STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold ▼	Oil ▲	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	CNY
▲ 0.66%	▲ 0.80%	$1,808.74	$43.43	▲ 1.12%	▲ 0.40%	▼ 0.63%	▲ 1.39%	BUY TK	83.95	94.23	104.95	11.79
4,061.56	6,989.24	(per ounce)	(per barrel)	36,737.69	22,529.29	2,652.65	3,450.59	SELL TK	84.95	98.03	108.75	12.40

Star BUSINESS

DHAKA FRIDAY JULY 10, 2020, *ASHAR 26, 1427 BS* ● starbusiness@thedailystar.net

Explore new markets, train manpower to boost remittance: experts

AKM Zamir Uddin

Remittance has been on the rise in recent years riding on an annual export of more than 7 lakh economic migrants since 2016 – in a development that has helped the government manage the economy smoothly.

But the manpower export is expected to witness an alarming fall this year due to restrictions on movement across the globe since March aimed at tackling the spread of the coronavirus pandemic.

Bangladesh sent 181,218 workers in the first three months of 2020, after which manpower export came to a halt, according to data from the Bureau of Manpower, Employment and Training.

There is little scope to send manpower to the Gulf countries due to the ongoing financial meltdown where nearly 80 per cent of the 1.20 crore-odd Bangladeshi migrant workers are employed.

Remittance hit an all-time high of $18.20 billion in the just-concluded fiscal year. But this can't be sustained and the downfall may even be prolonged given the ongoing pandemic and financial recession.

Against the backdrop, the country will have to explore new markets and undertake medium and long-term plans to export skilled people, experts said.

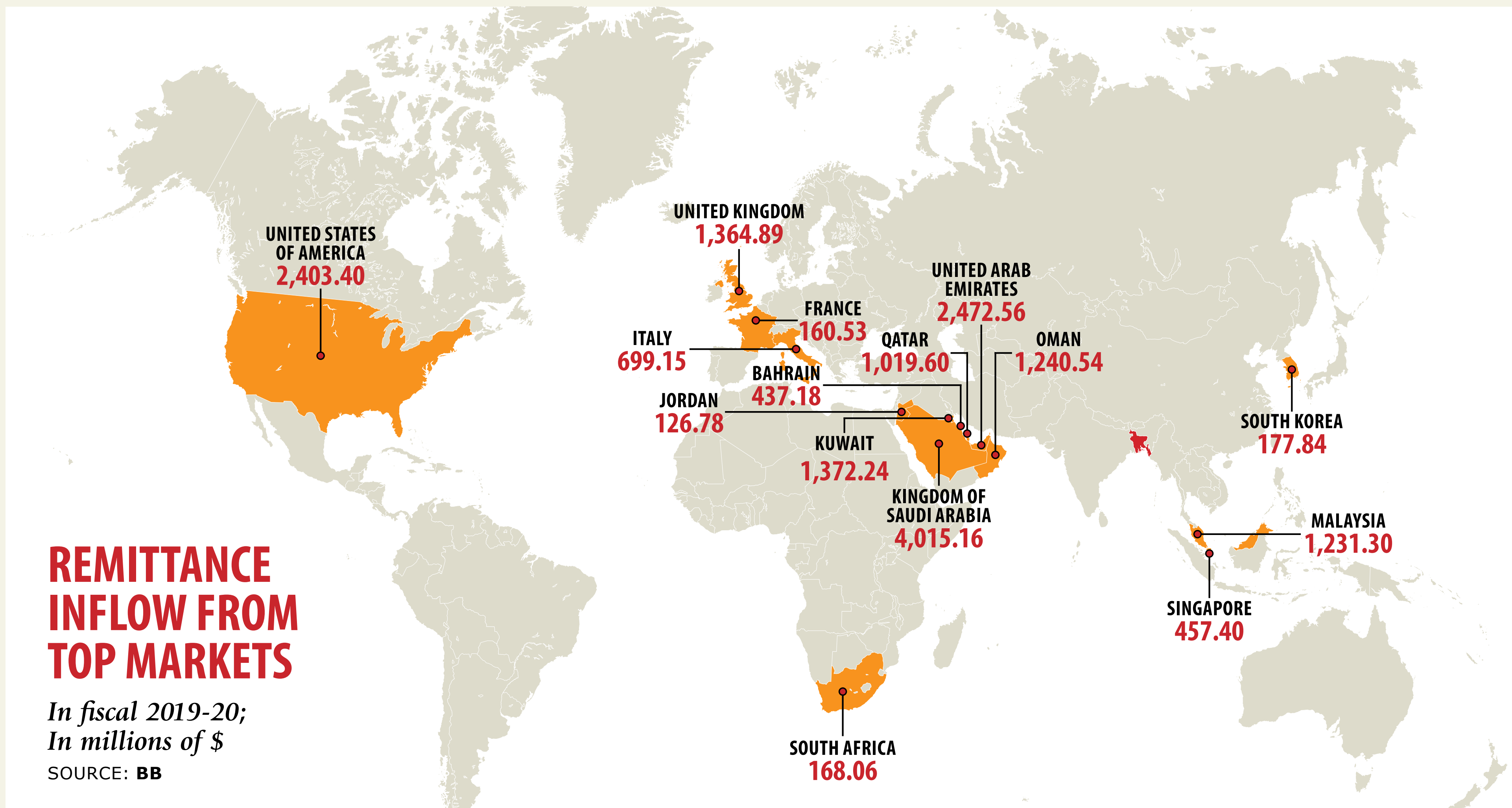
"The government should give emphasis on East Asian countries as they are less affected compared to other host nations of the Bangladeshi expats," said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

Malaysia, Singapore, South Korea and Japan will turn their economy around in a quick manner as they have successfully controlled the pandemic, he said.

Last fiscal year, the four countries ranked 7th, 10th, 12th and 22nd positions respectively in terms of the remittance sent to Bangladesh, according to data from the central bank.

"Bangladesh will face deep trouble from the Gulf countries as they are in a stringent recession in the wake of dwindling oil prices in the global market," Rahman said.

Bangladesh received remittance worth $4.01 billion from Saudi Arabia in fiscal 2019-20, which is 22.05 per cent of what Bangladesh got from around the globe that year.



REMITTANCE INFLOW FROM TOP MARKETS

In fiscal 2019-20; In millions of $

SOURCE: **BB**

Remittance from the United Arab Emirates and Kuwait stood at $2.47 billion and $1.37 billion respectively last fiscal year.

A good number of expats might be sending their deposits now as part of preparations of leaving the host country, for which the remittance has hit a record high for the time being, Rahman said.

Last fiscal year's inflows were 10.87 per cent higher compared to that in the previous year. Expatriate Bangladeshis sent home $1.83 billion in June, also the highest for a single month, eclipsing the $1.74 billion that flowed in May last year.

"We should strengthen our diplomatic process such that remittance does not decline alarmingly from the Middle East," Rahman said.

It is reported that seven lakh to eight lakh expats from the Gulf nations are waiting to come back home due to the ongoing economic fallout.

Bangladesh should place the issue at the Colombo Process, popularly known as the Migrant Forum in Asia, which is working to ensure migrants' rights, Rahman said.

Bangladesh and the majority of its workers' host nations are members of the forum, which runs on the basis ofthe United Nations declaration on human rights and convention on the protection of rights of migrant workers.

If Bangladesh can place its issues at the forum properly, the jobs of many of its expats might end up being retained.

The country could try to export manpower focusing on the healthcare sector of different nations, Rahman said.

"Demand for pathological lab technicians and nurses is on the rise due to the pandemic. So, the government could consider the issue," he said.

There is little hope to sustain the previous trends of remittance this year, said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

Saudi Arabia has adopted austerity measures to manage its budget deficit amid a heavy fall in petroleum prices, he said.

"European nations are still fighting against the deadly flu. Bangladesh's situation is getting worse day after day," he said.

Remittance inflow will decline at a time when manpower export will nosedive, said Mansur, also a former high official of the International Monetary Fund.

Bangladesh will have to control the pandemic at any cost or else it will have to bear a dreadful cost in the coming days.

Just as an infected person ends up being isolated, the whole country might face the same predicament if the rest of the world sees that Bangladesh has failed to control the pandemic.

The government should take mid and long-term plans to keep the wheels of the remittance moving, Mansur said.

"We must increase the skill of our manpower, which will attract the developed nations," he said.

There is a huge demand for administrative assistance in the developed countries -- a sector in which the country's share is very low, he said.

If manpower can be trained properly, the country will be able to fill the gap, he said.

This was echoed by Syed Mahbubur Rahman, managing director of Mutual Trust Bank.

Bangladesh is lagging behind the Philippines, India and even Nepal in terms of exporting skilled manpower, he said.

"We will not be able to go to a great extent riding on the unskilled manpower. So, we should take initiatives to send skilled manpower," he said.

READ MORE ON B3

To cut costs, govt suspends buying vehicles for 2020

Rejaul Karim Byron

The government has decided not to purchase new vehicles under all operating and development expenses for the rest of 2020 as part of its austerity measures in face of falling revenues owing to the coronavirus pandemic.

Procurement of new or replacement vehicles under all expenditures of government, semi-government, autonomous and other agencies would be on hold until December 31, according to a finance ministry circular.

The devastating coronavirus pandemic has compelled the government to embrace austerity as the shutdown has brought the economy to a screeching halt, drying up revenues.

As the government had to allocate additional funds for certain sectors to combat the pestilence, it had suspended financing for all low priority projects in the revised annual development programme for the immediate past fiscal year.

The cost-cutting would continue in the new fiscal year as there is no sign of the contagion petering out.

The coronavirus has so far infected 175,494 in Bangladesh, killing 2,238 as of yesterday.

The government may order to give utmost importance to high and medium priority projects in FY21, while any fund allocation for the low-priority projects would be suspended until the pandemic disappears, said an official of the finance ministry.

The government had also planned to ban foreign tours of government officials as part of the austerity measures, but such order would not necessitate because of the pandemic, the official said.

Already, the ADP for the new fiscal year saw lower-than-usual allocation growth as the government has embarked on bankrolling massive stimulus packages amounting to Tk 103,117 crore announced to jumpstart the economy.

Govt to give utmost importance to high and medium priority projects, while fund allocation for low-priority projects would be suspended

Revenue collection fell massively for the second consecutive month in May as incomes and demand for goods and services crashed because of the lengthy shutdown put in place to battle the Covid-19 pandemic.

In May, the National Board of Revenue generated Tk 13,530 crore, which was 33 per cent down from a year ago. The collection had crashed 50 per cent year-on-year to Tk 9,975 crore in April.

Economists said the government would not be able to achieve the target of revenue mobilisation for the fiscal year of 2020-21.

READ MORE ON B3

Promising Asian markets could revive export earnings, say analysts

Refayet Ullah Mirdha

The promising growth in export earnings seen at three Asian markets during the previous fiscal year has come to a halt following the coronavirus outbreak.

Exports to China, India and Japan, three economic giants, were growing steadily over the last five years.

During fiscal 2019-20 as well, exports from Bangladesh were expected to increase significantly. However, the unprecedented pandemic slowed the shipments to those three destinations.

The consumer market size of the three Asian economic giants is worth trillions of dollars thanks to their strong consumer base and economic foothold.

In the immediate past fiscal year, shipments to China declined by 27.79 per cent year-on-year to $600 million and to India by 12.09 per cent to $1.09 billion while exports to Japan fell by 11.76 per cent to $1.20 billion, according to data from the Export Promotion Bureau (EPB).

As a least developed country (LDC), Bangladesh enjoys duty-free benefits to all three markets.

For instance, Bangladesh enjoys zero-duty benefits to India under the SAARC Free Trade Agreement (SAFTA), zero-duty benefit to Japan under the LDC category and the same for 97 per cent of Bangladesh-origin products shipped to China under the same criteria and Asia Pacific Trade Agreement (APTA).

Exports from Bangladesh to India crossed the $1 billion mark in fiscal to 2018-19. In the last fiscal year too, exports to India valued at more than $1 billion.

Exports to India have increased mainly for three reasons, including duty-free market access, operations of multinational clothing companies in India and a rising number of middle-income consumers in India.

For instance, the multinational clothing retailer H&M and Walmart have been operating retail outlets in the country.

As a result, garment exports to India have risen each year even though local exporters have to face a 12 per cent countervailing duty in Indian markets.

Japan has been turning into a major market for Bangladesh as well.

Garment exports from Bangladesh to Japan have grown at a fast pace due to the duty-free facility and for the reliance of a few Japanese brands on Bangladeshi apparel items.

"Now we are not planning about the expansion as coronavirus impacted our business. There is uncertainty for at least the next one year. So, we are just serving our existing customers and work orders," said Anwar Ul Alam Chowdhury Parvez, former president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

However, he is very hopeful about the potentials of these Asian markets as exports to all three destinations have increased gradually. However, Bangladesh should not depend only on apparel shipments.

Bangladesh should shift its industrial base to the production of heavy equipment like construction and hospital equipment and light engineering to grab the opportunities at Japanese, Chinese and Indian markets, Parvez told The Daily Star over the phone.

READ MORE ON B3