

# Global remittances on growth path: WB

STAR BUSINESS DESK

Remittance flows to developing countries are expected to total \$351 billion, and worldwide remittances, including those to high-income countries, will reach \$406 billion this year, the World Bank said yesterday.

The top recipients of officially recorded remittances, estimated for 2011, are India (\$58 billion), China (\$57 billion), Mexico (\$24 billion), and the Philippines (\$23 billion), according to a newly updated report of the donor agency on global migration and remittances.

Other large recipients include Pakistan, Bangladesh, Nigeria, Vietnam, Egypt and Lebanon.

While the economic slowdown is dampening employment prospects for migrant workers in some high-income countries, global remittances, nevertheless, are expected to stay on a growth path and, by 2014, are forecast to reach \$515 billion.

Of that, \$441 billion will flow to developing countries, according to the latest issue of the Bank's Migration and Development Brief, released yesterday at the fifth meeting of the Global

Forum on Migration and Development in Geneva.

"Despite the global economic crisis that has impacted private capital flows, remittance flows to developing countries have remained resilient, posting an estimated growth of 8 percent in 2011," said Hans Timmer, director of the bank's Development Prospects Group.

"Remittance flows to all developing regions have grown this year, for the first time since the financial crisis."

High oil prices have helped provide a cushion for remittances to Central Asia from Russia and to South and East Asia from the Gulf Cooperation Council (GCC) countries.

Also, a depreciation of currencies of some large migrant-exporting countries (including Mexico, India and Bangladesh) created additional incentives for remittances as goods and services in these countries became cheaper in US dollar terms.

Remittance flows to four of the six World Bank-designated developing regions grew faster than expected --- by 11 percent to Eastern Europe and Central Asia, 10.1 percent to South Asia,

7.6 percent to East Asia and Pacific and 7.4 percent to Sub-Saharan Africa, despite the difficult economic conditions in Europe and other destinations of African migrants.

In contrast, growth in remittance flows to Latin America and the Caribbean, at 7 percent, was lower than expected due to continuing weakness in the US economy, while the Middle East and North Africa, affected by civil conflict and unrest related to the "Arab Spring", registered the slowest growth (2.6 percent) among developing regions.

WB expects continued growth in remittance flows going forward, by 7.3 percent in 2012, 7.9 percent in 2013 and 8.4 percent in 2014.

There are, however, some serious downside risks to the Bank's outlook for international remittance and migration flows. Persistent unemployment in Europe and the US is affecting employment prospects of existing migrants and hardening political attitudes toward new immigration. Volatile exchange rates and uncertainty about the direction of oil prices also present further risks to the outlook for remittances.

More recently, some of the

GCC countries, which are critically dependent on migrant workers, are considering tighter quotas for migrant workers to protect jobs for their own citizens.

"Such policies may impact remittance flows to developing countries in the longer term," said Dilip Ratha, manager of the bank's Migration and Remittances Unit and a co-author of the Migration and Development Brief. "But in the medium-term the risk of disruption to these flows is relatively low."

Remittance flows would receive a further boost if the global development community achieves the agreed objective of reducing global average remittance costs by 5 percentage points in 5 years (the '5 by 5' objective of the G8 and the G20).

Remittance costs have fallen steadily from 8.8 percent in 2008 to 7.3 percent in the third quarter of 2011 due to increasing competition in large volume remittance corridors such as UK-Nigeria and UAE-India. However, remittance costs continue to remain high, especially in Africa and in small nations where remittances provide a life line to the poor.

"In addition to streamlining

regulations governing remittance service providers, there is a pressing need to improve data on remittance market size at the national and bilateral corridor level," said Ratha. "That will stimulate market competition and also help in more accurate monitoring of progress towards the '5 by 5' objective."

The World Bank has made considerable strides in developing financing instruments for leveraging migration and remittances for national development purposes.

Diaspora bonds can be a powerful financial instrument for mobilizing diaspora savings to finance specific public and private sector projects, as well as to help improve the debt profile of the destination country.

The bank has established a Task Force on the Implementation of Diaspora Bonds to facilitate the provision of technical assistance to developing country governments.

"The bank now houses considerable expertise in this area and we look forward to working with client governments in developing alternative sources of financing for development projects," said Ratha.



MR. LIGHT  
Abdul Gafoor, chief executive officer of Moonway General Trading, Dubai, UAE, opens a service centre for the company's flagship brands -- Mr. Light and Mr. Plus -- at Rajuk Trade Centre in Dhaka recently.

## New top brass for City Bank

STAR BUSINESS DESK

City Bank has recently elected Rubel Aziz as its chairman and Meherun Haque as vice chairperson, the bank said in a statement yesterday.



Rubel Aziz

The election took place in a recent board meeting of the bank, the statement added. Aziz is the managing director of Partex Group companies, including Partex Beverage, Partex Jute Mills, Partex Plastics, Partex Accessories; and director of Amber Cotton Mills, Partex Sugar Mills, Partex Denim Ltd.

He is also the chairman of Janata Insurance Company, director of IDLC Finance, vice chairman of

## Akhaura land port faces strike

UNB, Brahmanbaria

Export and import activities between Bangladesh and India through Akhaura land port remained suspended since yesterday morning due to a strike enforced by the businessmen of Tripura protesting a decision of Indian central government to give permit to retail business.

The businesspeople in Agartala informed Akhaura Land Port Export-Import Association about the strike on Wednesday, said Mohammad

## Unions want change as Greek government insists on reforms

AFP, Athens

Greek unions took to the streets Thursday to force the new government to change tack on its austerity policies as Prime Minister Lucas Papademos insisted he would press ahead with more spending cuts.

Papademos, in power since only November 11, wrote to the EU and International Monetary Fund that his government would implement the tough measures agreed last month in a second bailout for debt-stricken Greece after a May 2010 rescue.

"The government will take all measures necessary in order to implement the (October accord) ... and achieve the objectives of the economic programme, which is crucial for improving the long-term welfare of the Greek people," he said.

Union leaders said people were fed up with spending cuts and higher taxes and warned they could seek

## Starbucks says will create 5,000 jobs in Britain

AFP, London

US coffee chain Starbucks announced Thursday that it will create 5,000 jobs in Britain over the next five years as part of expansion plans that will greatly increase the number of drive-through outlets.

"Starbucks Coffee UK announced today its intent to create thousands of new jobs as it significantly steps up its drive-thru program following three years of development and strong customer response to the convenience of Starbucks coffee on-the-go," it said in an official statement.

"The move will see 200 new drive-thru stores opened over the next five years and will establish Starbucks as the market leader in this area."

"Combined with openings of conventional stores over the same period, the company expects



A Rouf Chowdhury, chairman of Bank Asia, cuts a cake at a programme to celebrate the bank's 12th anniversary at Bangabandhu International Conference Centre in Dhaka on Sunday. M Syeduzzaman and Anisur Rahman Sinha, former chairmen, were also present.

BANK ASIA

## Bangladesh plans to implement Busan pledges

UNB, Dhaka

It is important to establish more effective mutual accountability mechanisms for post-Busan support, said Finance Minister AMA Muhihith.

"Post-Paris and post-Accra experiences demonstrated the challenges involved in translating global policy commitments into corresponding and appropriate country-level practices, resulting in considerable 'unfinished business' regarding the full implementation of past aid effectiveness commitments."

The minister made the remarks while addressing the concluding session of the High Level Forum-4 in Busan, South Korea yesterday, according to a message received here.

Muhihith said global monitoring processes, such as the Paris Declaration Monitoring Surveys and UN-led Global Mutual Accountability Survey can support mutual accountability mechanisms at country level.

Consequently, he said, a suitable new

mechanism to monitor commitments made in Busan should be established.

Besides, it is crucial to institutionalise mechanisms to monitor performance and progress towards full implementation of global commitments at country level, he observed.

Muhihith mentioned that there are some progresses made by Bangladesh since Paris in the aid coordination architecture which are most relevant for the implementation of the Busan Outcome Document.

These include the main mechanism for advancing the country-level aid effectiveness agenda, and implementing the Busan Outcome Document is the joint cooperation strategy, which was agreed upon and signed by Bangladesh and its development partners in 2010.

Cabinet Secretary M Musharraf Hossain Bhuiyan, Economic Relations Division Secretary Iqbal Mahmood and Bangladesh Ambassador to the Republic of Korea Shahidul Islam, among others, were also present.

## Trade bodies launch films on fire safety

STAR BUSINESS REPORT

Garment makers and international buyers yesterday launched two documentary films on fire safety to grow awareness among workers.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) prepared the films -- 'Ar Agun Noy' and 'Akholi Shomoy'.

The first film is made to aware the workers and the second is for the management bodies.

Nineteen international brands led by H&M who have operations in Bangladesh funded the films, said Faruque Hassan, vice-president of BGMEA at the launching of the films at the association office.

The garment makers have made the films based on the experiences of fire incidents in the factories over the years, Hassan said.

The films were screened to train the

senior compliance officials of 19 international buyers and senior officials of garment factories to train the workers at factory level.

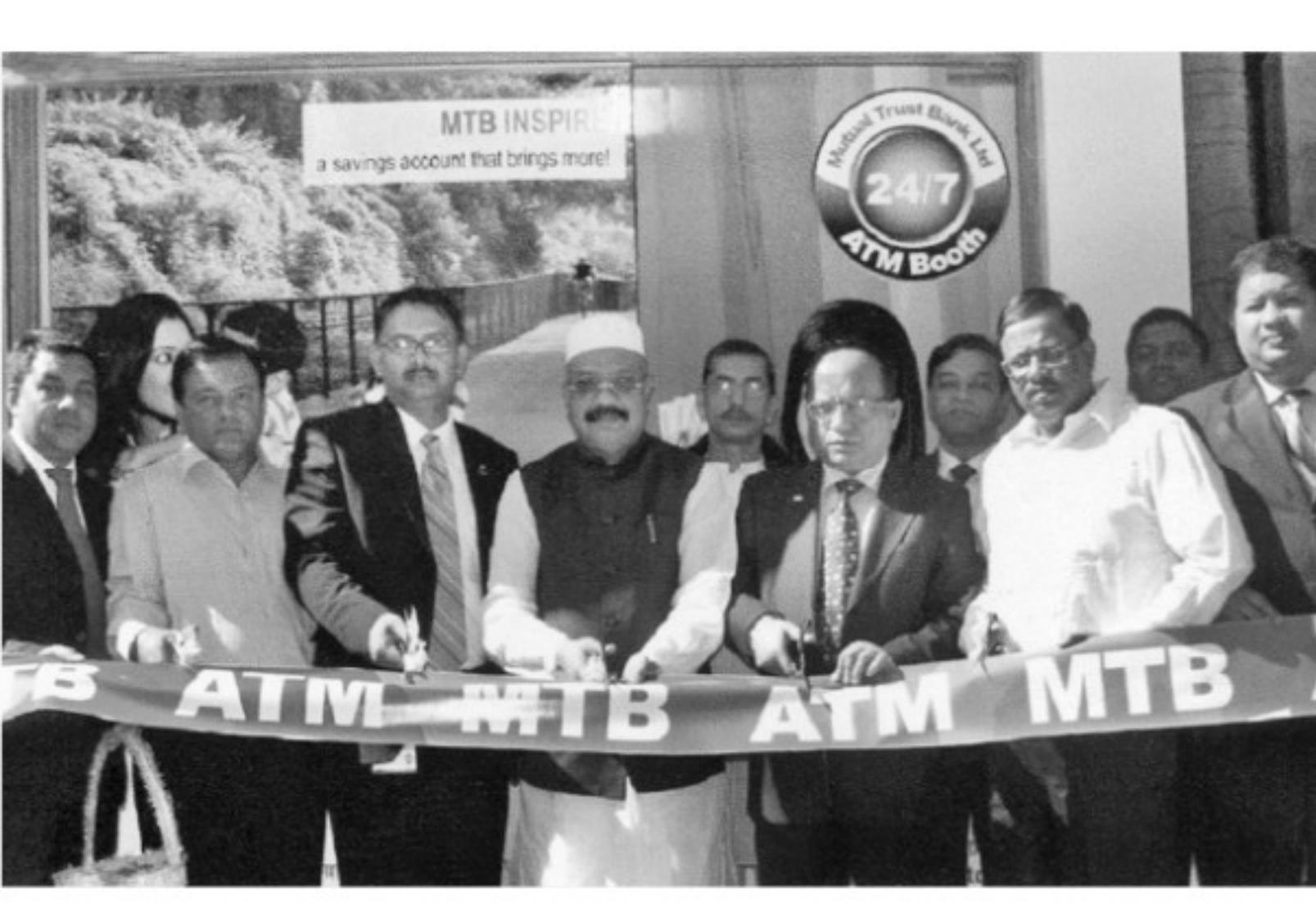
The films depict what to do when fire breaks out in a factory, he added.

"We will also telecast the films on television channels and cinema halls to create awareness among the workers on fire safety," said Hassan.

The international brands along with the local garment makers have come forward to make the films for creating awareness among the workers, said Payal Jain, regional CSR manager of H&M.

"We are trying to introduce a uniform safety measures for all the factories," Jain told The Daily Star after screening the films.

Both BGMEA and BKMEA along with the buyers will monitor the progress of the awareness and preparedness regarding fire safety at factory level in every month for the next two years, she said.



Badrul Uddin Ahmed Kamran, Sylhet City Corporation mayor, inaugurates an ATM booth of the bank at Zindabazar in Sylhet recently.



Kazi Samiur Rahman, managing director of TOTALGAZ Bangladesh, and Vijay Kumar, chairman and vice president for South Asia, attend a programme where the company concluded the yearly dealer sales competition programme, in Dhaka recently.



Barristers Rafique-ul Huq, independent director of RAK Ceramics Bangladesh, and SAK Ekramuzzaman, managing director, hand over a cheque for Tk 50 lakh to Kazi Rafiqul Alam, president of Dhaka Ahsan Mission (DAM), for the construction of a 500-bed specialised cancer hospital in Uttara, at a programme in Dhaka on Wednesday.