

DGEN
▲ 0.06%
4,849.94CSCX
▼ 0.08%
8,918.41Gold
\$1,680.94
(per ounce)Oil
\$98.76
(per barrel)MUMBAI
▼ 2.12%
15,870.35TOKYO
▲ 1.37%
8,653.82SINGAPORE
▲ 0.26%
2,701.72SHANGHAI
▼ 1.02%
2,291.55USD
79.50EUR
104.07GBP
122.26JPY
0.97BUY TK
80.50SELL TK
108.23

126.45

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BUSINESS

DHAKA TUESDAY DECEMBER 13, 2011, e-mail:business@thedailystar.net

Bangladesh on firm footing in global remittance: WB

REJAUL KARIM BYRON

Bangladesh has emerged as the eighth largest remittance earner, riding on the back of migration in flocks to the Middle East, according to a global survey by the World Bank.

Migrant deployments from Bangladesh grew strongly this year, the global lender said in its report after conducting the survey last week.

Migration in large numbers to the Middle East in the recent years has placed Bangladesh on a firm footing in remittance earning, observers told The Daily Star.

The WB Migration and Remittance Unit prepared an estimate for the whole year on the basis of information available until September.

Bangladesh's inward remittance stood at \$11.99 billion. India came in first with revenue earnings worth \$57.82 billion and China stood second at \$57.28 billion.

Among the developing countries, Bangladesh holds the fifth position.

Migration from Bangladesh for jobs increased rapidly since 2007, and it is the main contributor to the country's high remittance earning, said Zahid Hussain, a WB senior economist.

Before 2007, around two to four lakh Bangladeshis migrated abroad. In 2008 the figure rose to nine lakh in a single year.

Citing one of his studies, Hussain said remittance increases mainly due to two factors -- an increase in net migration and an increase in the per head remittance of the expatriate worker.

Hussain said remittance increased 32.5 percent in 2008 -- 22 percent of which took place due to net migration. Remittance earning per worker increased by 10 percent, he added. "The trend still continues."

According to statistics from the expatriate welfare and overseas employment ministry, minimum annual migration stood at 4.75 lakh from 2007 to 2010, while the maximum was 8.75 lakh. However, in 2010, it slumped

to an extent and stood at 3.9 lakh.

According to statistics from the first ten months of this year, 4.59 lakh Bangladeshis migrated. Ministry officials said it will cross 5 lakh by the end of the year.

In developing countries, including Bangladesh, migration to the Middle East became more lucrative since the oil price hikes as the nations took on more development projects, hence generating demand for more workers.

High oil prices, hovering over \$100 a barrel in recent months, continue to provide a much-needed cushion for migrant workers in Gulf countries and Russia, the WB report added.

Remittance from the GCC (Gulf Cooperation Council) countries to Bangladesh and Pakistan -- where the GCC accounts for 60 percent or more of overall remittance inflow -- grew by 8 percent and 31 percent respectively in the first three quarters of 2011 on a year-on-year basis, the lender said.

However, the WB said there are risks associated with the ongoing debt crisis in Europe and high unemployment rates in the high-income OECD (The Organisation for Economic Co-operation and Development) countries for the employment prospects of

migrants.

Hussain said Bangladesh may escape the impacts of a second recession as most migrants go to the Middle East. Even if oil prices drop, the ongoing rate of development in those countries will require a large number of workers.

The economist said Qatar is building high tech stadiums, as the country will host the World Football Cup matches in 2022. The Middle Eastern nation will also hire workers from developing countries such as Bangladesh, he said.

Oil prices may slump due to the financial crisis in the US and Europe. But the prices may go up if demand increases in China and India, he said. In that case, the Gulf economies will witness no slow-down, he added.

TOP TEN REMITTANCE EARNERS IN 2011

FIGURES IN BILLION DOLLARS

INDIA	57.82
CHINA	57.28
MEXICO	23.63
PHILIPPINES	23.02
FRANCE	16.38
PAKISTAN	12.19
GERMANY	12.14
BANGLADESH	11.99
BELGIUM	10.89
SPAIN	10.84

Leave stockmarket alone Analysts say intervention cannot stabilise the market

STAR BUSINESS REPORT

Analysts yesterday said the stockmarket should be left alone and free from any type of intervention.

Any intervention, either by the government or the regulator, can only give rise to hopes among the retail investors, but cannot ensure sustainability of the market, they said at a discussion in the city yesterday.

The discussants also said there should be coordination among the government, market regulator, central bank, stock exchanges and other stakeholders.

The Centre for Policy Dialogue (CPD), a think tank, organised the discussion on the "state of the capital market and recent policy initiatives".

CPD Distinguished Fellow Dr Debapriya Bhattacharya moderated the dialogue, while Senior Research Fellow Dr Khondaker Golam Moazzem presented the keynote.

"There is no need to give incentives to the stockmarket," said Mirza Azizul Islam, an economist and a former finance adviser.

Advising the government to implement the packages that were already given to the market, he said the primary market can play a vital role in stabilising the market.

Still the initial public offerings (IPOs) are being oversubscribed, indicating the investors' interest in the primary market, he said.

The secondary market is widely



From left, Mirza Azizul Islam, former finance adviser of caretaker government; Debapriya Bhattacharya, distinguished fellow of Centre for Policy Dialogue (CPD); Khondkar Ibrahim Khaled, chairman of Bangladesh Krishibidya Bank; and Mustafizur Rahman, executive director of CPD, attend a dialogue on the stockmarket at BRAC Centre Inn in Dhaka yesterday.

devalued right now due to exuberant pessimism, and there are many securities where the investors can invest, he said.

"The market has almost touched its bottom line and time has come to go up. The market will surely revive," he added.

Islam, also a former chairman of the SEC, however, asked investors not to inject all their investable amount in the market. The investors should not also trade with credit and the investment portfolio should be diversified, he said.

"The existing securities laws are

good enough to regulate the market. The only need is proper implementation of the laws," he said.

K Mahmood Sattar, president of Association of Bankers, Bangladesh, said everyone is trying to give a solution to the crisis in the market, but it should not be like that. "The market will revive on its own," he said.

Hafiz Majumder MP, chairman of Pubali Bank, said the stockmarket should not be controlled. "It should be left to run on its own," he said.

If the financial markets could have been controlled, the western world would not have suffered the

financial crisis, he said.

Faruq Ahmad Siddiqi, another former chairman of the SEC, said there is a tendency of interfering with the market whenever the market falls. "But does it mean the market is stable when it rises?" he questioned.

"By giving packages or incentives we are making the market more unstable," he said.

He also said there is a lack of coordination among the government, SEC, central bank, insurance regulatory authority and the stock exchanges.

Former finance minister M Syeduzzaman said all regulatory bodies are concentrating more on the secondary market, ignoring the primary market. "But the focus should be on the primary market," he said.

He also urged the SEC to revise the newly issued notification on sponsors' share holding, as the paid-up capital structure of the financial sector is different from other sectors.

Ahsanul Islam, senior vice-president of the Dhaka Stock Exchange, said: "We are trying to identify the problems behind the fall in the market. But we did not check why the market soared."

Prof Bazlul Haque Khondker, chairman of Agrani Bank, Al Maruf Khan, president of the Chittagong Stock Exchange, and Yawer Sayeed, managing director of AIMS of Bangladesh, also participated in the discussion.

MCCL re-elects president

STAR BUSINESS DESK

Amjad Khan Chowdhury, managing director of Pran-RFL group, was yesterday re-elected as the president of Metropolitan Chamber of Commerce and Industry for 2012, the chamber said in a statement. The election took place in the first meeting of the chamber's new committee.

A leading entrepreneur, Chowdhury has



Amjad Khan Chowdhury

investments in different sectors, including light engineering, plastic & PVC pipe, milk products and processed agricultural goods. MCCL also re-elected Nihad Kabir, bar-at-law, as its vice president.

Senior partner at Syed Ishtiaq Ahmed and Associates, she is also a director at BRAC Bank, Infrastructure Development Co Ltd and Kedarpur Tea Co Ltd.

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