable situation during this pandemic. Special arrangements were made for speedy COVID-19 vaccination of our out bound migrant workers. A fund of Tk. 700 crore has been formed to provide investment loan on easy terms through PKB to the migrant workers who

returned due to COVID-19 pandemic and to the suitable family member of the migrant workers who died of COVID-19. Rehabilitation loans are being provided to returnee migrant workers at 9 percent soft interest. For the rehabilitate of the families of the migrant workers, *Bangabandhu* Large Family Loan is being provided. The male migrant workers can get this loan at 9 percent and female borrowers at 7 percent simple interest and easy terms. Each returnee workers was paid Tk. 5,000 through the Expatriates Welfare Desk at Dhaka *Shahjalal* International Airport during COVID-19 pandemic.

In addition, the Saudi bound migrants workers were paid Tk. 25,000 each for the quarantine expenses in Saudi Arabia. The UAE bound workers were paid TK. 1600 each for their Rapid COVID-19 test fees at the airport. A World Bank funded project has been undertaken through WEWB to provide financial assistance for the reintegration and rehabilitation of returnee workers. Two lakh returnee workers will get referral service and Tk. 13,000 cash incentive through this project. Recently, *Bangbandhu* Wage Earners' Center has been inaugurated near *Hazrat Shahjalal* International Airport for temporary stay in Dhaka during the arrival and departure of expatriate workers.